

**ST. MARY PARISH SCHOOL BOARD**

Centerville, Louisiana

Financial Report

Year Ended June 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

Leonard Armato, Superintendent,  
and Members of the St. Mary Parish School Board  
Centerville, Louisiana

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### 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 St. Mary Parish School Board, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We 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.

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

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5 through 12), budgetary comparison information (pages 68 through 69), the **schedule of proportionate share of net pension liability (page 70), and the schedule of contributions (pages 71)** be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Mary Parish School Board's basic financial statements. The combining and individual non-major fund financial statements and the combining and individual fiduciary fund financial statements 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* (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2017, on our consideration of the St. Mary 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 St. Mary Parish School Board's internal control over financial reporting and compliance.

*Dannall, Sikes, Gardes & Frederick*

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 8, 2017

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**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

The Management's Discussion and Analysis (MD&A) of the St. Mary Parish School Board's (School Board) financial performance provides an overall review and an objective, easily readable analysis of the School Board's financial activities for the fiscal year ended **June 30, 2017**. The intent of the MD&A is to look at the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the School Board's Financial Statements and the Notes to the Financial Statements.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

The following represents key totals from the Statement of Net Position:

	2017	2016
<b>ASSETS</b>		
Current assets	\$ 42,375,673	\$ 51,070,589
Capital assets	142,494,278	131,322,633
Less accumulated depreciation	<u>(67,244,279)</u>	<u>(64,675,175)</u>
Capital assets, net of depreciation	<u>75,249,999</u>	<u>66,647,458</u>
 Total assets	 117,625,672	 117,718,047
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>23,177,474</u>	<u>14,409,410</u>
 Total assets and deferred outflows of resources	 <u>\$ 140,803,146</u>	 <u>\$ 132,127,457</u>
 <b>LIABILITIES</b>		
Current liabilities	15,141,081	15,223,403
Long-term liabilities	<u>305,638,583</u>	<u>285,873,908</u>
 Total liabilities	 320,779,664	 301,097,311
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	8,110,947	9,491,405
 <b>NET POSITION</b>		
Net investment in capital assets	36,250,999	26,697,458
Restricted	13,480,447	24,014,936
Unrestricted	<u>(237,818,911)</u>	<u>(229,173,653)</u>
 Total net position	 <u>(188,087,465)</u>	 <u>(178,461,259)</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 140,803,146</u>	 <u>\$ 132,127,457</u>

**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

Net position decreased by \$9,626,206 for the year ended June 30, 2017 as compared to a decrease of \$14,662,159 for the year ended June 30, 2016. These net decreases were composed of the following elements:

	2017	2016
Net investment in capital assets	\$ 9,553,541	\$ 6,355,777
Restricted for:		
Debt Service	(558,605)	(652,933)
Capital Projects	(10,839,458)	(6,061,165)
Maintenance	300,560	273,594
Other Purposes	563,014	(1,135,811)
Unrestricted	(8,645,258)	(13,441,621)
 Net Decrease	 \$ (9,626,206)	 \$ (14,662,159)

Total assets increased \$8,675,689 for the year ended June 30, 2017 as compared to a decrease of \$4,208,632 for the year ended June 30, 2016 attributed to the following elements:

	2017	2016
Cash and cash equivalents	\$ (13,198,109)	\$ (3,127,495)
Investments at fair value	5,258,332	(5,284,788)
Due from other governmental units	(966,400)	740,362
Other receivables	46,435	(1,478,423)
Prepaid items and deposits	44,059	(683,303)
Inventory, at cost	121,767	(82,140)
Capital assets, net of accumulated depreciation	8,602,541	4,060,777
Due from fiduciary fund	(1,000)	1,000
Deferred outflows related to pensions	8,768,064	1,645,378
Net (decrease) increase	\$ 8,675,689	\$ (4,208,632)

**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2017**

Total liabilities increased \$18,301,895 and \$10,453,527 for the years ended June 30, 2017 and 2016, respectively, attributed to the following elements:

	2017	2016
Accounts payable and other current liabilities	\$ (137,763)	\$ (271,628)
Accrued liabilities	(43,845)	423,034
Long term liabilities	19,863,961	17,543,242
Deferred inflows related to pensions	(1,380,458)	(7,241,121)
Net Increase	\$ 18,301,895	\$ 10,453,527

The increase in total liabilities for 2017 is due to the increase in long term liabilities.

Ad valorem taxes parish wide and districts are based on property values of businesses and homesteads in the parish. These revenues decreased from last year. The total millage levied by the School Board was 86.44 mills, however only 19.52 mills were levied parish wide, with the remainder levied in special taxing districts.

Sales and use taxes are collected for and remitted to the St. Mary Parish School Board by the St. Mary Parish Sales and Use Tax Department. These revenues decreased from the prior year as a result of decreased oil and gas exploration activity.

The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the state, amounting to \$45,544,727 which is an increase of \$470,659 from the prior year. This MFP formula establishes a standard of local support for each school system based on the State average local support relative to the system’s capacity to raise local funds.

Non payroll related expenditures reflect marginal cuts applied throughout the budget. Payroll related expenditures reflect the annual salary step increase afforded all employees as is customary as well as a reduction of teachers and aides. Additionally, a decrease in the employer contribution rates on our two largest retirement plans is reflected in the statements.

