

Catahoula Parish School Board

Harrisonburg, Louisiana

June 30, 2017

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1946

Independent Auditor's Report

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JUNEAU, C.P.A.
CINDY L. HUMPHRIES, C.P.A.

DEBORAH R. DUNN, C.P.A.
REBECCA G. NATION, C.P.A.
EVELYN T. RENFROW, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

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

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress for post-employment health care and life insurance benefits, schedules of employer's share of net pension liability, schedules of employer contributions, and notes to required supplemental information labeled "Required Supplemental Information" in the table of contents (Part I and Part II) 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 supplemental 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 Catahoula Parish School Board's basic financial statements. The schedule of compensation paid board members and the schedule of compensation, benefits, and other payments to the agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017, on our consideration of the Catahoula Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Catahoula Parish School Board's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants
Alexandria, Louisiana

December 11, 2017

Required Supplemental Information – Part I

Management's Discussion and Analysis

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2017**

The discussion and analysis of Catahoula Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the School Board's financial performance.

Government-wide Financial Statements:

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

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

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

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

Fund Financial Statements:

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

Governmental Funds:

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2017**

impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Striving Readers Fund. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds.

The School Board adopts annual appropriated budgets for the General Fund and Special Revenue Funds. Budgets were not adopted for Debt Service Funds. As such, a budget to actual was not prepared for the Debt Service Funds.

Fiduciary Funds:

Fiduciary Funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because of the resources of those funds are not available to support the School Board's programs. The sole fiduciary fund of the School Board is the School Activity Fund, which contains monies belonging to the schools, their students, clubs, and other activities.

Notes to the financial statements:

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

Financial Analysis of the Entity

**Statement of Net Assets
As of June 30, 2017**

Current and other assets	\$ 5,977,155
Investments	274,003
Deferred Outflow of Resources Due to Pensions	5,312,030
Capital Assets	<u>5,306,363</u>
Total Assets	\$ 16,869,551
Other liabilities	\$ 2,211,401
Compensated Absences Payable	372,078
Pension Liability & Deferred Inflow	20,875,856
Post-employment benefit obligation	5,856,128
Bonds Payable	<u>1,080,000</u>
Total Liabilities	<u>\$ 30,395,463</u>

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2017**

Net Assets	
Invested in capital assets, net of debt	\$ 4,226,363
Restricted for debt service	144,774
Restricted for salaries & benefits	69,175
Grants	5,271
Unrestricted	<u>(17,971,495)</u>
Total Net Assets	\$ (13,525,912)

- Capital assets, which are reported net of depreciation, account for 46% of the total assets of the School Board. This does not include the Deferred Pension Outflow.
- Bonds payable account for 29% of total liabilities reported. This does not include the Net Pension Liability or the Post-employment benefit obligation.
- Net assets invested in capital assets account for 54% of the total net assets reported. This does not include the Net Position due to pensions or post-employment benefit obligation.
- Unrestricted net assets account for 44% of the total net assets reported. This does not include the Net Position due to pensions or post-employment benefit obligation.

**Changes in Net Assets
For the year ended June 30, 2017**

Revenues	
Charges for services	\$ 58,074
Operating Grants	3,069,073
General Revenues	
Property Taxes	981,524
Sales Taxes	2,729,598
Rents/Leases	137,881
Earnings on Investments	14,932
MFP	9,476,360
Other	<u>172,235</u>
Total Revenues	\$ 16,639,677
Expenses	
Regular Education	\$ 6,479,190
Special Education	1,839,409
Vocational Education	796,223
Other Instructional	390,941
Special Programs	793,818
Adult Education	248,652
Pupil Support	1,110,837
Instructional Staff Support	1,033,736
General Administrative	455,606
School Administration	794,260
Business Services	550,009

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2017**

Operations & Maintenance	1,380,135
Pupil Transportation	1,310,611
Central Services	27,691
Community Services	14,977
Facility Acquisition	-
Unallocated Depreciation	-
Interest on Debt Services	28,680
Transfer to Charter Schools	254,470
Food Services	1,193,971
Total Expenses	<u>\$ 18,703,216</u>
 Excess (Deficiency) of Revenue over Expenses	 \$ (2,063,539)

- Property tax collections increased by \$70,315 or 8% due to rolling up the millage rates at reassessment.
- Sales tax collections decreased from the prior by \$34,819 or 1%.
- MFP accounts for 57% of total revenues, even though there was a significant reduction in funding due to student loss.
- Grant funding decreased 16%, due to the end of SRCL multi-million/multi-year grant.
- Most other revenue and expense accounts did not change significantly from prior year.

Capital Asset and Debt Administration

Capital Assets

At the end of 2017, the Catahoula Parish School Board had \$5,306,363 invested in a broad range of capital assets, including land, buildings, and equipment.

This amount represents a net decrease of \$202,517 or 4%. This decrease includes all additions, deletions, and annual depreciation.

Capital Assets at Year-end
(Net of Depreciation)

	2016	2017
Land and land improvements	\$ 2,391,000	\$ 2,390,950
Buildings	2,869,929	2,700,760
Equipment	247,951	\$ 214,653
Totals	\$ 5,508,880	\$ 5,306,363

Long-term Debt

At the end of the current fiscal year, the Catahoula Parish School Board had bonded debt outstanding of \$1,080,000. This includes Qualified School Construction Bonds that are low interest.

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2017**

Variations Between Original and Final Budgets

Sales Tax collections were as expected for the year. The expenses were higher due to a variety of issues mainly relating to the increased salaries and benefits costs. In addition, the transfer of local dollars to charter schools increased by 8%.

Economic Factors and Next Year's Budgets

Growth of the parish seems to be in a continued state of decline. Student population for 2017-2018 has decreased from 2016-2017, however, not at the rate from the previous year. The board will still have a substantial mid-year adjustment for the 2017-2018 MFP, but it should not be at the level to require a budget revision and will be much smaller than the mid-year cut that occurred in 2016-2017.

The Catahoula Parish School Board's elected officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- Property tax millages were levied at the same amount as the previous year.
- Teacher's retirement increased by 1.1%, but decreased 1.6% for TRS-B.
- School Employee's retirement increased .3%.
- State Group Insurance rates did not increase.
- The board made some budget cuts for one year only to counteract the decreased MFP.
- Other expenditures are expected to remain the consistent with the current year.

The Catahoula Parish School Board expects that next year's results will be a significant deficit that will go against the current fund balance. The board has named a Long Range Planning Committee to begin to seek solutions to the continued deficit situation.

Contacting the Catahoula Parish School Board's Management

This financial report is designed to provide a general overview of the School Board's finances with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Christinia Faust, Business Manager, Catahoula Parish School Board, P.O. Box 690, Harrisonburg, LA 71340.

Basic Financial Statements

Government-Wide Financial Statements (GWFS)

**Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Net Position
Governmental Activities
June 30, 2017**

Exhibit A

Assets		
Cash and cash equivalents		\$ 4,979,505
Certificates of deposit		100,003
Receivables		316,669
Due from other governmental agencies		641,599
Inventories		39,382
Restricted certificates of deposit		174,000
Capital assets		
Nondepreciable		
Land	2,365,000	
Depreciable		
Land improvements	295,700	
Buildings and improvements	28,380,613	
Furniture and equipment	721,769	
Less - accumulated depreciation	<u>(26,456,719)</u>	
Net Capital Assets		<u>5,306,363</u>
Total Assets		<u><u>11,557,521</u></u>
Deferred Outflow of Resources		
Deferred outflow of pension resources		5,312,030
Liabilities		
Accounts payable and accrued expenses		65,047
Due to other governmental agencies		233
Salaries and employee benefits payable		2,145,921
Unearned revenues		200
Long-term liabilities		
Due within one year		
Bonds payable		30,000
Compensated absences		372,078
Due in more than one year		
Bonds payable		1,050,000
Net pension liability		19,887,362
Post-employment benefit obligation		<u>5,856,128</u>
Total Liabilities		<u><u>29,406,969</u></u>
Deferred Inflow of Resources		
Deferred inflow of pension resources		<u>988,494</u>
Net Position		
Net investment in capital assets		4,226,363
Restricted for		
Salaries and related benefits		69,175
Grants		5,271
Debt service		144,774
Unrestricted		<u>(17,971,495)</u>
Total Net Position		<u><u>\$ (13,525,912)</u></u>

The accompanying notes are an integral part of the financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Activities
Governmental Activities
For the Year Ended June 30, 2017**

Exhibit B

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Current				
Instruction				
Regular programs	\$ 6,479,190	\$ -	\$ 152,730	\$ (6,326,460)
Special education programs	1,839,409	-	134,340	(1,705,069)
Vocational programs	796,223	-	29,631	(766,592)
Other instructional programs	390,941	6,140	113,108	(271,693)
Special programs	793,818	-	824,290	30,472
Adult and continuing education programs	248,652	-	227,977	(20,675)
Support services				
Student services	1,110,837	-	118,239	(992,598)
Instructional staff support	1,033,736	-	663,320	(370,416)
General administration	455,606	-	-	(455,606)
School administration	794,260	-	-	(794,260)
Business services	550,009	-	-	(550,009)
Plant services	1,380,135	-	27,224	(1,352,911)
Student transportation services	1,310,611	-	859	(1,309,752)
Central services	27,691	-	-	(27,691)
Food services	1,193,971	51,934	777,355	(364,682)
Community service programs	14,977	-	-	(14,977)
Debt Service				
Interest expense and other charges	28,680	-	-	(28,680)
Total Governmental Activities	<u>\$ 18,448,746</u>	<u>\$ 58,074</u>	<u>\$ 3,069,073</u>	<u>(15,321,599)</u>
General Revenues				
Taxes				
Property taxes levied for				
General purposes				896,010
Debt service				85,514
Sales taxes levied for				
General purposes				1,140,664
Salaries and related benefits				1,588,934
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				9,476,360
State revenue sharing				49,199
Rentals and leases				137,881
Investment earnings				14,932
Miscellaneous				123,036
Local revenue transfers - other LEAs				(254,470)
Total General Revenues				<u>13,258,060</u>
Change in Net Position				(2,063,539)
Net Position, Beginning of Year, as Restated				<u>(11,462,373)</u>
Net Position, End of Year				<u>\$ (13,525,912)</u>

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

**Catahoula Parish School Board
Harrisonburg, Louisiana
Balance Sheet
Governmental Funds
June 30, 2017**

Exhibit C

	<u>General Fund</u>	<u>Title I Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 4,104,930	\$ -	\$ 874,575	\$ 4,979,505
Certificates of deposit	100,000	-	3	100,003
Receivables	315,435	-	1,234	316,669
Due from other funds	573,676	15,883	-	589,559
Due from other governmental agencies	20,775	280,776	340,048	641,599
Inventories	-	-	39,382	39,382
Restricted certificates of deposit	-	-	174,000	174,000
Total Assets	\$ 5,114,816	\$ 296,659	\$ 1,429,242	\$ 6,840,717
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 62,572	\$ -	\$ 2,475	\$ 65,047
Due to other funds	-	285,903	303,656	589,559
Due to other governmental agencies	205	28	-	233
Salaries and employee benefits payable	2,027,868	10,728	107,325	2,145,921
Unearned revenues	200	-	-	200
Total Liabilities	2,090,845	296,659	413,456	2,800,960
Fund Balances				
Nonspendable				
Inventories	-	-	39,382	39,382
Restricted				
Salaries and related benefits	69,175	-	-	69,175
Grants	-	-	5,271	5,271
Debt Service	-	-	144,774	144,774
Committed	-	-	826,359	826,359
Assigned				
Worker's Compensation	250,039	-	-	250,039
Casualty Reserve	100,000	-	-	100,000
Medicaid	105,240	-	-	105,240
Insurance Settlement Fund	23,810	-	-	23,810
Unassigned	2,475,707	-	-	2,475,707
Total Fund Balances	3,023,971	-	1,015,786	4,039,757
Total Liabilities and Fund Balances	\$ 5,114,816	\$ 296,659	\$ 1,429,242	\$ 6,840,717

The accompanying notes are an integral part of the financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2017**

Exhibit D

Total Fund Balances - Governmental Funds **\$ 4,039,757**

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the fund financial statements.