Grant revenue remained relatively stable. The Title I Program is one of the largest federally funded programs with \$2.8 million in revenue compared to the Child Nutrition Program (CNP) with \$4.9 million. Overall meal participation has continued to decrease as enrollment continues to decrease. The federal reimbursement rate for meals served increased by approximately 2.5%.

**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2017**

**USING THE ANNUAL FINANCIAL REPORT (AFR)**

The School Board’s AFR consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a financial whole, i.e., an entire operation entity, its funds, and its fiduciary responsibilities. The “Basic Financial Statements” Section, consisting of the Statement of Net Position and the Statement of Activities (pages 14-15) provide consolidated financial information, and render a government-wide perspective of the School Board’s financial condition. The Fund Financial Statements (pages 16-22) provide the next level of detail and look at the School Board’s most significant funds and a total of all other non-major funds.

*Reporting the School District as a Whole*

*Statement of Net Position and the Statement of Activities*

The Statement of Net Position and the Statement of Activities present an aggregate view of the School Board’s finances and a longer-term view of those finances. These statements seek to answer the question, “How did the School Board do financially during the 2016-2017 fiscal year?” These statements include all assets and liabilities using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the Board’s current year revenues and expenses regardless of when paid or received.

These two statements report the School Board’s net position and changes in those assets. By showing the change in net position for the year, the reader may ascertain whether the School Board’s financial condition has improved or deteriorated. The causes of the change may be the result of many factors, both financial and non-financial in nature. Indirect factors which may have an impact on the School Board’s financial condition include the School Board’s property and sales tax base, student enrollment, facility conditions, required educational programs for which little or no funding is provided, or other external factors.

*Reporting the School District’s Most Significant Funds*

*Fund Financial Statements*

The analysis of the School Board’s governmental funds begins on page 16. Fund Financial Statements provide more in-depth reporting of the School Board’s financial position and the results of operations. Fund basis financial information is presented in the “Fund Financial Statements” Section. The School Board uses many funds to account for the numerous funding sources provided annually. However, the Fund Financial Statements look at the School Board’s most significant funds with all non-major funds presented in total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

Fund Financial Statements provide more in-depth data on the School Board’s most significant funds, such as its General Fund. This fund is considered a “major fund” under GASB Statement No. 34.

*Governmental Funds* – Most of the School District’s activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year end and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

The relationship between governmental activities reported in the Basic Financial Statements and the governmental funds reported in the Fund Financial Statements are reconciled in the financial statements.

*Statement of Fiduciary Net Position* – This statement presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust.

*Governmental Activities*

As reported in the *Statement of Activities* on page 15, the cost of the School Board's governmental activities for the year ended June 30, 2017 was \$109.6 million as compared to \$113.1 million for the prior year. The Statement of Activities shows the cost of program services and the charges and grants offsetting some of those services. Grants and contributions of \$12.5 million subsidized certain programs, and charges for services, such as fees for school lunches, e-rate receipts, tuition from other LEA's, extended day tuition and summer school tuition were the major contributors of charges for services totaling \$1.8 million. The remaining amount was financed by the taxpayers in the parish through ad valorem and sales and use taxes, as well as other local revenues totaling \$39.1 million.

The Minimum Foundation Program (MFP) from the State of Louisiana funded \$45.5 million and other general revenues contributed the remainder. In Table I on the following page, the cost of the School Board's largest categories of expenses are presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the readers to determine the remaining cost of the various categories, and also allows them the opportunity to assess the cost of each function in comparison to the benefits provided by the function.

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**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

**Table I  
Total and Net Cost of Governmental Activities  
Years Ended June 30, 2017 and 2016**

	2017		2016	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction:				
Regular programs	\$ 35,845,263	\$ 35,368,633	\$ 37,791,954	\$ 37,384,532
Special education programs	10,805,257	9,925,068	10,621,021	10,034,564
Vocational education programs	2,555,143	2,433,021	2,739,452	2,589,288
Other instructional programs	1,906,333	1,487,094	1,921,294	1,550,054
Special programs	5,139,478	1,224,392	5,207,293	1,465,353
Adult and continuing education	175,186	158,202	253,313	227,483
Support services:				
Pupil support services	6,036,336	4,499,950	5,907,464	4,511,824
Instructional staff services	6,085,410	4,756,850	6,337,137	5,081,291
General administration	4,197,696	4,177,176	5,026,244	5,002,389
School administration	6,954,586	6,937,603	7,356,524	7,333,672
Business services	969,711	918,737	1,059,773	1,006,126
Operation and maintenance of plant	12,789,072	12,640,846	13,041,228	12,878,096
Student transportation services	4,561,539	4,483,121	4,740,064	4,683,634
Central services	1,410,452	1,325,601	1,335,814	1,281,801
Non -instructional services:				
Food services	7,492,386	2,226,298	8,136,404	3,192,558
Community service programs	24,765	24,765	24,765	24,765
Other	191,159	191,159	201,686	201,686
Interest and bank charges	2,491,284	2,491,284	1,395,326	1,395,326
	<u>\$ 109,631,056</u>	<u>\$ 95,269,800</u>	<u>\$ 113,096,756</u>	<u>\$ 99,844,442</u>

**THE SCHOOL BOARD'S FUNDS**

The School Board uses funds to control and permit measurement in the short term of the revenues and expenditures of a particular activity or purpose (e.g., dedicated taxes and grant programs). The Fund Financial Statements allow the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial management of the School Board and assess further the School Board's overall financial stability.

As the School Board completed the fiscal year ended June 30, 2017 its combined fund balance was \$27.2 million, as compared to a combined fund balance of \$35.8 million as of June 30, 2016. The fund financial statements begin on page 16 of the audit report.

**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

*General Fund Budgetary Highlights*

The School Board's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The original budget for the School Board was adopted on August 11, 2016. It was not necessary to amend this budget.

A statement showing the School Board's original budget compared with actual operating results for the General Fund is provided beginning on page 68. The School Board's year end actual results were below the amounts that had been budgeted, as conservative budgetary practices are customary. Revenues are forecast conservatively and expenditures are budgeted in anticipation of all possible costs and projects.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

At June 30, 2017, the School Board had approximately \$75.2 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirements and sale of assets during the year and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at the end of the 2017 and 2016 fiscal years.

**Table II  
Capital Assets at  
June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Land	\$ 4,112,460	\$ 4,112,460
Building and improvements	43,279,178	44,603,080
Construction in progress	16,946,727	6,315,208
Furniture and equipment	<u>10,911,634</u>	<u>11,616,710</u>
Totals	<u>\$ 75,249,999</u>	<u>\$66,647,458</u>

During the year ended June 30, 2017, additions of \$783,965 of fixed assets were capitalized while assets totaling \$243,839 were disposed. Depreciation for the year ended June 30, 2017 was \$2,000,761 for buildings and improvements and \$778,074 for furniture and equipment. For the year ended June 30, 2016, additions of \$4.2 million of fixed assets were capitalized while assets totaling \$179,738 were disposed. Depreciation for the year ended June 30, 2016 was \$1,990,135 for buildings and improvements and \$773,941 for furniture and equipment. Construction in progress increased by \$10,631,519 due to construction of the new Patterson Junior High School.

**St. Mary Parish School Board  
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

*Debt Administration*

	<u>2017</u>	<u>2016</u>
Bonded debt	\$ 39,162,622	\$ 41,338,247
Other Post Employment Benefits	136,308,889	124,417,200
Net Pension Liability	125,473,551	116,608,471
Compensated absences	<u>4,288,302</u>	<u>4,311,220</u>
Totals	<u>\$ 305,233,364</u>	<u>\$ 286,675,138</u>

The bonded debt is scheduled for repayment by 2034 and was issued for the construction of a new school as well as the renovation of an existing school. See Note 13 for further explanation on the Other Post Employment Benefits liability and Note 12 for further explanation of the Net Pension Liability.

**2017/2018 BUDGET**

The General Fund, which is the St. Mary Parish School Board's largest fund, will have a projected excess of revenues over expenditures in the amount of \$7,194 for the 2017-2018 budget year. This budget reflects an increase in various revenues received from the State including MFP funding and various other grants. As far as expenditures are concerned, this budget reflects an increase in the employer required contributions to the teacher's retirement and school employee retirement plans as well as the annual salary step afforded to all employees.

**CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

While this AFR is designed to provide full and complete disclosure of the financial condition and operations of the School Board, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Alton Ray Perry, CPA, Chief Financial Officer, St. Mary Parish School Board, P.O. Box 170, Centerville, LA 70522, or by calling (337) 836-9661 during regular office hours, Monday through Friday, 8:00 am to 4:00 pm, Central Time or e-mail [aperry@stmary.k12.la.us](mailto:aperry@stmary.k12.la.us).

**FINANCIAL STATEMENTS**

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Statement of Net Position  
June 30, 2017

ASSETS

Cash and interest bearing deposits	\$	24,089,887
Investments, at fair value		11,940,358
Due from other governmental units		3,240,202
Other receivables		1,573,100
Prepaid items		1,011,997
Inventory, at cost		<u>520,129</u>
		42,375,673
Capital assets:		
Land		4,112,460
Buildings and improvements		101,891,318
Furniture and equipment		19,543,773
Construction in progress		16,946,727
Less: accumulated depreciation		<u>(67,244,279)</u>
Total capital assets, net of depreciation		<u>75,249,999</u>
Total assets		117,625,672

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		<u>23,177,474</u>
Total assets and deferred outflows of resources	\$	<u><u>140,803,146</u></u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Statement of Net Position  
June 30, 2017

LIABILITIES

Accounts payable and other current liabilities	\$	1,569,304
Deferred revenues		51,715
Due to other governmental units		142
Accrued liabilities		12,635,272
Other liabilities		884,648
Long-term liabilities:		
Portion due or payable within one year:		
Bonds		2,250,000
Accrued interest		405,219
Compensated absences		2,629,787
Portion due or payable after one year:		
Bonds		36,912,622
Compensated absences		1,658,515
Other post employment benefit obligations		136,308,889
Net pension liability		<u>125,473,551</u>
Total liabilities		320,779,664

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	8,110,947
--------------------------------------	-----------