Cost of capital assets	31,763,082	
Less - accumulated depreciation	<u>(26,456,719)</u>	5,306,363

Deferred outflow of pension resources are not current assets or financial resources and, therefore, are not reported in the fund financial statements.

5,312,030

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements.

Compensated absences payable	(372,078)	
Bonds payable	(1,080,000)	
Net pension liability	(19,887,362)	
Post-employment benefit obligation	<u>(5,856,128)</u>	(27,195,568)

Deferred inflow of pension resources are not due and payable in the current year and, therefore, are not reported in the fund financial statements.

(988,494)

Net Position **\$ (13,525,912)**

The accompanying notes are an integral part of the financial statements.

Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

Exhibit E

	General Fund	Title I Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local sources				
Taxes				
Property	\$ 431,252	\$ -	\$ 550,272	\$ 981,524
Sales and use	2,729,598	-	-	2,729,598
Rentals and leases	137,881	-	-	137,881
Tuition	6,140	-	-	6,140
Food services	-	-	51,934	51,934
Investment earnings	10,770	-	4,162	14,932
Other revenue from local sources	51,585	-	156,333	207,918
State sources				
Minimum Foundation Program	9,277,180	-	199,180	9,476,360
State revenue sharing	22,669	-	26,530	49,199
Other revenue from state sources	84,133	-	193,643	277,776
Federal sources	-	717,602	1,931,542	2,649,144
Total Revenues	12,751,208	717,602	3,113,596	16,582,406
Expenditures				
Current				
Instruction				
Regular programs	5,829,186	-	43,980	5,873,166
Special education programs	1,574,180	-	99,424	1,673,604
Vocational programs	691,952	-	29,630	721,582
Other instructional programs	243,198	-	109,697	352,895
Special programs	18,646	381,770	362,954	763,370
Adult and continuing education programs	3,484	-	-	3,484
Support services				
Student services	900,428	9,937	220,048	1,130,413
Instructional support staff	303,697	246,236	108,303	658,236
General administration	408,036	-	400,001	808,037
School administration	696,627	-	20,016	716,643
Business services	505,725	-	35,384	541,109
Plant services	914,921	24,515	3,174	942,610
Student transportation services	1,201,493	-	368,850	1,570,343
Central services	6,453	-	18,356	24,809
Food services	216,902	-	21,238	238,140
Community service programs	6,345	-	911,770	918,115
Debt service				
Principal	-	-	30,000	30,000
Interest and other charges	-	-	28,680	28,680
Capital outlay	16,049	-	13,360	29,409
Total Expenditures	13,537,322	662,458	2,824,865	17,024,645
Excess (Deficiency) of Revenues over Expenditures	(786,114)	55,144	288,731	(442,239)
Other Financing Sources (Uses)				
Transfers in	159,687	15,883	133	175,703
Transfers out	-	(71,027)	(104,676)	(175,703)
Local revenue transfers - other LEAs	(254,470)	-	-	(254,470)
Total Other Financing Sources (Uses)	(94,783)	(55,144)	(104,543)	(254,470)
Net Change in Fund Balances	(880,897)	-	184,188	(696,709)
Fund Balances, Beginning of Year, as Restated	3,904,868	-	831,598	4,736,466
Fund Balances, End of Year	\$ 3,023,971	\$ -	\$ 1,015,786	\$ 4,039,757

The accompanying notes are an integral part of the financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Exhibit F

Net Change in Fund Balances - Governmental Funds **\$ (696,709)**

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

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.

Capital outlays	29,409	
Less - depreciation expense	<u>(231,926)</u>	(202,517)

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as an expenditure.

1,524,910

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal retirement		30,000
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In the Statement of Activities, certain operating expenses are measured by the amounts consumed during the year. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid).

(Increase) decrease in compensated absences accrued		26,521
(Increase) decrease in net pension liability accrued		(1,763,718)
(Increase) decrease in post-employment benefit obligation		<u>(982,026)</u>

Change in Net Position of Governmental Activities **\$ (2,063,539)**

The accompanying notes are an integral part of the financial statements.

Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2017

Exhibit G

	<u>School Activity Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 142,834
Certificates of deposit	3,130
Total Assets	<u><u>\$ 145,964</u></u>
Liabilities	
Deposits due others	<u>\$ 145,964</u>
Total Liabilities	<u><u>\$ 145,964</u></u>

The accompanying notes are an integral part of the financial statements.

Notes to Basic Financial Statements

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

1. Reporting Entity and Significant Accounting Policies

Reporting Entity

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

The School Board operates 6 schools within the parish with a total enrollment of approximately 1,309 at the October 1, 2016 count date. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies, and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Basis of Presentation

The School Board's Basic Financial Statements consist of Government-Wide Financial Statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Government-Wide Financial Statements – The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the School Board as a whole.

Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and School Board general revenues, from business-type activities (if any), generally financed in whole or in part with fees charged to external customers. The activity of internal service funds (if any), is eliminated to avoid duplicating revenues and expenses. The School Board does not have any business-type activities or internal service funds.

The Statement of Net Position presents the financial position of the governmental activities at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The School Board charges indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the School Board's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, if any, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include property taxes, sales taxes, Minimum Foundation Program receipts, state revenue sharing, interest, and other unrestricted revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the School Board.

Fiduciary activities are not included at the government-wide reporting level. Fiduciary funds are reported only in the fiduciary funds Statement of Assets and Liabilities at the fund financial statement level.

Fund Financial Statements – The accounting system is organized on the basis of funds. The financial transactions of the School Board are recorded in individual funds, 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 include its assets, liabilities, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate "fund types". The School Board uses the following fund types: Governmental funds are used to account for all or most of the School Board's general activities, including the collection and disbursement of specifically or legally restricted monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), the servicing of general long-term debt (debt service funds), and the recording of activity related to endowment funds (permanent funds). The fund financial statements report financial information by major funds and nonmajor funds.

The following governmental funds are considered major funds:

- General Fund - The general operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.
- Title I Fund - This fund accounts for the proceeds of the Title I grant designed to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

All other funds are considered nonmajor funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. There is only one fiduciary fund:

- School Activity Agency Fund – This fund accounts for monies generated by the individual schools and certain organizations within the schools of Catahoula Parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The more significant of the School Board's accounting policies are described below.

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (collected within ninety days after year-end, except for property taxes where sixty days is used). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debts are recorded only when payment is due. Budgets are prepared and adopted using the same basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Property taxes are recorded in the year the taxes are due and payable. Property taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Property taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current fiscal year.

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded when available and measurable. State equalization entitlement funds are recognized when the School Board is entitled to them. State revenue sharing, which is based on population and homesteads in the parish, is recorded as revenue in the year received which coincides with the recognition of the related property taxes discussed above. Federal and state grants are recorded when the School Board is entitled to the funds, usually after reimbursable expenditures have been incurred.

Sales taxes are recognized in the period when the underlying sales or use transaction occurred.

Federal commodities are recognized as revenues when received.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Revenue from services provided to other local governments is recorded as other revenues from local sources when the School Board is entitled to the funds.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available.

Substantially all other revenues are recognized when received by the School Board.

Based on the above criteria, sales taxes, federal and state grants, and certain revenues from local sources have been treated as susceptible to accrual.

Expenditures

Salaries are recorded as expenditures when earned by employees. The salaries for teachers and most other school-level employees are earned over a nine-month period but may be paid over a twelve-month period.

Purchases of various operating supplies, etc. are recorded as expenditures in the accounting period in which they are purchased.

Food costs are recognized as expenditures in the accounting period in which the food is consumed.

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

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, proceeds from indebtedness, the sale of fixed assets, and proceeds from insurance are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds

Agency funds, unlike all other types of funds, report only assets and liabilities. Therefore agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Budget and Budgetary Accounting

Preliminary budgets for the ensuing year are prepared by the business manager and made available for public inspection and comments from the taxpayers at the School Board office during August. At a board meeting in September, a public hearing is held and the proposed budgets are legally adopted by the School Board. The budgets, which include proposed expenditures and the means of financing them, are published in the official journal at least 15 days prior to the public hearings.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

The School Board adopted budgets for the General Fund and all special revenue funds. Budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year-end and must be reappropriated during the following year to be expended. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent of schools is authorized to transfer amounts between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying required supplemental information include the original adopted budget and all subsequent amendments.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and time deposits, if any, with an original maturity of three months or less from the date of acquisition.

Certificates of Deposit

The bank certificates of deposit have a maturity of more than three months when purchased. These certificates of deposit are stated at cost which approximates fair value.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

Inventory

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. Inventory is recorded as expenditures when consumed, using a first-in, first-out basis. Inventory on hand at year-end is reported as nonspendable fund balance to indicate that it is not a part of expendable available financial resources.

Capital Assets

In the government-wide financial statements, capital assets are capitalized and depreciated on a straight line method over their estimated useful lives. The School Board has adopted a capitalization threshold of \$5,000 for reporting purposes. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. A breakdown of the asset valuation between actual and estimated cost is not available. Donated capital assets, if any, are valued at their estimated fair market value on the date received. Useful lives are approximately 40 years for buildings and 3 to 20 years for land and building improvements, furniture, and equipment.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed. Interest costs on debt used to finance the construction of assets are not capitalized.

In the fund financial statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds.

No provision is made for depreciation on capital assets in the fund financial statements since the full cost is expensed at the time of purchase or construction.

Interfund Transactions

In the governmental funds, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Interfund balances are eliminated in the government-wide financial statements.

Compensated Absences

Vested or accumulated sick or vacation leave that is expected to be liquidated with expendable available financial resources is recognized as a governmental fund liability and expenditure of the governmental fund that will pay it. This includes payments that come due before the end of the reporting period upon the occurrence of employee resignation, retirement, or death that will be paid during the first month of the following year. Vested or accumulated leave is not reported in the fund financial statements. The full liability and related costs are reported in the government-wide financial statements.

All twelve month employees earn from 10 to 18 days of vacation leave each year, depending upon length of service with the School Board. Vacation leave can be accumulated up to a maximum of twenty-four days for employees with up to 10 years of experience and thirty-six days for those employees with more than 10 years of experience. Upon separation from service, all unused vacation leave is paid to the employee at their daily rate of pay.

All School Board employees earn from 10 to 18 days of sick leave each year, depending upon length of service with the School Board. All sick leave can be accumulated without limitation. Upon retirement or death, employees or their heirs are paid for up to 25 days of accumulated sick leave at the employee's current rate of pay. The estimated liability for vested sick leave benefits is considered long-term and is not recorded in the fund financial statements. The estimated liability includes required salary-related payments. Under the Louisiana Teachers' Retirement System, all accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System and for sick leave earned under the Louisiana School Employees' Retirement System, all accumulated sick leave, excluding the 25 days paid to the employee, is used in the retirement benefit computation as earned service.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Sabbatical leave may be granted for professional and cultural improvement and for medical reasons. 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. Professional and cultural improvement sabbaticals are restricted in nature as a condition of the leave and, therefore, are considered only a change in the types of services being rendered and not subject to accrual. Medical sabbaticals require the use of virtually all sick leave before a sabbatical can be taken and are not material. Sabbatical leave benefits are recorded as expenditures in the period paid.

Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are not reported in the Balance Sheet for the fund financial statements. All liabilities, including long-term debt, are included on the face of the Statement of Net Position in the government-wide financial statements. Interest expense on long-term debt is recognized in the government-wide financial statements as the interest accrues, regardless of when it is due.

Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently the School Board has only one that qualifies for reporting in this category, deferred outflow of pension resources.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to future periods and so will not be recognized as inflow of resources (revenues) until that time. The School Board has only one item that qualifies for reporting in this category, deferred inflow of pension resources. These amounts will be recognized as an inflow of resources in the period that the amounts become available.

Net Position

The net position is reported as restricted when constraints placed on the net position's use is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

In cases where restricted and unrestricted monies are received by the School Board for the same function or purpose, the restricted monies are used first.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Fund Balances

Nonspendable fund balances include amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. Restricted fund balances represent those portions of fund balance that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the nine member school board. Formal action of the School Board to establish or rescind committed funds is by adopting a resolution in a public meeting. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balances. In cases where restricted and unrestricted monies are received by the School Board for the same function or purpose, the restricted monies are used first. Unrestricted monies are then spent in the following order: committed, assigned, and unassigned.

Sales Tax

On November 18, 1967, voters of Catahoula Parish passed a one percent sales tax for an indefinite period of time. Seventy-five percent (75%) of the proceeds is dedicated to salaries of school teachers and other School Board employees, while the remaining twenty-five percent (25%) of the proceeds is dedicated to the operation of the parish school system.

On April 7, 1987, voters of the parish passed a one percent tax for an indefinite period of time. The tax is dedicated to the operation of the parish school system.

On November 4, 2008, voters of the parish passed an additional one percent tax for an indefinite period of time. The tax is dedicated to salaries of school teachers and other School Board employees.

All sales taxes are collected by the Concordia Parish School Board and deposited in a bank account for the Catahoula Parish School Board. For its collection services, the Concordia Parish School Board receives one and a quarter percent (1.25%) of collected sales taxes. The sales taxes are recorded as revenue in the general fund.

Estimates

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

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

2. Cash and Cash Equivalents and Certificates of Deposit

Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. At June 30, 2017, the School Board had cash and cash equivalents and certificates of deposit as follows:

Cash and cash equivalents – Governmental Funds	\$ 4,979,505
Certificates of deposit – Governmental Funds	100,003
Cash and cash equivalents – Fiduciary Funds	142,834
Certificates of deposit – Fiduciary Funds	3,130
Total unrestricted cash, cash equivalents, and certificates of deposit	\$ 5,225,472
 Restricted certificates of deposit	 \$ 174,000

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. As of June 30, 2017, the School Board's bank balance of \$5,911,234 was covered by depository insurance or collateral held by fiscal agent banks for Catahoula Parish School Board.

3. Receivables and Due from Other Governmental Agencies

Taxes receivable	\$ 235,870
Other receivables	80,799
Subtotal	316,669
Due from other governmental agencies	641,599
	\$ 958,268

Description	Sales Taxes	Federal and State Grants	Other	Total
General Fund	\$ 235,870	\$ 20,775	\$ 79,565	\$ 336,210
Title I Fund	-	280,776	-	280,776
Other Governmental Funds	-	340,048	1,234	341,282
	\$ 235,870	\$ 641,599	\$ 80,799	\$ 958,268

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

4. Interfund Assets, Interfund Liabilities, and Operating Transfers

Due from/to other funds:

Individual balances due from/to other funds at June 30, 2017, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 287,773
General Fund	Title I Fund	285,903
Title I Fund	Other Governmental Funds	<u>15,883</u>
		\$ 589,559

Balances at June 30, 2017, resulted from the routine lag between the dates that interfund goods or services are provided and reimbursable expenditures occur. Transactions are recorded in the accounting system, and payments between funds are made to satisfy the balances.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Title I Fund	\$ 71,027
General Fund	Other Governmental Funds	88,660
Title I Fund	Other Governmental Funds	15,883
Other Governmental Funds	Other Governmental Funds	<u>133</u>
		\$ 175,703

Transfers are used to (1) move revenues from the collecting fund required by statute, voter-approved resolution or budget to the fund required by statute or budget to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

5. Capital Assets

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

	<u>Balance at July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2017</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,365,000	\$ -	\$ -	\$ 2,365,000
Total Capital Assets Not Being Depreciated	2,365,000	-	-	2,365,000
Other Capital Assets				
Land improvements	295,700	-	-	295,700
Buildings and improvements	28,380,613	-	-	28,380,613
Furniture and equipment	<u>832,707</u>	<u>29,409</u>	<u>(140,347)</u>	<u>721,769</u>
Total Other Capital Assets	29,509,020	29,409	(140,347)	29,398,082

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

	Balance at July 1, 2016	Increases	Decreases	Balance at June 30, 2017
Less				
Accumulated depreciation				
Land improvements	269,700	50	-	269,750
Buildings and improvements	25,510,684	169,169	-	25,679,853
Furniture and equipment	<u>584,756</u>	<u>62,707</u>	<u>(140,347)</u>	<u>507,116</u>
Total Accumulated Depreciation	<u>26,365,140</u>	<u>231,926</u>	<u>(140,347)</u>	<u>26,456,719</u>
Other Capital Assets, Net	<u>3,143,880</u>	<u>(202,517)</u>	<u>-</u>	<u>2,941,363</u>
Governmental Activities Capital Assets, Net	\$ 5,508,880	\$ (202,517)	\$ -	\$ 5,306,363

Depreciation expense was charged to functions as follows:

Governmental Activities

Instruction

Regular programs	\$ 101,951
Special education programs	19,660
Vocational programs	8,433
Other instructional programs	4,439
Special programs	4,339
Adult and continuing education programs	2,959

Support services

Student services	10,193
Instructional staff support	10,089
General administration	3,359
School administration	8,914
Business services	6,674
Plant services	9,948
Student transportation services	31,196

Food services

Community service programs	1,138
Total	<u>8,634</u>
	\$ 231,926

6. Bonds Payable and Compensated Absences

General Obligation Debts

General obligation liabilities are direct obligations and pledge full faith and credit of the School Board.

During 2010, the School Board issued general obligation school bonds, Series 2010, in the amount of \$750,000 due in annual installments of \$10,000 to \$60,000 on March 1 of each year with an interest rate from 5.50% to 3.85% and maturing March 1, 2030. Debt retirement payments are made from the School District No. 25 Debt Service Fund.

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During 2011, the School Board issued revenue bonds (Taxable QSCB), Series 2011, in the amount of \$500,000 that require the School Board to make mandatory sinking fund deposits annually in the amount of \$29,000. The sinking fund deposits will result in a balloon principal payment of \$500,000 made payable upon the final maturity date of March 1, 2028. Interest payments are due on March 1 and September 1 of each year beginning September 1, 2011 with an interest rate of 0.61%. The revenue bonds are payable from the pledge and dedication of the funds to be derived from the levy and collection of the constitutional property tax millage currently set at 4.16 mills annually. The bonds were issued to provide funds for the purpose of construction, rehabilitation, and/or repair of public school facilities within the district.

In addition, the School Board's obligation relative to the liability for compensated absences is also reported as a general obligation debt.

A summary of changes in the general long-term obligations is as follows:

	<u>Bonds Payable</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance at July 1, 2016	\$ 1,110,000	\$ 398,599	\$ 1,508,599
Additions	-	53,487	53,487
Deductions	(30,000)	(80,008)	(110,008)
Balance at June 30, 2017	\$ 1,080,000	\$ 372,078	\$ 1,452,078

	<u>Balance 06/30/17</u>	<u>Due within one year</u>	<u>Due in more than one year</u>
Bonds payable	\$ 1,080,000	\$ 30,000	\$ 1,050,000
Compensated absences	372,078	372,078	-
Total	\$ 1,452,078	\$ 402,078	\$ 1,050,000

The annual requirement to amortize outstanding bonds payable is as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 30,000	\$ 27,030	\$ 57,030
2019	35,000	25,380	60,380
2020	35,000	23,455	58,455
2021	40,000	21,530	61,530
2022	40,000	19,990	59,990
2023-2027	230,000	75,503	305,503
2028-2030	670,000	16,332	686,332
Total	\$ 1,080,000	\$ 209,220	\$ 1,289,220

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7. Property Taxes

The following is a summary of authorized and levied property tax millage for the year ended June 30, 2017:

	<u>Authorized</u>	<u>Levied</u>	<u>Expiration Date</u>
Parishwide taxes -			
Constitutional	4.16	4.16	Indefinite
Special operational	5.85	5.85	2024
Special leeway	5.85	5.85	2023
School building repair and equipment	1.57	1.57	2026
District taxes -			
Maintenance:			
School District No. 1	5.11	5.11	2020
School District No. 2	5.03	4.69	2020
School District No. 5	4.01	4.01	*2017
School District No. 25	5.56	5.56	2020
Bond Sinking:			
School District No. 25	59.56	19.70	2027

*On April 29, 2017, the property tax millage for School District No. 5 was renewed beginning in 2018 until 2027.

The authorized millages are based on the reassessment of tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974. The Sheriff of Catahoula Parish, as provided by state law, is the official tax collector of general property taxes levied by the Catahoula Parish School Board. Historically, virtually all property taxes are collected since they are secured by property. Therefore, no allowance for uncollected taxes has been established.

For the fiscal year ending June 30, 2017, the property tax calendar was approximately as follows:

Levy date	July 12, 2016
Lien date	July 12, 2016
Due date	December 31, 2016
Delinquent date	January 1, 2017

8. Post-Retirement Health Care and Life Insurance Benefits

Plan Description

The School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The plan provisions and contribution rates are contained in the official plan documents of the OGB, available at www.info.groupbenefits.org - "Services" - "Health Plans". The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning

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of paragraph 22 of GASB Codification Section P50) for financial reporting purposes and for this valuation. The OGB "Medicare Advantage" plan has been assumed to apply to those employees after Medicare eligibility for purposes of 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 (DROP entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 65 and 5 years of service; or, early retirement – 20 years of service at any age. Employees hired on and after January 1, 2011 may not receive an unreduced retirement benefit before age 60.

Life insurance coverage under the OGB program is available to retirees by election and is based on a blended rate (active and retired). The employer pays 50% of the "cost" of the retiree life insurance, but it is based on the blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced by 25% at age 65 and by an additional 25% at age 70 according to the OGB plan provisions.

A financial report may be obtained by writing to Office of Group Benefits, 7389 Florida Boulevard, Suite 400, Baton Rouge, Louisiana 70806.

Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents of the OGB, available at www.info.groupbenefits.org - "Services" - "Health Plans".

Funding Policy

Until fiscal year ending June 30, 2008, the School Board recognized the cost of providing postemployment medical and life insurance benefits (the School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In fiscal years ending June 30, 2017 and 2016, the School Board's portion of health care funding cost and life insurance for retired employees totaled \$1,384,292 and \$1,281,753, respectively.

Effective July 1, 2007, the School Board implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

The Office of Group Benefits has sole authority over the plans and informs the School Board and plan members of their obligation in funding the plans.