NET POSITION

Net investment in capital assets	36,250,999
Restricted for:	
Debt service	1,965,034
Capital projects	2,129,198
Maintenance	7,354,781
Other purposes	2,031,434
Unrestricted	<u>(237,818,911)</u>
Total net position	<u>(188,087,465)</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 140,803,146</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Statement of Activities  
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Instruction:					
Regular programs	\$ 35,845,263	\$ 234,390	\$ 242,240	\$ -	\$ (35,368,633)
Special education programs	10,805,257	22,541	857,648	-	(9,925,068)
Vocational education programs	2,555,143	16,984	105,138	-	(2,433,021)
Other instructional programs	1,906,333	209,239	210,000	-	(1,487,094)
Special programs	5,139,478	16,984	3,898,102	-	(1,224,392)
Adult and continuing education	175,186	16,984	-	-	(158,202)
Support services:					
Pupil support services	6,036,336	672,323	864,063	-	(4,499,950)
Instructional staff services	6,085,410	17,375	1,311,185	-	(4,756,850)
General administration	4,197,696	18,862	1,658	-	(4,177,176)
School administration	6,954,586	16,983	-	-	(6,937,603)
Business services	969,711	16,983	33,991	-	(918,737)
Operation and maintenance of plant	12,789,072	137,028	11,198	-	(12,640,846)
Student transportation services	4,561,539	16,984	61,434	-	(4,483,121)
Central services	1,410,452	82,886	1,965	-	(1,325,601)
Non-instructional services:					
Food services	7,492,386	337,721	4,928,367	-	(2,226,298)
Community service programs	24,765	-	-	-	(24,765)
Other	191,159	-	-	-	(191,159)
Interest and bank charges	2,491,284	-	-	-	(2,491,284)
<b>Total Governmental Activities</b>	<b>109,631,056</b>	<b>1,834,267</b>	<b>12,526,989</b>	<b>-</b>	<b>(95,269,800)</b>
General Revenues:					
Local Sources:					
Taxes -					
					22,236,918
					14,455,523
					1,898,032
					228,129
					289,376
State Sources:					
					245,749
					45,544,727
					371,513
					373,627
					85,643,594
					(9,626,206)
					(178,461,259)
					<u>\$ (188,087,465)</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Balance Sheet - Governmental Funds  
June 30, 2017

ASSETS	General Fund	Special School District No. 1	Other Governmental	Total
Cash and interest-bearing deposits	\$ 4,458,316	\$ 3,454,497	\$ 16,177,074	\$ 24,089,887
Investments, at fair value	11,940,358	-	-	11,940,358
Receivables:				
Accounts	1,456,411	-	21,504	1,477,915
Other	-	-	106	106
Accrued interest	79,079	-	-	79,079
Due from other governmental units	1,095,429	-	2,144,773	3,240,202
Due from other funds	5,111,283	-	2,054,712	7,165,995
Due from schools	16,000	-	-	16,000
Prepaid items	1,011,997	-	-	1,011,997
Inventory, at cost	253,624	-	266,505	520,129
Total assets	\$ 25,422,497	\$ 3,454,497	\$ 20,664,674	\$ 49,541,668
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 458,363	\$ 782,396	\$ 328,545	\$ 1,569,304
Accrued liabilities	11,541,051	746,625	347,596	12,635,272
Due to other governmental units	-	-	142	142
Due to other funds	-	-	7,165,995	7,165,995
Other liabilities	884,648	-	-	884,648
Total liabilities	12,884,062	1,529,021	7,842,278	22,255,361
Deferred inflows of resources:	51,715	-	-	51,715
Fund balances:				
Non Spendable	1,348,314	-	-	1,348,314
Restricted	17	-	9,329,427	9,329,444
Committed	11,001,050	1,925,476	2,730,268	15,656,794
Assigned	133,434	-	762,701	896,135
Unassigned	3,905	-	-	3,905
Total fund balances	12,486,720	1,925,476	12,822,396	27,234,592
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,422,497	\$ 3,454,497	\$ 20,664,674	\$ 49,541,668

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

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

Total fund balances - Governmental Funds		\$ 27,234,592
Cost of capital assets at June 30, 2017	142,494,278	
Less: Accumulated depreciation as of June 30, 2017:		
Buildings and improvements	(58,612,140)	
Furniture and equipment	<u>(8,632,139)</u>	
		75,249,999
Elimination of interfund assets and liabilities:		
Due from other funds	7,165,995	
Due to other funds	<u>(7,165,995)</u>	
		-
Long-term liabilities at June 30, 2017:		
Bonded debt payable	(39,162,622)	
Compensated absences payable	(4,288,302)	
OPEB obligations	(136,308,889)	
Net pension liability	<u>(125,473,551)</u>	
		(305,233,364)
Deferred outflows and inflows of resources at June 30, 2017:		
Deferred outflows of resources related to pensions	23,177,474	
Deferred inflows of resources related to pensions	<u>(8,110,947)</u>	
		15,066,527
Accrued interest payable		<u>(405,219)</u>
Total net position - Governmental Activities		<u>\$ (188,087,465)</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
Year Ended June 30, 2017

	General Fund	Special School District No. 1	Other Governmental	Total
<b>Revenues:</b>				
Local sources:				
Ad valorem tax	\$ 12,165,938	\$ -	\$ 10,070,980	\$ 22,236,918
Sales tax	14,455,523	-	-	14,455,523
Tuition	281,786	-	-	281,786
Interest earnings	192,947	4,450	30,724	228,121
Leases and royalties	1,898,032	-	-	1,898,032
Food service	-	-	320,738	320,738
Other	1,421,558	-	12,080	1,433,638
State sources:				
Unrestricted grants-in-aid	44,929,085	-	1,405,509	46,334,594
Restricted grants-in-aid	419,110	-	-	419,110
Other	-	-	620	620
Federal sources:				
Restricted	82,241	-	11,543,024	11,625,265
Other - commodities	-	-	396,879	396,879
<b>Total revenues</b>	<u>75,846,220</u>	<u>4,450</u>	<u>23,780,554</u>	<u>99,631,224</u>
<b>Expenditures:</b>				
Current -				
Instruction:				
Regular programs	31,936,654	28,655	269,214	32,234,523
Special education programs	8,811,866	-	813,740	9,625,606
Vocational education programs	2,214,982	-	105,142	2,320,124
Other instructional programs	1,511,020	-	332,568	1,843,588
Special programs	1,225,369	-	3,335,727	4,561,096
Adult and continuing education programs	36,144	-	-	36,144
Support services:				
Pupil support services	4,662,362	-	819,116	5,481,478
Instructional staff services	4,199,633	-	1,149,217	5,348,850
General administration	1,635,697	6,448	354,375	1,996,520
School administration	5,790,366	-	65,914	5,856,280
Business services	718,243	-	79,034	797,277
Operation and maintenance of plant services	6,683,217	-	5,339,427	12,022,644
Student transportation services	3,807,582	-	50,631	3,858,213
Central services	1,169,905	-	110,602	1,280,507
Non-instructional services:				
Food services	309,340	-	5,956,073	6,265,413
Community service programs	24,765	-	-	24,765
Facilities acquisition, expansion and rehabilitation	-	10,808,961	230,211	11,039,172
Other	156,308	-	34,850	191,158
Debt service -				
Principal retirement	-	-	2,166,000	2,166,000
Interest and fiscal charges	-	-	1,294,460	1,294,460
<b>Total expenditures</b>	<u>74,893,453</u>	<u>10,844,064</u>	<u>22,506,301</u>	<u>108,243,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>952,767</u>	<u>(10,839,614)</u>	<u>1,274,253</u>	<u>(8,612,594)</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds (Continued)  
For the Year Ended June 30, 2017

	General Fund	Special School District No. 1	Other Governmental	Total
Other financing sources (uses):				
Operating transfers in	\$ 344,544	\$ -	\$ 974,000	\$ 1,318,544
Operating transfers out	<u>-</u>	<u>-</u>	<u>(1,318,544)</u>	<u>(1,318,544)</u>
Total other financing sources (uses)	<u>344,544</u>	<u>-</u>	<u>(344,544)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,297,311	(10,839,614)	929,709	(8,612,594)
Fund balances, beginning	<u>11,189,409</u>	<u>12,765,090</u>	<u>11,892,687</u>	<u>35,847,186</u>
Fund balances, ending	<u>\$ 12,486,720</u>	<u>\$ 1,925,476</u>	<u>\$ 12,822,396</u>	<u>\$ 27,234,592</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, 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

Total Net Changes in Fund Balance - Governmental Funds		\$ (8,612,594)
Capital Assets:		
Capital outlay	11,381,376	
Depreciation expense for the year ended June 30, 2017	<u>(2,778,835)</u>	8,602,541
Long-Term Debt:		
Principal portion of debt service payments	951,000	
Bond premium amortization	9,625	
Excess of interest paid over interest accrued	8,627	
Compensated absences expense	22,918	
OPEB expenses	<u>(11,891,689)</u>	
Governmental funds report pension contributions as expenditures; however, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:		
Pension contributions subsequent to the measurement date	12,307,052	
Cost of benefits earned net of employee contributions	<u>(12,840,361)</u>	
Amortization of excess contributions during the measurement period	1,443,048	
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:		
Non employer pension contributions	<u>373,627</u>	
		<u>(9,616,153)</u>
Change in Net Position - Governmental Activities		<u>\$ (9,626,206)</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2017

	Private Purpose Trust Funds	Agency Funds School Activity Funds
ASSETS		
Cash and interest bearing deposits	\$ 12,883	\$ 2,337,403
LIABILITIES		
Accounts payable	\$ 500	\$ -
Deposits due to others	-	2,337,403
Total liabilities	500	2,337,403
NET POSITION		
Unrestricted	\$ 12,383	\$ -

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Statement of Changes in Fiduciary Net Position  
Private Purpose Trust Funds  
June 30, 2017

	<u>Private Purpose Trust Funds</u>
<u>Additions</u>	
Local sources -	
Interest earnings	\$ 7
<u>Subtractions</u>	
Expenditures	<u>(500)</u>
Change in net position	(493)
Net position, beginning	<u>12,876</u>
Net position, ending	<u>\$ 12,383</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

INTRODUCTION

The St. Mary Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within St. Mary 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 eleven members who are elected for terms of four years.

The School Board operates twenty-four schools within the parish with a total enrollment of 8,715 pupils for the 2016-2017 year. 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.

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the St. Mary Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretation).

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis for State and Local Governments, issued in June 1999.

Reporting Entity

For financial reporting purposes, the School Board includes all funds, activities, et cetera, that are within the oversight responsibility of the School Board. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, and because of the scope of public service provided by the School Board, the School Board is a separate governmental reporting entity (primary government).