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Annual Required Contribution

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

	2017	2016
Normal cost	\$ 864,344	\$ 831,100
30-year UAL amortization amount	1,588,880	1,527,769
Annual required contribution (ARC)	\$ 2,453,224	\$ 2,358,869

Net Post-employment Benefit Obligation (Asset)

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

	2017	2016
Beginning Net OPEB Obligation	\$ 4,874,102	\$ 3,865,915
Annual required contribution (ARC)	2,453,224	2,358,869
Interest on Net OPEB Obligation (Asset)	194,964	154,637
ARC Adjustment	(281,870)	(223,566)
OPEB Cost	2,366,318	2,289,940
Contribution	-	-
Current year retiree premium	(1,384,292)	(1,281,753)
Change in Net OPEB Obligation	982,026	1,008,187
Ending Net OPEB Obligation (Asset)	\$ 5,856,128	\$ 4,874,102

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	\$ 2,366,318	58.50%	\$ 5,856,128
June 30, 2016	\$ 2,289,940	55.97%	\$ 4,874,102

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Funded Status and Funding Progress

In fiscal years ending June 30, 2017 and June 30, 2016, the School Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$28,573,772 which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2017	2016
Actuarial Accrued Liability (AAL)	\$ 28,573,772	\$ 27,474,780
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 28,573,772	\$ 27,474,780
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 8,553,884	\$ 8,726,478
UAAL as a percentage of covered payroll	334.04%	314.84%

Actuarial Methods and Assumptions

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

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

Actuarial Cost Method

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

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Actuarial Value of Plan Assets

There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50, will be used.

Turnover Rate

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 13%.

Post-employment Benefit Plan Eligibility Requirements

It is assumed that entitlement to benefits will commence four and one-half years after earliest eligibility to retire or enter the DROP without actuarial reduction in benefits (three years in the DROP plus an additional one and one-half years) as described above under the heading "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate)

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

Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on a graded schedule beginning with 8.0% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate

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

Method of Determining Value of Benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB rates provided are "unblended" rates for active and retired as required by GASB Codification Section P50 for valuation purposes. It has been assumed that the Humana Medicare Advantage program will be elected by 20% of retirees in the future.

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Inflation Rate

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

Projected Salary Increases

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

Post-retirement Benefit Increases

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

Below is a summary of OPEB cost and contributions for the last three fiscal years.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPEB Cost	\$ 2,366,318	\$ 2,289,940	\$ 1,636,420
Contribution	-	-	-
Retiree premium	<u>1,384,292</u>	<u>1,281,753</u>	<u>1,228,598</u>
Total contribution and premium	<u>1,384,292</u>	<u>1,281,753</u>	<u>1,228,598</u>
 Change in net OPEB obligation	 <u>\$ 982,026</u>	 <u>\$ 1,008,187</u>	 <u>\$ 407,822</u>
 % of contribution to cost	 0.00%	 0.00%	 0.00%
% of contribution plus premium to cost	58.50%	55.97%	75.08%

9. Leases

Lessee

The School Board entered into a five year lease agreement in March 2013 with Canon Financial Services, Inc. for six risographs and related equipment at \$460 per month. The future minimum lease payments for this operating lease are as follows:

<u>Year Ending</u>	
2018	\$ 4,600

Rent expense for the above referenced lease was \$5,520 for the year ended June 30, 2017.

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Notes to Basic Financial Statements

Lessor

On October 1, 2006, the School Board, as lessor, entered into an agreement with the U.S. Department of Agriculture, the lessee, to lease 560 acres of land located in Catahoula Parish under the Conservation Reserve Program. The term of the lease is for fifteen years commencing on October 1, 2006 and ending on September 30, 2021. The lease calls for an annual rental payment of \$30,027. The School Board collected \$30,027 from the lessee for the year ended June 30, 2017. A portion of these proceeds in the amount of \$2,603 were paid to Avoyelles Parish School Board as required by the State of Louisiana.

On September 5, 2008, the School Board, as lessor, entered into an agreement with Randall Ewing, the lessee, to lease approximately 640 acres of land located in Catahoula Parish for hunting purposes. The term of the lease is for five years commencing on September 3, 2008 and ending on June 30, 2013. At the April 9, 2013 meeting, the School Board passed a unanimous motion to extend this lease term for another five years ending on June 30, 2018 with the same terms. The lease calls for an annual rental payment of \$7,000. The School Board collected \$7,000 from the lessee for the year ended June 30, 2017.

On January 5, 2010, the School Board, as lessor, entered into an agreement with Mike McGee, the lessee, to lease approximately 200 acres of land located in Catahoula Parish. The term of the lease is for ten years commencing on December 31, 2009 and ending on December 31, 2019, or when harvesting of that year's crop is complete, if earlier. The lease calls for an annual rental payment of \$17,000 cash or 21.6% of cotton crops or 30% of grain crops, whichever is greater in any given year. The School Board collected \$17,000 from the lessee for the year ended June 30, 2017. A portion of these proceeds in the amount of \$12,130 were paid to Avoyelles Parish School Board as required by the State of Louisiana.

On May 1, 2012, the School Board, as lessor, entered into an agreement with M. J. Farms, Ltd., the lessee, to lease 605 acres of land located in Catahoula Parish for hunting purposes. The term of the lease is for ten years commencing on May 1, 2012 and ending on April 30, 2022. The lease calls for an annual rental payment of \$52,755. The School Board collected \$52,755 from the lessee for the year ended June 30, 2017.

On December 31, 2013, the School Board, as lessor, entered into an agreement with M. J. Farms, Ltd. d/b/a Louisiana Delta Plantation, the lessee, to lease 640 acres of land located in Catahoula Parish. The term of the lease is for ten years commencing on December 31, 2013 and ending on December 31, 2023, or when harvesting of that year's crop is complete, if earlier. The lease calls for an annual rental payment of \$42,600 cash or 20.5% of cotton crops or 20.5% of grain crops, whichever is greater in any given year. The School Board collected \$42,600 from the lessee for the year ended June 30, 2017.

On July 24, 2013, the School Board, as lessor, entered into an agreement with Catahoula Parish Hospital District #2, the lessee, to lease a tract of land located by Jonesville Elementary School for a school based health center. The lease calls for an initial term of seven years commencing on August 1, 2013 to and including June 30, 2020. The lessee has the option to renew this lease for successive one-year terms commencing on July 1, 2020, and on each July 1 thereafter, unless the lease is terminated. The lease calls for monthly rental payments of \$200 due on the first of every month. The School Board collected \$2,400 from the lessee for the year ended June 30, 2017.

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The minimum future rental payments for the above referenced leases are as follows:

<u>Year Ending</u>	
2018	\$ 151,783
2019	144,783
2020	144,783
2021	125,383
2022	42,600
2023	<u>42,600</u>
Total	\$ 651,932

10. Net Position and Fund Balances

Nonspendable Fund Balances

The School Board has recorded a nonspendable fund balance of \$39,382 for unused food commodities in the fund financial statements. This amount is recorded as unrestricted net position in the government-wide financial statements.

Restricted Fund Balances

In accordance with the provisions of the sales tax propositions passed by the voters on November 18, 1967, April 7, 1987, and November 4, 2008, the School Board has a \$69,175 restriction on total net position and related fund balances for salaries and related benefits of all School Board employees from enabling legislation. This restriction is in the sales tax special revenue funds and is a result from the wording of the sales tax resolution approved by voters.

External parties have restricted the use of grants in the special revenue funds totaling \$5,271. It is recorded as restricted net position and restricted fund balances.

The School Board reports restricted fund balance and net position in the amount of \$144,774 for debt service.

Committed Fund Balances

The School Board has formally designated fund balances totaling \$826,359 for the governmental funds other than those that are nonspendable and restricted by recording them as committed fund balances. This amount is shown as unrestricted net position, as follows:

School Lunch Fund	\$ 226,257
Maintenance Supply Fund	2,338
Parish-wide Maintenance Fund	226,626
District #1 Fund	233,626
District #2 Fund	15,957
District #5 Fund	51,270
District #25 Fund	70,282
Education Excellence Windfall Fund	<u>3</u>
	\$ 826,359

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Assigned Fund Balances

Funds designated for worker's compensation, casualty reserves, Medicaid, and insurance settlements are shown as assigned fund balances for the governmental funds and unrestricted net position on the government-wide financial statements.

11. Retirement Systems

The School Board contributes to the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, and the Louisiana State Employees' Retirement System.

The following recap shows the total deferred outflows and inflows of pension resources and net pension liability, as reported in the Statement of Net Position, for each of these plans, which is explained further in this note disclosure.

	Deferred Outflows of Pension Resources	Deferred Inflows of Pension Resources	Net Pension Liability
Teachers' Retirement System of Louisiana (TRSL)	\$ 4,644,039	\$ 736,047	\$ 17,599,494
Louisiana School Employees' Retirement System (LSERS)	498,954	174,541	1,919,897
Louisiana State Employees' Retirement System (LASERS)	169,037	77,906	367,971
Total	\$ 5,312,030	\$ 988,494	\$ 19,887,362

A. Teachers' Retirement System of Louisiana (TRSL)

General Information about the Plans

Plan Description

Employees of Catahoula Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Section 11:401 of the Louisiana Revised Statutes grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

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1. Retirement

Normal Retirement

- a. **Regular Plan** - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 21 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2.0% benefit factor at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.
- b. **Plan A** - Members may retire with a 3.0% benefit factor at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.
- c. **Plan B** - Members may retire with a 2.0% benefit factor at age 55 with 30 years of service, or age 60 (first employed between January 1, 2011 and July 1, 2015) with 5 years of service, or age 62 (first employed after July 1, 2015) with 5 years of service, or an actuarially reduced benefit with 20 years of service at any age.

Benefit Formula – For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

Payment Options – A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount. Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

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2. Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

3. Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the third anniversary of retirement eligibility. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

4. Disability Retirement Benefits

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

5. Survivor Benefits

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

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Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service. If a surviving spouse remarries before the age of 55 and the deceased active member had less than 20 years of service, the surviving spouse's benefit will cease.

6. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2017 are as follows:

Plan	Plan Type	Employee Contribution Rate	Employer Contribution Rate
K-12 Regular Plan	Sub	8.0%	25.5%
Higher Education Regular Plan	Sub	8.0%	24.4%
Plan A	Sub	9.1%	30.7%
Plan B	Sub	5.0%	28.2%
ORP	ORP	8.0%	21.2%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 25.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$1,829,787 for the year ended June 30, 2017.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

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

At June 30, 2017, the Catahoula Parish School Board reported a liability of \$17,599,494 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, The School Board's proportion was 0.149950%, which was an increase of 0.003810% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension expense of \$1,795,525 plus employer's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions, \$303,279.