Certain units of local government over which the School Board exercises no oversight responsibility, such as the parish council, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the School Board. The School Board is not a component unit of any other entity and does not have any component units which require inclusion in the financial statements of the School Board.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

Governmental Fund Types

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

General Fund

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

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds

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

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds

Capital Projects Funds are used to account for financial resources received and used to acquire, construct, or improve capital facilities not reported in other governmental funds.

Fiduciary Fund Types

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. The following are the School Board's fiduciary fund types:

Private Purpose Trust Funds

Private purpose trust funds are trusts which exist to benefit individuals, private organizations, or other governments. The resources, including both principal and revenues earned on that principal may be expended for purposes designated by the trust agreement (e.g., donations received for specific expendable purposes).

Agency Fund

Agency fund accounts for assets held by the School Board in a custodial capacity (i.e., assets equal liabilities) and does not involve measurement of operations.

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all financial activities of the School Board, except for the fiduciary funds. The fiduciary funds are only reported in the statement of fiduciary net position and the statement of changes in fiduciary net position at the fund financial statement level.

The government-wide financial statements, private purpose trust funds, and agency funds were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a function and 2) requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Allocation of Indirect Expense

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

Fund Financial Statements

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. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements for governmental funds.

The modified accrual basis of accounting is used by all governmental fund types. 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 that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The school board considers all revenues available if they are collected within 60 days after the fiscal year end. The following practices in recording revenues and expenditures have been used for the governmental funds.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Federal and state grants which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made.

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November by the Parish Assessor based on the assessed value, become due on December 31 of each year, and become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the St. Mary Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned, if collected within 60 days of the fiscal year end.

Sales and use tax revenues are recorded in the month collected by the St. Mary Parish Tax Collector.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

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

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recognized only when due.

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

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

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Subsequent Events

The School Board has evaluated subsequent events through December 8, 2017, the date the financial statements were available to be issued.

Cash and interest-bearing deposits

Cash and interest-bearing deposits include interest-bearing demand deposits, money market accounts and deposits with the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasury and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Investments

Under state law, the School Board may invest in United States bonds, treasury notes or certificates, and time deposits of State banks organized under Louisiana law and national banks having principal offices in Louisiana.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Inventories

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

Inventory of the General Fund consists of office supplies, custodial supplies, and textbooks maintained in the central warehouse for use in all departments and schools.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Capital assets are recorded in the government-wide financial statements but not reported in the fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are as follows:

Buildings	25-40 years
Furniture and Equipment	5-12 years

Compensated Absences

All 12-month employees earn from 10 to 19 days of vacation leave each year, depending on their length of service with the School Board. Unused vacation leave at the end of each fiscal year can be carried forward to the succeeding fiscal year to a maximum of ten days. In accordance with the provisions of Statement No. 16, of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive vacation pay; however, a liability has been recorded for vesting accumulating rights to receive vacation pay.

Sabbatical leave may be granted for medical leave with doctor's certification and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after six semesters of continuous service or two semesters of sabbatical leave after twelve or more semesters of continuous service. At no time during the school year shall the number of persons on sabbatical leave exceed 5% of the total number of certificated personnel employed by the school district.

Due to its restrictive nature, sabbatical leave benefits are recorded as expenditures in the period taken and no liability is recorded in advance of the sabbatical.

Vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. A liability has been recorded for up to 25 days of accumulated sick leave for all eligible employees.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Equity Classifications

Government-wide Financial Statements:

Net position represents the difference between assets and liabilities. Net position is reported in three categories, as follows:

- a. Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position items with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – consists of the net amount of assets and liabilities that do not meet the definition of the above two components and is available for general use by the School Board.

Fund Financial Statements:

The School Board applies GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. See Note 16 for further explanation.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

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. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the School Board's management to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate. Accordingly, actual results may differ from those estimates.

Net Other Post-Employment Benefit Obligations

The School Board applies GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*." This pronouncement requires the School Board to calculate and recognize a net other post-employment benefit obligation (NOPEBO) at June 30, 2017. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008. See Note 13 for further details.

Pensions

The School Board applies the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*." This pronouncement requires the School Board to calculate and recognize a net pension liability at June 30, 2017. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and changes in fiduciary net position of the defined benefit pension plans in which the School Board participates have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 12 for further details.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in the United States bonds, notes or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the state of Louisiana, which operates a local government investment pool.

The carrying value of the School Board's cash and interest bearing deposits with financial institutions at June 30, 2017 totaled \$26,440,173; \$2,350,286 is included in the School Board's trust and agency funds. The bank balance was \$15,134,388 at June 30, 2017. Cash and interest-bearing deposits are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

The School Board had \$12,676,640 invested in Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP as of June 30, 2017 is not categorized in the three risk categories provided by GASB Codification 150.164, because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana, formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Due to this immediate access feature, investments in LAMP are considered cash equivalents by the School Board.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 3 INVESTMENTS

Under Louisiana R.S. 33:2955, as amended, the School Board may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposit and other investments as provided in the statute. Investments at June 30, 2017 were as follows:

	<u>Interest Rate/ Yield to Maturity</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Federal Farm Credit Bank	1.400%	\$ 1,770,000	\$ 1,753,751
Federal Home Loan Bank	1.000 - 2.500%	3,812,472	3,796,655
Federal Home Loan Mortgage	1.750 - 2.000%	3,903,414	3,889,552
Federal National Mortgage	1.180%	<u>2,500,569</u>	<u>2,500,400</u>
		<u>\$11,986,455</u>	<u>\$ 11,940,358</u>

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments are registered in the School Board's name and are held in the custodial bank's trust account at its custodial agent. During the year ended June 30, 2017, there were no uninsured and unregistered investments held by the counterparty, or its trust department or agent, which were not in the School Board's name.