At June 30, 2016, 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	\$ -	\$ 347,463
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,281,202	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,533,050	388,584
Employer contributions subsequent to the measurement date	1,829,787	-
Total	\$ 4,644,039	\$ 736,047

The \$1,829,787 reported as deferred outflows of resources related to pensions resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. 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 Ending June 30,</u>			
2018		\$	338,655
2019			338,654
2020			970,386
2021			430,510

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Actuarial Assumptions

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Approach	Closed
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.75% net of investment expenses
Inflation Rate	2.5% per annum
Mortality	Mortality rates based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.
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.
Salary Increases	3.50%-10.0%; varies depending on duration of service
Cost of Living Adjustments	None

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 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 target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return¹</u>
Domestic Equity	31%	4.50%
International Equity	19%	5.31%
Domestic Fixed Income	14%	2.45%
International Fixed Income	7%	3.28%
Alternative Investments	29%	6.80%
Total	<u>100%</u>	

¹**For reference only:** Target Allocation presented in TRSL 2015 CAFR, page 62, and Long-Term Expected Real Rate of Return, page 38.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. 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 employer contributions from participating employers will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	1.0% Decrease (6.75%)	Current Discount Rate (7.75%)	1.0% Increase (8.75%)
Employer's proportionate share of the net pension liability	\$ 21,951,956	\$ 17,599,494	\$ 13,895,843

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$57,271 for its participation in TRSL.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2015 Comprehensive Annual Financial Report at www.trsl.org.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

B. Louisiana School Employees' Retirement System (LSERS)

General Information about the Pension Plan

Plan Description

Employees of Catahoula Parish School Board are provided with pensions through a cost-sharing multiple employer defined benefit plan administered by the Louisiana School Employees' Retirement System (LSERS). Section 11:1001 of the Louisiana Revised Statutes grants to LSERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LSERS issues a publicly available financial report that can be obtained at www.lasers.net.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

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

For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3.33% of the average compensation for the three highest consecutive years of membership service, subject to the 10.0% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3.33% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10.0% salary limitation. For members who joined the System on or after July 1, 2010, 2.5% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15.0% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

**Catahoula Parish School Board
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Notes to Basic Financial Statements

2. Deferred Retirement Benefits

Members of the System may elect to participate in the Deferred Retirement Option Plan (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

3. Disability Benefits

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

4. Initial Benefit Retirement Plan

Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

**Catahoula Parish School Board
Harrisonburg, Louisiana
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Notes to Basic Financial Statements

Contributions

Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution.

The employer's contribution rate for the year ended June 30, 2017 was 27.3% of annual payroll, with the employee contributing 7.5% of annual payroll. Contributions to the pension plan from the School Board were \$207,531 for the year ended June 30, 2017.

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

At June 30, 2017, the Catahoula Parish School Board reported a liability of \$1,919,897 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School Board's proportion was 0.254511%, which was an decrease of 0.015879% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension expense of \$227,283 plus employer's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions, \$13,251.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 52,392
Changes of assumptions	45,482	50,744
Net difference between projected and actual earnings on pension plan investments	243,219	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	2,722	71,405
Employer contributions subsequent to the measurement date	<u>207,531</u>	<u>-</u>
Total	\$ 498,954	\$ 174,541

**Catahoula Parish School Board
Harrisonburg, Louisiana
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Notes to Basic Financial Statements

The \$207,531 reported as deferred outflows of resources related to pensions resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2018	\$ (33,535)
2019	(29,492)
2020	109,916
2021	69,993

Actuarial Assumptions

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.125% per annum (increased from 7.0% in 2015)
Inflation Rate	2.625% per annum (decreased from 2.75% in 2015)
Mortality	Mortality rates based on the RP-2000 Sex Distinct Mortality Table.
Salary Increases	3.075%-5.375%; varies depending on duration of service
Cost of Living Adjustments	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 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. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

**Catahoula Parish School Board
Harrisonburg, Louisiana
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Notes to Basic Financial Statements

<u>Asset Class</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return¹</u>
Domestic Equity	51%	3.10%
Domestic Fixed Income	30%	1.82%
Alternative investments	13%	0.79%
Real Assets	6%	0.36%
Total	<u>100%</u>	<u>6.07%</u>
International Fixed Income		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>8.07%</u>

¹**For reference only:** Target Allocation and Long-Term Expected Real Rate of Return presented in LSERS 2016 CAFR, page 23.

Discount Rate

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.125%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.125%) or one percentage-point higher (8.125%) than the current rate:

	<u>1.0% Decrease (6.125%)</u>	<u>Current Discount Rate (7.125%)</u>	<u>1.0% Increase (8.125%)</u>
Employer's proportionate share of the net pension liability	\$ 2,520,290	\$ 1,919,897	\$ 1,405,516

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LSERS 2015 Comprehensive Annual Financial Report at www.lasers.net.

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Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

C. Louisiana State Employees' Retirement System (LASERS)

General Information about the Pension Plan

Plan Description

Employees of Catahoula Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 11:401 of the Louisiana Revised Statutes grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. The Louisiana State Employees' Retirement System issues a publicly available financial report that is available for download at www.lasersonline.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire

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Notes to Basic Financial Statements

with twelve years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

2. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

**Catahoula Parish School Board
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Notes to Basic Financial Statements

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Section 401 of Title II of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted with the employer contributions to LASERS by participating employers.

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	35.8%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	35.8%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 35.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$32,002 for the year ended June 30, 2017.

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Harrisonburg, Louisiana
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Notes to Basic Financial Statements

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

At June 30, 2017, the Catahoula Parish School Board reported a liability of \$367,971 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School Board's proportion was 0.004686%, which was an increase of 0.001882% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension expense of \$37,821 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources, \$(11,760).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 213	\$ 3,413
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	45,831	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	90,991	74,493
Employer contributions subsequent to the measurement date	<u>32,002</u>	<u>-</u>
Total	\$ 169,037	\$ 77,906

The \$32,002 reported as deferred outflows of resources related to pensions resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2018	\$ (19,264)
2019	49,649
2020	17,811
2021	10,933

**Catahoula Parish School Board
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Notes to Basic Financial Statements

Actuarial Assumptions

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.75% per annum
Inflation Rate	3.0% per annum
Mortality	
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 (2009-2013) experience study of the System's members.
Salary Increases	4.0%-13.0%; varies depending on duration of service
Cost of Living Adjustments	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.

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 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 target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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Notes to Basic Financial Statements

<u>Asset Class</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return¹</u>
Cash	0%	(0.24)%
Domestic Equity	25%	4.31%
International Equity	32%	5.48%
Domestic Fixed Income	12%	1.63%
International Fixed Income	2%	2.47%
Alternative Investments	22%	7.42%
Global Asset Allocation	7%	2.92%
Total	<u>100%</u>	<u>5.30%</u>

¹**For reference only:** Target Allocation presented in LASERS 2015 CAFR, page 50, and Long-Term Expected Real Rate of Return, page 28.

Discount Rate

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

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	<u>1.0% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1.0% Increase (8.75%)</u>
Employer's proportionate share of the net pension liability	\$ 452,086	\$ 367,971	\$ 296,499

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2015 Comprehensive Annual Financial Report at www.lasersonline.org.

12. Restatement of Beginning Fund Balance and Net Position

The School Board recorded the following prior period adjustments to restate fund balance and net position for correction of accounting errors:

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2017**

Notes to Basic Financial Statements

Fund Balances, Beginning of Year	\$ 4,677,315
Medicaid premiums received in fiscal year ending June 30, 2017 for prior years	45,559
Reimbursement of funds paid for tax assessor's mapping program	9,580
Reimbursement of commodity storage fees for 2016-2017 fiscal year	5,077
Sales tax income for June 2016 not accrued in the prior year	13,441
FEMA insurance reimbursements	(13,498)
Other adjustments	(1,008)
Total prior period adjustments to beginning fund balance	59,151
Fund Balances, Beginning of Year, as Restated	\$ 4,736,466
Net Position, Beginning of Year	\$ (11,521,524)
Total prior period adjustments to beginning fund balance	59,151
Net Position, Beginning of Year, as Restated	\$ (11,462,373)

13. Commitment and Contingencies

The School Board receives grants for specific purposes that are subject to review and audit by the Louisiana Department of Education and/or U.S. Department of Education or other grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

14. Risk Management

The School Board is exposed to various risks of loss related to torts, theft of - damage to, and destruction of assets; errors and omissions; injuries to employees; employee's health and natural disasters. During the year ended June 30, 2017, the School Board purchased commercial insurance to cover its risks of loss.

At June 30, 2017, the School Board is involved in various lawsuits. It is the opinion of management and the attorney for the School Board that, at June 30, 2017, resolution of the lawsuits will not result in any material adverse effect on the financial condition of the School Board.

Required Supplemental Information – Part II

Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (with Variances)
General Fund
For the Year Ended June 30, 2017

Statement H

**Variance with
Final Budget -
Positive
(Negative)**

	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Local sources				
Taxes				
Property	\$ 369,400	\$ 376,560	\$ 431,252	\$ 54,692
Sales and use	2,835,475	2,835,475	2,729,598	(105,877)
Rentals and leases	138,300	134,000	137,881	3,881
Tuition	9,000	6,140	6,140	-
Investment earnings	8,700	8,700	10,770	2,070
Other revenue from local sources	41,614	41,614	51,585	9,971
State sources				
Minimum Foundation Program	10,060,941	9,061,511	9,277,180	215,669
State revenue sharing	20,779	20,779	22,669	1,890
Other revenue from state sources	84,632	84,632	84,133	(499)
Total Revenues	13,568,841	12,569,411	12,751,208	181,797
Expenditures				
Current				
Instruction				
Regular programs	6,058,415	5,940,531	5,829,186	111,345
Special education programs	1,604,082	1,633,467	1,574,180	59,287
Vocational programs	749,782	827,117	691,952	135,165
Other instructional programs	317,550	328,112	243,198	84,914
Special programs	11,671	26,264	18,646	7,618
Adult and continuing education programs	7,504	7,504	3,484	4,020
Support services				
Student services	864,220	955,830	900,428	55,402
Instructional support staff	394,651	388,690	303,697	84,993
General administration	524,204	446,784	408,036	38,748
School administration	735,844	723,313	696,627	26,686
Business services	497,067	509,861	505,725	4,136
Plant services	1,007,945	970,802	914,921	55,881
Student transportation services	1,267,648	1,235,065	1,201,493	33,572
Central services	24,600	25,600	6,453	19,147
Food services	212,663	216,406	216,902	(496)
Community service programs	6,345	6,345	6,345	-
Capital outlay	-	-	16,049	(16,049)
Total Expenditures	14,284,191	14,241,691	13,537,322	704,369
Excess (Deficiency) of Revenues over Expenditures	(715,350)	(1,672,280)	(786,114)	886,166
Other Financing Sources (Uses)				
Transfers in	200,000	159,000	159,687	687
Local revenue transfers - other LEAs	(211,992)	(254,492)	(254,470)	22
Total Other Financing Sources (Uses)	(11,992)	(95,492)	(94,783)	709
Net Change in Fund Balances	(727,342)	(1,767,772)	(880,897)	886,875
Fund Balances - Beginning of Year, as Restated	3,904,868	3,904,868	3,904,868	-
Fund Balances - End of Year	\$ 3,177,526	\$ 2,137,096	\$ 3,023,971	\$ 886,875

GAAP serves as the budgetary basis of accounting.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (with Variances)
Special Revenue Fund - Title I Fund
For the Year Ended June 30, 2017**

Statement I

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources	\$ 631,994	\$ 797,937	\$ 717,602	\$ (80,335)
Total Revenues	<u>631,994</u>	<u>797,937</u>	<u>717,602</u>	<u>(80,335)</u>
Expenditures				
Current				
Instruction				
Special programs	321,074	416,846	381,770	35,076
Support services				
Student services	7,320	8,980	9,937	(957)
Instructional support staff	205,441	257,882	246,236	11,646
Plant services	36,960	36,960	24,515	12,445
Total Expenditures	<u>570,795</u>	<u>720,668</u>	<u>662,458</u>	<u>58,210</u>
Excess (Deficiency) of Revenues over Expenditures	61,199	77,269	55,144	(22,125)
Other Financing Sources (Uses)				
Transfers in	-	-	15,883	15,883
Transfers out	(61,199)	(77,269)	(71,027)	6,242
Total Other Financing Sources (Uses)	<u>(61,199)</u>	<u>(77,269)</u>	<u>(55,144)</u>	<u>22,125</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAAP serves as the budgetary basis of accounting.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Funding Progress**

Statement J

Post-employment Health Care and Life Insurance Benefits

Actuarial Valuation Date	<u>7/1/2012</u>	<u>7/1/2013</u>	<u>7/1/2014</u>	<u>7/1/2015</u>	<u>7/1/2016</u>
Actuarial Value of Assets (a)	\$ -	\$ -	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL) (b)*	<u>18,545,372</u>	<u>18,545,372</u>	<u>19,958,956</u>	<u>27,474,780</u>	<u>28,573,772</u>
Unfunded AAL (UAAL) (b-a)	\$ 18,545,372	\$ 18,545,372	\$ 19,958,956	\$ 27,474,780	\$ 28,573,772
Funded Ratio (a/b)	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll (c)	\$ 9,513,929	\$ 8,873,642	\$ 9,576,154	\$ 8,726,478	\$ 8,553,884
Unfunded AAL (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)	194.93%	208.99%	208.42%	314.84%	334.04%

*The unit credit cost method is used for funding purposes.

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer's Share of Net Pension Liability
Teachers' Retirement System of Louisiana (TRSL)**

Statement K

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.13748%	0.14614%	0.14995%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,052,121	\$ 15,713,055	\$ 17,599,494
Employer's Covered-Employee Payroll	\$ 7,601,850	\$ 7,445,175	\$ 7,141,781
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	184.85%	211.05%	246.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.70%	62.50%	59.90%

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

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

See independent auditor's report.

Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer Contributions
Teachers' Retirement System of Louisiana (TRSL)

Statement L

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2017	\$ 1,829,787	\$ 1,829,787	\$ -	\$ 7,141,781	25.62%
6/30/2016	1,955,241	1,955,241	-	7,445,175	26.26%
6/30/2015	2,176,893	2,176,893	-	7,601,850	28.64%

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Notes to Required Supplemental Information
Teachers' Retirement System of Louisiana (TRSL)
For the Year Ended June 30, 2017**

Statement M

Changes in Benefit Terms

A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and,

Regular Plan members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2017.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer's Share of Net Pension Liability
Louisiana School Employees' Retirement System (LSERS)**

Statement N

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.27000%	0.27039%	0.25451%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,565,091	\$ 1,714,610	\$ 1,919,897
Employer's Covered-Employee Payroll	\$ 760,604	\$ 730,690	\$ 758,203
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	205.77%	234.66%	253.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.20%	74.49%	70.09%

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

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer Contributions
Louisiana School Employees' Retirement System (LSERS)**

Statement O

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2017	\$ 207,531	\$ 207,531	\$ -	\$ 758,203	27.37%
6/30/2016	220,650	220,650	-	730,690	30.20%
6/30/2015	250,378	250,378	-	760,604	32.92%

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Notes to Required Supplemental Information
Louisiana School Employees' Retirement System (LSERS)
For the Year Ended June 30, 2017**

Statement P

Changes in Benefit Terms

There were no changes in benefit terms for the year ended June 30, 2017.

Changes of Assumptions

The valuation interest rate was increased from 7.00% to 7.125% for the June 30, 2016, actuarial report.

The inflation interest rate was decreased from 2.75% to 2.625% for the June 30, 2016, actuarial report.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer's Share of Net Pension Liability
Louisiana State Employees' Retirement System (LASERS)**

Statement Q

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.00590%	0.00280%	0.00469%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 369,046	\$ 190,714	\$ 367,971
Employer's Covered-Employee Payroll	\$ 88,643	\$ 88,488	\$ 89,229
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	416.33%	215.53%	412.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.70%	57.70%

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

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer Contributions
Louisiana State Employees' Retirement System (LASERS)**

Statement R

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2017	\$ 32,002	\$ 32,002	\$ -	\$ 89,229	35.87%
6/30/2016	32,773	32,773	-	88,488	37.04%
6/30/2015	34,671	34,671	-	88,643	39.11%

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Notes to Required Supplemental Information
Louisiana State Employees' Retirement System (LASERS)
For the Year Ended June 30, 2017**

Statement S

Changes in Benefit Terms

A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and,

Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

Changes of Assumptions

There were no changes in benefit assumptions for the year ended June 30, 2017.

See independent auditor's report.

Supplemental Information

Compensation Paid Board Members

The schedule of compensation paid to the Catahoula Parish School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature. Compensation of the Catahoula Parish School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the Catahoula Parish School Board members have elected the monthly payment method of compensation. Under this method, each member of the Board receives \$350 per month, each member on the finance committee receives an additional \$50 (\$400 total), and the President receives \$440 per month for performing the duties of his office.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2017**

Schedule T

Dewey Stockman	\$ 5,280
Jane Martin	4,800
Josephine Jones	4,800
John Allbritton	4,800
Katie Adams	4,200
Dorothy Watson	4,200
Michael Davis	4,200
Cynthia Brown	4,200
Letishia Hatcher	<u>4,200</u>
Total	<u><u>\$ 40,680</u></u>

See independent auditor's report.

Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Compensation, Benefits, and Other
Payments to the Agency Head
For the Year Ended June 30, 2017

Schedule U

Agency Head: Gwile Paul Freeman, Superintendent

Purpose	Amount
Salary	\$ 95,025
Benefits - Medicare	1,378
Benefits - insurance	6,193
Benefits - retirement	24,854
Worker's compensation	473
Reimbursements	475
Travel	11,028
	11,028
Total	\$ 139,426

See independent auditor's report.

Schedule of Expenditures of Federal Awards

Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Schedule V

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass-through Grant Number	Expenditures
United States Department of Agriculture			
Passed through Louisiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 210,784
National School Lunch Program	10.555	N/A	<u>484,305</u>
Passed through Louisiana Department of Agriculture and Forestry			
Food Distribution Cluster			
Commodity Supplemental Food Program	10.565	N/A	<u>74,340</u>
Total United States Department of Agriculture			<u>769,429</u>
United States Department of Education			
Passed through Louisiana Department of Education			
Title I Grants to Local Educational Agencies	84.010	28-17-T1-13	717,602
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027	28-17-B1-13	291,928
		28-17-PA-13	52,868
	84.173	28-17-P1-13	8,542
Special Education Preschool Grants		28-16-CW-13	16,000
		28-16-CV-13	18,526
		28-17-CY-13	<u>660</u>
			388,524
Career and Technical Education - Basic Grants to States	84.048	28-17-02-13	20,217
Supporting Effective Instruction State Grant	84.367	28-17-50-13	134,844
Striving Readers/Comprehensive Literacy Development	84.371	28-15-RR-13	26,679
		28-16-U1-13	33,586
		28-16-U2-13	65,924
		28-16-U3-13	44,618
		28-16-U4-13	<u>99,503</u>
			270,310
Teacher and School Leader Incentive Grants	84.374	28-17-TP-13	3,186
Rural Education	84.358	28-17-RE-13	32,773
Adult Education-Basic Grants to States	84.002	N/A	<u>170,661</u>
Total United States Department of Education			<u>1,738,117</u>
United States Department of Health and Human Services			
Passed through Louisiana Department of Education			
TANF Cluster			
Temporary Assistance for Needy Families	93.558	28-17-36-13	49,517
		28-17-JS-13	<u>89,742</u>
			139,259
CCDF Cluster			
Child Care and Development Block Grant	93.575	N/A	<u>2,340</u>
Total United States Department of Health and Human Services			<u>141,599</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,649,145</u></u>

Notes:

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

The schedule of expenditures of federal awards was prepared on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Catahoula Parish School Board's accounting policies.

No federal funds were awarded to subrecipients during the year ended June 30, 2017.

Catahoula Parish School Board did not elect to use the ten percent (10%) *de minimus* indirect cost rate allowed under the Uniform Guidance.

See independent auditor's report.

**Other Reports Required by
Government Auditing Standards
and the Uniform Guidance**

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed
in Accordance with *Government Auditing Standards***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Catahoula Parish School Board
Harrisonburg, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Catahoula Parish School Board, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Catahoula Parish School Board’s basic financial statements and have issued our report thereon dated December 11, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Catahoula 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 the Catahoula Parish School Board’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Catahoula 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding 2017-001).





PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Compliance and Other Matters

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

Catahoula Parish School Board's Response to Findings

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

Purpose of this Report

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

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

December 11, 2017

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Auditor’s Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Catahoula Parish School Board’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Catahoula Parish School Board’s major federal programs for the year ended June 30, 2017. Catahoula Parish School Board’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JONEAU, C.P.A.
CINDY L. HUMPHRIES, C.P.A.

DEBORAH R. DUNN, C.P.A.
REBECCA S. NATION, C.P.A.
EVELYN T. RENFROW, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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



PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

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.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

December 11, 2017

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified not considered
 to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Management's Corrective Action Plan See attached

Management's Summary Schedule of Prior Audit Findings See attached

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified not considered
 to be material weaknesses? yes none reported

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

Any audit findings disclosed that are
 required to be reported in accordance
 with the Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553 and 10.555	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish
 between type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

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

Section II – Findings Relating to the Financial Statements

Finding 2017-001: School Activity Internal Controls

Criteria: Effective internal controls include: maintaining all checks in a secure location with limited access; receipting and maintaining adequate supporting documentation for all cash collections; and utilizing purchase orders for proper approval of all school purchases.

Condition and Context: Various internal controls at the school level were tested for compliance with the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. The following internal control deficiencies were noted while testing samples of transactions:

- Check stock and checkbooks, while kept in a locked location, are accessible to the authorized check signer (principal).
- Receipts and/or adequate supporting documentation is not maintained for all cash collections.
- Purchase orders are not utilized for proper approval of school purchases.

Cause and Effect: There are no written policies and procedures in regards to maintaining checks in a secure location with limited access nor the use of purchase orders for proper approval of school purchases. Also, written policies and procedures for receiving monies are not being followed by every school. Therefore, inadequate internal controls over cash could result in misappropriation of assets and/or fraud and misstatement of financial statements.

Recommendation: We recommend documenting and implementing the following procedures to adequately safeguard assets:

- Place blank check stock and all checkbooks in a locked filing cabinet with only the secretary and one other employee (without signatory authority) having access to the checks.
- Preprinted, prenumbered receipts must be given for all cash collections and copies, and other adequate supporting documentation must be retained.
- Prenumbered purchase orders that provide for appropriate approvals must be utilized.

Management's response: See Management's Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

Not applicable.

Management's Corrective Action Plan



Catahoula Parish School Board

POST OFFICE BOX 690
HARRISONBURG, LA 71340
TELEPHONE: (318) 744-5727
FAX: (318) 744-9221

DR. GWILE PAUL FREEMAN, SUPERINTENDENT

Board Members

DEWEY W. STOCKMAN, PRESIDENT
JOSEPHINE JONES, VICE-PRESIDENT
KATIE ADAMS
JOHN W. ALLBRITTON
CYNTHIA BROWN
MICHAEL DAVIS
LETISHIA HATCHER
JANE MARTIN
DOROTHY WATSON

The Catahoula Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2017.

Independent Public Accounting Firm:

Payne, Moore & Herrington, LLP
P.O. Box 13200
Alexandria, La 71315-3200

Audit Period: July 01, 2016 – June 30, 2017

Finding 2017-001: School Activity Internal Controls

Condition and Context: Various internal controls at the school level were tested for compliance with the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. The following internal control deficiencies were noted while testing samples of transactions:

- Check stock and checkbooks, while kept in a locked location, are accessible to the authorized check signer (principal).
- Receipts and/or adequate supporting documentation is not maintained for all cash collections.
- Purchase orders are not utilized for proper approval of school purchases.

Recommendation: We recommend documenting and implementing the following procedures to adequately safeguard assets:

- Place blank check stock and all checkbooks in a locked filing cabinet with only the secretary and one other employee (without signatory authority) having access to the checks.
- Preprinted, prenumbered receipts must be given for all cash collections and copies, and other adequate supporting documentation must be retained.
- Prenumbered purchase orders that provide for appropriate approvals must be utilized.

Management's response: All check stock and checkbooks will be placed in locked file cabinets or other cabinets with the school secretary and one other school employee having a key to access. The principal at each school, who is the signature authority, will have no access to the locked check stock or checkbook.

Principals were notified at a meeting on December 7, 2017, that they must ensure that their secretaries write a receipt for every collection that comes into the school and keep the appropriate supporting documentation in a location where it can be accessed when needed.

Principals were notified at a meeting on December 7, 2017, that they must implement a complete purchase order system for all purchases made with school funds. Some schools were already utilizing a system, but not for all purchases. Those schools were informed that they must utilize their system on every purchase. At this time, all schools are now using manual purchase orders for their purchases, with the principal approving said purchases.

Respectfully submitted,

Christi Lofton
Business Manager

"This institution is an equal opportunity provider and employer."

Management's Summary Schedule of Prior Audit Findings



Catahoula Parish School Board

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Finding 2016-001: Segregation of Duties

Condition and Context: Access to the blank checks and the keys to the imprinting machine are accessible to accounting personnel who have access to all functions of the accounts payable process.

Status: Resolved.

Finding 2016-002: Payroll Recordkeeping

Condition and Context: Our audit procedures included testing the payroll system controls. Of the forty-nine payroll disbursements tested, we noted one employee was paid \$224 in excess of the allowable salary, one employee that should have received a pay increase in the amount of \$609 based on her effectiveness rating, and one instance of an assistant principal's pay check in the amount of \$610 being coded to the general ledger account for elementary teachers.

Status: Resolved.

Finding 2016-003: Untimely Submission of Report

Condition and Context: The School Board's audit report was not submitted to the Legislative Auditor within 180 days of the fiscal year-end.

Status: Resolved.

Finding 2016-004: Allowable Costs

Condition and Context: Our audit procedures included testing the Title I Grants to Local Educational Agencies disbursements for compliance with the allowable cost requirement. Of the thirty-seven Title I Grant disbursements, we noted two payments that included a late charge of \$25 each and one payment that included sales tax of \$7.

Status: Resolved.

“This institution is an equal opportunity provider and employer.”

Catahoula Parish School Board

*Agreed-Upon Procedures Report
on School Board Performance Measures*

Harrisonburg, Louisiana

June 30, 2017



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Accountant’s Report
on Applying Agreed-Upon Procedures**

To the Catahoula Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor
Harrisonburg, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Catahoula Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Catahoula Parish School Board for the fiscal year ended June 30, 2017, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin 741, in compliance with Louisiana Revised Statute 24:514.1. Management of the Catahoula 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 results are as follows:

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

1. We selected a random sample of twenty-five (25) transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

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

No differences were noted.





PAYNE, MOORE & HERRINGTON, LLP

Catahoula Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor
Harrisonburg, Louisiana

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1, 2016.

No differences were noted.

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

No differences were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2016, and as reported on the schedule. We traced a random sample of twenty-five (25) teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Of the twenty-five (25) teachers tested, we noted two (2) instances in which the individuals' education levels were not properly classified on the schedule per their employee personnel files.

Number and Type of Public Schools (Schedule 3)

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

No differences were noted.

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

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2016 and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.



PAYNE, MOORE & HERRINGTON, LLP

Catahoula Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor
Harrisonburg, Louisiana

No differences were noted.

Public School Staff Data: Average Salaries (Schedule 5)

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

Of the twenty-five (25) teachers tested, we noted three (3) instances in which the individuals' salaries were not properly reported in the schedule.

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

No differences were noted when recalculating the full-time equivalents reported in the schedule; however, we were unable to recalculate the average salaries.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of ten (10) classes to the October 1, 2016 2016201620162016, roll books for those classes and determined if the class was properly classified on the schedule.

All classes in the sample tested above were properly classified. However, as of October 1, 2016, the Class Size Characteristics by Site with LEA and State Summary Report did not agree with actual class rosters for three (3) classes. The differences resulted from changes in class rosters not being updated with the state before October 1, 2016.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

No differences were noted.



PAYNE, MOORE & HERRINGTON, LLP

Catahoula Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor
Harrisonburg, Louisiana

Graduation Exit Examination (GEE) (Schedule 8)

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

iLEAP Tests (Schedule 9)

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

No differences were noted.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Catahoula Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the results 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 Legislative Auditor as a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

December 11, 2017

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
For the Year Ended June 30, 2017**

(Continued)

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

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

Schedule 2 - Education Levels of Public School Staff

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

Schedule 3 - Number and Type of Public Schools

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

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

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

Schedule 5 - Public School Staff Data: Average Salaries

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

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
For the Year Ended June 30, 2017**

(Concluded)

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 3, 4, 5, 6, 7, and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Examination (GEE)

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

Schedule 9 – iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 4, 5, 6, 7, and 8 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

**Catahoula Parish School Board
Harrisonburg, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2017**

Schedule 1

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 4,419,415	
Other Instructional Staff Activities	653,936	
Instructional Staff Employee Benefits	2,935,818	
Purchased Professional and Technical Services	19,046	
Instructional Materials and Supplies	184,846	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 8,213,061
Other Instructional Activities		147,582
Pupil Support Services	900,429	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	-	900,429
Instructional Staff Services	303,699	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	303,699
School Administration	696,627	
Less: Equipment for School Administration	-	
Net School Administration	-	696,627
Total General Fund Instructional Expenditures (Total of Column B)		\$ 10,261,398
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ -
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 163,262
Renewable Ad Valorem Tax		693,125
Debt Service Ad Valorem Tax		-
Up to 1% Collections by the Sheriff on Taxes Other than School Taxes		37,411
Sales and Use Taxes		2,722,978
Total Local Taxation Revenue		\$ 3,616,776
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 134,650
Earnings from Other Real Property		2,400
Total Local Earnings on Investment in Real Property		\$ 137,050
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 8,866
Revenue Sharing - Other Taxes		37,329
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		3,006
Total State Revenue in Lieu of Taxes		\$ 49,201
Non-Public Textbook Revenue		\$ -
Non-Public Transportation Revenue		\$ -

Catahoula Parish School Board
Harrisonburg, Louisiana
Education Levels of Public School Staff
As of October 1, 2016

Schedule 2

103

Category	Full-Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	- %	-	- %	-	- %	-	- %
Bachelor's Degree	71.28	70.97	13.00	100.00	-	-	-	-
Master's Degree	11.79	11.74	-	-	0.72	10.37	-	-
Master's Degree + 30	16.36	16.29	-	-	5.22	75.22	-	-
Specialist in Education	-	-	-	-	1.00	14.41	-	-
Ph. D. or Ed. D.	1.00	1.00	-	-	-	-	-	-
Total	100.43	100.00 %	13.00	100.00 %	6.94	100.00 %	-	- %

**Catahoula Parish School Board
Harrisonburg, Louisiana
Number and Type of Public Schools
For the Year Ended June 30, 2017**

Schedule 3

Type	Number
Elementary	1
Middle/Jr. High	1
Secondary	1
Combination	3
Total	6

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

**Catahoula Parish School Board
Harrisonburg, Louisiana
Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
As of October 1, 2016**

Schedule 4

	<u>0-1 Yr.</u>	<u>2-3 Yrs.</u>	<u>4-10 Yrs.</u>	<u>11-14 Yrs.</u>	<u>15-19 Yrs.</u>	<u>20-24 Yrs.</u>	<u>25+ Yrs.</u>	<u>Total</u>
Assistant Principals	-	-	-	-	-	-	1.00	1.00
Principals	-	-	-	-	1.44	2.60	1.90	5.94
Classroom Teachers	13.00	10.00	20.00	14.58	10.57	11.40	33.88	113.43
Total	<u>13.00</u>	<u>10.00</u>	<u>20.00</u>	<u>14.58</u>	<u>12.01</u>	<u>14.00</u>	<u>36.78</u>	<u>120.37</u>

**Catahoula Parish School Board
Harrisonburg, Louisiana
Public School Staff Data: Average Salaries
For the Year Ended June 30, 2017**

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$ 40,813	\$ 40,138
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 40,356	\$ 39,787
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	112	97

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

**Catahoula Parish School Board
Harrisonburg, Louisiana
Class Size Characteristics
As of October 1, 2016**

Schedule 6

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	94.81 %	73	2.60 %	2	2.60 %	2	-	-
Elementary Activity Classes	90.91	10	-	-	-	-	9.09	1
Middle/Jr. High	97.26	71	1.37	1	1.37	1	-	-
Middle/Jr. High Activity Classes	71.43	5	14.29	1	-	-	14.29	1
High	85.81	127	13.51	20	0.68	1	-	-
High Activity Classes	96.43	27	3.57	1	-	-	-	-
Combination	86.36	266	13.64	42	-	-	-	-
Combination Activity Classes	72.50	29	25.00	10	2.50	1	-	-

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

Catahoula Parish School Board
Harrisonburg, Louisiana
Louisiana Educational Assessment Program (LEAP)
For the Years Ended June 30, 2015 - 2017

Schedule 7
(Continued)

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 3 Students						
Advanced	1 %	1 %	2 %	8 %	6 %	4 %
Mastery	34	35	34	40	44	41
Basic	29	29	22	33	31	29
Approaching Basic	24	22	29	16	18	20
Unsatisfactory	12	13	13	4	1	6
Total	100 %	100 %	100 %	101 %	100 %	100 %

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 4 Students						
Advanced	8 %	12 %	4 %	1 %	9 %	2 %
Mastery	46	43	42	48	30	40
Basic	23	24	32	33	39	34
Approaching Basic	18	17	14	16	18	18
Unsatisfactory	5	4	8	2	4	5
Total	100 %	100 %	100 %	100 %	100 %	99 %

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 5 Students						
Advanced	1 %	2 %	- %	1 %	3 %	1 %
Mastery	43	42	32	26	21	21
Basic	31	34	35	38	44	36
Approaching Basic	13	16	25	27	30	34
Unsatisfactory	11	7	7	8	3	8
Total	99 %	101 %	99 %	100 %	101 %	100 %

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 6 Students						
Advanced	5 %	4 %	- %	2 %	4 %	3 %
Mastery	30	23	27	18	21	14
Basic	35	40	44	33	37	32
Approaching Basic	23	24	22	37	26	38
Unsatisfactory	7	9	7	10	13	12
Total	100 %	100 %	100 %	100 %	101 %	99 %

Note: The total percent of students may not equal one hundred percent (100%) due to rounding.

Catahoula Parish School Board
Harrisonburg, Louisiana
Louisiana Educational Assessment Program (LEAP)
For the Years Ended June 30, 2015 - 2017

Schedule 7
(Concluded)

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7 Students						
Advanced	7 %	12 %	- %	1 %	2 %	- %
Mastery	35	28	27	22	19	5
Basic	34	35	34	43	43	43
Approaching Basic	19	23	24	20	34	38
Unsatisfactory	5	2	15	14	2	14
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8 Students						
Advanced	7 %	3 %	2 %	5 %	2 %	1 %
Mastery	30	39	29	19	21	21
Basic	23	27	31	26	24	26
Approaching Basic	20	20	23	32	32	23
Unsatisfactory	20	11	15	18	21	29
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

Note: The total percent of students may not equal one hundred percent (100%) due to rounding.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Graduation Exit Examination (GEE)
For the Year Ended June 30, 2017**

Schedule 8

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

**Catahoula Parish School Board
Harrisonburg, Louisiana
iLEAP Tests
For the Years Ended June 30, 2015 - 2017**

Schedule 9
(Continued)

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 3 Students						
Advanced	2 %	4 %	7 %	2 %	N/A %	1 %
Mastery	15	22	19	16	N/A	26
Basic	45	44	41	30	N/A	45
Approaching Basic	30	24	26	30	N/A	16
Unsatisfactory	9	6	7	22	N/A	12
Total	101 %	100 %	100 %	100 %	N/A %	100 %

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 4 Students						
Advanced	5 %	5 %	7 %	3 %	N/A %	4 %
Mastery	14	23	14	22	N/A	15
Basic	57	48	55	41	N/A	54
Approaching Basic	16	21	20	20	N/A	17
Unsatisfactory	7	2	4	13	N/A	9
Total	99 %	99 %	100 %	99 %	N/A %	99 %

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 5 Students						
Advanced	2 %	3 %	3 %	1 %	N/A %	2 %
Mastery	16	19	11	10	N/A	14
Basic	46	43	39	22	N/A	41
Approaching Basic	20	28	30	28	N/A	25
Unsatisfactory	16	7	17	38	N/A	18
Total	100 %	100 %	100 %	99 %	N/A %	100 %

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 6 Students						
Advanced	2 %	- %	4 %	4 %	N/A %	3 %
Mastery	14	7	10	11	N/A	8
Basic	48	50	45	29	N/A	53
Approaching Basic	30	26	29	32	N/A	23
Unsatisfactory	6	17	12	25	N/A	13
Total	100 %	100 %	100 %	101 %	N/A %	100 %

Note: The total percent of students may not equal one hundred percent (100%) due to rounding.

Catahoula Parish School Board
Harrisonburg, Louisiana
/LEAP Tests
For the Years Ended June 30, 2015 - 2017

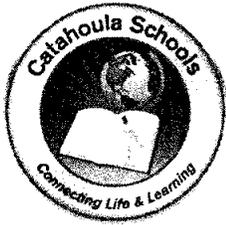
Schedule 9
(Concluded)

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 7 Students						
Advanced	1 %	2 %	- %	5 %	N/A %	4 %
Mastery	13	10	13	16	N/A	12
Basic	41	46	40	26	N/A	52
Approaching Basic	34	26	31	23	N/A	20
Unsatisfactory	11	15	17	31	N/A	13
Total	<u>100 %</u>	<u>99 %</u>	<u>101 %</u>	<u>101 %</u>	<u>N/A %</u>	<u>101 %</u>

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 8 Students						
Advanced	3 %	2 %	- %	1 %	N/A %	- %
Mastery	16	10	12	19	N/A	9
Basic	30	40	46	27	N/A	48
Approaching Basic	27	30	27	27	N/A	23
Unsatisfactory	24	18	15	26	N/A	20
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>N/A %</u>	<u>100 %</u>

Note: The total percent of students may not equal one hundred percent (100%) due to rounding.

Management's Corrective Action Plan



Catahoula Parish School Board

POST OFFICE BOX 690
HARRISONBURG, LA 71340
TELEPHONE: (318) 744-5727
FAX: (318) 744-9221

DR. GWILE PAUL FREEMAN, SUPERINTENDENT

Board Members

DEWEY W. STOCKMAN, PRESIDENT
JOSEPHINE JONES, VICE-PRESIDENT
KATIE ADAMS
JOHN W. ALLBRITTON
CYNTHIA BROWN
MICHAEL DAVIS
LETISHIA HATCHER
JANE MARTIN
DOROTHY WATSON

The Catahoula Parish School Board respectively submits the following corrective action plan for the year ended June 30, 2017.

Independent Public Accounting Firm:

Payne, Moore & Herrington, LLP
P.O. Box 13200
Alexandria, LA 71315-3200

Audit Period: July 01, 2016 – June 30, 2017

Agreed-Upon Procedures Report – Schedule 2: We use the data provided by the Louisiana Department of Education for all payroll schedules. We will continue to try to verify that the LDOE is using the correct information in completing these schedules.

Agreed-Upon Procedures Report – Schedule 5: We use the data provided by the Louisiana Department of Education for all payroll schedules. We do not have the capability to calculate the average salaries in the method the LDOE calculates. We will continue to try to save all information provided by the LDOE as backup for the schedules.

Agreed-Upon Procedures Report – Schedule 6: We will make certain all correct class rosters are submitted to the LDOE for all appropriate submission dates.

Respectfully submitted,

Christi Lofton
Business Manager

“This institution is an equal opportunity provider and employer.”

Catahoula Parish School Board

Statewide Agreed-Upon Procedures Report

Harrisonburg, Louisiana

June 30, 2017



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Catahoula Parish School Board (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity'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 and associated results are as follows:

Written Policies and Procedures

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





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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The Entity's written policies and procedures for: purchasing does not address how vendors are added to the vendor list; and contracting does not address standard terms and conditions, legal review, or the monitoring process.

Management's Response: Policies and procedures will be updated to reflect how vendors are added to the vendor list. Contracting policies and procedures will be updated to reflect the needed information.

Board (or Finance Committee, if applicable)

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



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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

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

Results: No exceptions noted.

Bank Reconciliations

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

Results: No exceptions noted.

- 4. **Procedure:** Using the listing provided by management, select all of the Entity's bank accounts [if five (5) accounts or less] or one-third of the bank accounts on a three year rotating basis [if more than five (5) accounts]. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six (6) months as of the end of the fiscal period.

Results: No exceptions noted.

Collections

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

Results: No exceptions noted.



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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

6. **Procedure:** Using the listing provided by management, select all of the Entity's cash collection locations [if five (5) locations or less] or one-third of the collection locations on a three year rotating basis [if more than five (5) locations]. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 1. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 2. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: We noted the following exceptions:

- a) The Entity does not have written documentation supporting the policy or procedure stating that the employee responsible for collecting cash is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account.
- b) The Entity does not have written documentation supporting the policy or procedure to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections.



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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

- c) In our test of seventy-two (72) collections, we noted the following exceptions:
 - 1. We noted nineteen (19) instances in which the collection was not date stamped when received. Therefore, we were unable to determine if the collection was deposited within one day of receipt. We also noted fifteen (15) instances in which the collection was not deposited within one day of receipt.
 - 2. We noted eighteen (18) instances in which there was no supporting documentation for collections.

Management's Response:

- a) Procedures will be updated to reflect the employee responsible for cash along with the appropriate internal control procedures.
 - b) Procedures will be updated to reflect how cash collections are reconciled to the general ledgers and the employee that is responsible.
 - c) A meeting will be held with principals to reiterate the policies and procedures regarding collections, documentation and deposits. In addition, updated written policies and procedures will be issued to all principals and school secretaries.
7. **Procedure:** Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Entity has a process specifically defined (identified as such by the Entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: The Entity does not have formal written policies and procedures for determining the completeness of all collections for each revenue source by a person who is not responsible for those collections.

Management's Response: Policies and procedures will be updated to reflect how the district and schools determine the completeness of collections and the employee responsible for this.

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

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



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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

Results: No exceptions noted.

9. **Procedure:** Using the disbursement population from #8 above, randomly select twenty-five (25) disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Entity had less than twenty-five (25) transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: Of the thirty-five (35) disbursements tested, we noted four (4) school disbursements in which no purchase order was used or approved, therefore, payments were processed without purchase orders.

Management's Response: The district was not aware that purchase orders are required to be used at the school level. A purchase order system will be implemented immediately in the schools.

10. **Procedure:** Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Entity's purchasing/disbursement system.

Results: The Entity does not have formal written policies and procedures regarding who is responsible for adding vendors to the purchasing/disbursement system.

Management's Response: Purchasing procedures will be updated to reflect the employee(s) responsible for adding vendors to the system.

11. **Procedure:** Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The Entity does not have formal written policies and procedures stating that persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating purchases.



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To the Board of Directors of
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Management's Response: Purchasing procedures will be updated to reflect that the persons with signatory or final approval authority are not allowed to initiate purchases.

12. **Procedure:** Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review Entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: We noted the supply of unused checks at the individual schools are maintained in a locked location, however, persons with signatory authority (principals) have access to those unused checks.

Management's Response: The district was unaware that the signatory authority was not supposed to have access to the locked check stock at the schools. This will be rectified by placing the checks in a secure locked cabinet with only two employees having access, neither of which will be the signatory authority.

13. **Procedure:** If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: No exceptions noted.

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

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

Results: No exceptions noted.

15. **Procedure:** Using the listing prepared by management, randomly select ten (10) cards [or at least one-third of the cards if the entity has less than ten (10) cards] that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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



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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: No exceptions noted.

16. Procedure: Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the ten (10) cards selected [i.e. each of the ten (10) cards should have one (1) month of transactions subject to testing].

- a) For each transaction, report whether the transaction is supported by:
 - 1. An original itemized receipt (i.e., identifies precisely what was purchased).
 - 2. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - 3. Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: No exceptions noted.

Travel and Expense Reimbursement

17. Procedure: Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: No exceptions noted.



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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

18. Procedure: Obtain the Entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: No exceptions noted.

19. Procedure: Using the listing or general ledger from #17 above, select the three (3) persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three (3) travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 1. An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 2. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 3. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions noted.



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To the Board of Directors of
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Contracts

20. Procedure: Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: No exceptions noted.

21. Procedure: Using the listing above, select the five (5) contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 1. If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 2. If no, obtain supporting contract documentation and report whether the Entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five (5) contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: No exceptions noted.



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To the Board of Directors of
Catahoula Parish School Board
and the Louisiana Legislative Auditor

Payroll and Personnel

- 22. Procedure:** Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five (5) employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: No exceptions noted.

- 23. Procedure:** Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select twenty-five (25) employees/officials (or randomly select one-third of employees/officials if the Entity had less than twenty-five (25) employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the Entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: Of the twenty-five (25) employees tested, we noted thirteen (13) instances where there was no written documentation that the supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

Management's Response: New forms were implemented for leave at the beginning of the 2017-2018 fiscal year to address some of these issues. Principals will be reminded to approve all leave for all employees.



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24. Procedure: Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two (2) largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two (2) employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: No exceptions noted.

25. Procedure: Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We noted the following exceptions:

- a) We noted four (4) out of twelve (12) months in which the retirement contributions to Louisiana School Employee's Retirement System were submitted after the required deadline.
- b) We noted four (4) out of twelve (12) months in which the retirement contributions to Louisiana State Employee's Retirement System were submitted after the required deadline.
- c) We noted three (3) out of twelve (12) months in which the retirement contributions to Teacher's Retirement System of Louisiana were submitted after the required deadline.

Management's Response: In two of the times that the contributions were late, the bank failed to wire the payments when the instructions were sent to them in a timely basis. Procedures have been implemented this fiscal year to follow-up on wire instructions to make certain the bank follows through. In addition, efforts will be made in the office to submit all contributions in a timely enough manner to allow for any technological or banking complications that would push the payment past the deadline.

Ethics

26. Procedure: Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: No exceptions noted.



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27. **Procedure:** Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: No exceptions noted.

Debt Service

28. **Procedure:** If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: No debt was issued during the fiscal period.

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

Results: No exceptions noted.

30. **Procedure:** If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: No exceptions noted.

Other

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

Results: No exceptions noted.



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32. Procedure: Observe and report whether the Entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted.

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

Results: No exceptions noted.

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

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

Payne, Moore & Herrington, LLP

Payne, Moore & Herrington, LLP
Alexandria, Louisiana

December 6, 2017