NOTE 4 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the School Board in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

The St. Mary Parish Sheriff bills and collects the property taxes for the School Board. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2017 ad valorem taxes totaling 86.44 mills were levied on property and dedicated as follows:

	<u>2017</u>	
	<u>Net Assessed Valuations</u>	<u>Mills</u>
Parish wide taxes:		
Constitutional	608,764,015	8.35
Consolidated school district No. 5	608,764,015	11.17

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 4 AD VALOREM TAXES (CONTINUED)

District taxes:

Maintenance taxes -

Consolidated school district No. 3 (School maintenance district No. 1)	182,275,796	12.00
Consolidated school district No. 2 (School maintenance district No. 2)	198,601,657	12.17
Sixth Ward special school district No. 3 (School maintenance district No. 3)	226,689,222	11.75
Bond and interest taxes -		
Consolidated school district No. 1	119,085,840	10.00
Fourth Ward special school district	63,189,956	6.00
Fifth Ward special school district	96,512,624	15.00

The taxes levied were \$22,168,599 for the year ended June 30, 2017.

NOTE 5 INTERFUND TRANSFERS

Transfers funded from current revenues during the year ended June 30, 2017 consisted of:

	Transfers	
	<u>In</u>	<u>Out</u>
Major governmental:		
General Fund:		
Special Revenue Funds	\$ 344,544	\$ -
Total major governmental	<u>344,544</u>	<u>-</u>
Nonmajor governmental:		
Special Revenue Funds:		
General Fund	-	344,544
Capital Projects Funds	-	974,000
Capital Project Funds:		
Special Revenue Funds	<u>974,000</u>	<u>-</u>
Total nonmajor governmental	<u>974,000</u>	<u>1,318,544</u>
Total interfund transfers	<u>\$ 1,318,544</u>	<u>\$ 1,318,544</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 5 INTERFUND TRANSFERS (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES

Interfund receivables and payables at June 30, 2017 consisted of:

	Interfund Receivables	Interfund Payables
<b>Major governmental:</b>		
General Fund:	\$ 5,111,283	\$ -
Total major governmental	5,111,283	-
<b>Nonmajor governmental:</b>		
Special Revenue Funds:	919,858	3,395,758
Capital Projects Funds:	725,000	3,687,591
Debt Service Funds:	409,854	82,646
Total nonmajor governmental	2,054,712	7,165,995
Total interfund receivables/payables	\$ 7,165,995	\$ 7,165,995

Due to/from general fund represents costs paid from the general fund bank account on behalf of individual funds that do not have checking accounts. These receivables and payables reverse in the normal course of operations. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between the funds are made. Also included in interfund balances at June 30, 2017 is a \$3.4 million loan from the General Fund to the District II Capital Projects Fund to cover costs associated with two large capital projects. This loan is to be repaid over 15 years at an estimated \$249,000 per year with an interest rate of approximately 1.25 percent. This payment is based on anticipated annual savings from the consolidation of the four schools that were replaced by Raintree Elementary and allocated to the three maintenance districts by a special formula. A payment in the amount of \$204,000 was made on this debt during the fiscal year ending June 30, 2017.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 7 ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$14,204,576 at June 30, 2017, are as follows:

	General Fund	Special School District No.1	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Accounts	\$ 458,363	\$ 782,396	\$ 302,906	\$ -	\$ 25,639	\$ 1,569,304
Salaries, withholdings, and other payables	<u>11,541,051</u>	<u>746,625</u>	<u>344,796</u>	<u>-</u>	<u>2,800</u>	<u>12,635,272</u>
Total	<u>\$11,999,414</u>	<u>\$ 1,529,021</u>	<u>\$ 647,702</u>	<u>\$ -</u>	<u>\$ 28,439</u>	<u>\$ 14,204,576</u>

NOTE 8 CAPITAL ASSETS

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

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,112,460	\$ -	\$ -	\$ 4,112,460
Construction in progress	<u>6,315,208</u>	<u>10,631,519</u>	<u>-</u>	<u>16,946,727</u>
Total capital assets not being depreciated	<u>10,427,668</u>	<u>10,631,519</u>	<u>-</u>	<u>21,059,187</u>
Capital assets being depreciated:				
Buildings and improvements	101,275,739	710,967	(95,388)	101,891,318
Furniture and Equipment	<u>19,619,226</u>	<u>72,998</u>	<u>(148,451)</u>	<u>19,543,773</u>
Total capital assets being depreciated	<u>120,894,965</u>	<u>783,965</u>	<u>(243,839)</u>	<u>121,435,091</u>
Less accumulated depreciation for:				
Buildings and improvements	(56,672,659)	(2,000,761)	61,280	(58,612,140)
Furniture and Equipment	<u>(8,002,516)</u>	<u>(778,074)</u>	<u>148,451</u>	<u>(8,632,139)</u>
Total accumulated depreciation	<u>(64,675,175)</u>	<u>(2,778,835)</u>	<u>209,731</u>	<u>(67,244,279)</u>
Total capital assets, being depreciated, net	<u>56,219,790</u>	<u>(1,994,870)</u>	<u>(34,108)</u>	<u>54,190,812</u>
Capital assets, net	<u>\$ 66,647,458</u>	<u>\$ 8,636,649</u>	<u>\$ (34,108)</u>	<u>\$ 75,249,999</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 8 CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$2,778,835 for the year ended June 30, 2017 was charged to the following:

<b>Instruction:</b>	
Regular programs	\$ 94,941
Special Ed	2,500
Vocational	6,665
Other instructional programs	25,766
<b>Support:</b>	
Instructional staff services	4,690
School Administration	7,761
Business services	370
General administration	2,356,598
Operation and maintenance of plant	142,130
Student transportation services	66,439
Central services	18,067
Food services	52,908
	<u>\$ 2,778,835</u>

NOTE 9 CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term obligation transactions of the St. Mary Parish School Board for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Bonds payable:					
General obligation bonds *	\$ 41,165,000	\$ -	\$ 2,166,000	\$ 38,999,000	\$ 2,250,000
Premium on bonds payable	173,247	-	9,625	163,622	-
Total bonds payable	41,338,247	-	2,175,625	39,162,622	2,250,000
Other liabilities:					
Compensated absences	4,311,220	2,599,445	2,622,363	4,288,302	2,629,787
Other postemployment benefits	124,417,200	11,891,689	-	136,308,889	-
Net pension liability	116,608,471	8,865,080	-	125,473,551	-
Total other liabilities	245,336,891	23,356,214	2,622,363	266,070,742	2,629,787
Total long-term obligations	<u>\$ 286,675,138</u>	<u>\$ 23,356,214</u>	<u>\$ 4,797,988</u>	<u>\$ 305,233,364</u>	<u>\$ 4,879,787</u>

\* Restated to show additional principal payments on prior year's refunded bonds

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 9 CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

Compensated absences reported at June 30, 2017 of \$4,288,302 reflect amounts due to eligible employees, for unused sick leave, up to a maximum of 25 days and unused vacation leave.

See Note 13 for further explanation on other post-employment benefits liability.

See Note 12 for further explanation on net pension liability.

Bonds payable at June 30, 2017 is comprised of the following individual issues:

\$16,679,000 General Obligations School Refunding Bonds Series 2015 of Consolidated School District No. 1 (to defease \$17,675,000 of 2007 General Obligation Bonds) dated September 10, 2015, due in annual installments of \$224,000 to \$1,430,000, maturing March 1, 2032; interest variable from 1.2% to 2.9%; payable from the annual levy and collection of ad valorem taxes.	\$ 16,288,000
\$3,254,000 General Obligation School Refunding Bonds Series 2015 of Special School District No. 4 (to defease \$3,570,000 of 2007 General Obligation Bonds) dated September 10, 2015, due in annual installments of \$34,000 to \$286,000, maturing March 1, 2032; interest variable from 1.2% to 2.6%; payable from the annual levy and collection of ad valorem taxes.	3,176,000
\$21,000,000 General Obligation Bonds Series 2014 of Fifth Ward Special School District No. 1 (to acquire or improve land, building sites and other school related facilities and to purchase the necessary equipment and furnishings for the schools with the district) dated July 29, 2014, due in annual installments of \$715,000 to \$1,610,000, maturing March 1, 2034; interest variable from 2% to 4%; payable from the annual levy and collection of ad valorem taxes.	<u>19,535,000</u>
Total bonded debt	<u>\$ 38,999,000</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 9 CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all bonds outstanding at June 30, 2017, are as follows:

Year Ended June 30,	Consolidated School District No. 1		Special School District No. 4	
	Principal	Interest	Principal	Interest
2018	1,223,000	416,298	242,000	75,746
2019	1,259,000	393,782	252,000	71,421
2020	1,300,000	367,847	257,000	66,449
2021	1,340,000	338,792	262,000	60,996
2022	1,385,000	306,927	277,000	55,124
2023-2027	4,800,000	1,082,810	939,000	191,875
2028-2032	4,981,000	444,243	947,000	77,664
2033-2034	-	-	-	-
	<b>\$ 16,288,000</b>	<b>\$ 3,350,699</b>	<b>\$ 3,176,000</b>	<b>\$ 599,275</b>

Year Ended June 30,	Fifth Ward Special School District No. 1	
	Principal	Interest
2018	785,000	723,613
2019	820,000	692,213
2020	855,000	659,413
2021	895,000	625,213
2022	935,000	589,413
2023-2027	5,370,000	2,418,463
2028-2032	6,730,000	1,402,125
2033-2034	3,145,000	190,200
	<b>\$ 19,535,000</b>	<b>\$ 7,300,653</b>

No interest was capitalized during 2017. Interest incurred and charged to expense totaled \$1,294,460.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 10 LEASES

The School Board is a party to several separate operating lease agreements with entities to lease certain copier/duplication equipment and certain buses. The term of each lease ranges from twelve (12) months to sixty (60) months beginning on various dates. The lease agreements provide that the School Board shall pay regular lease payments as provided for in the separate lease contracts. Each lease contains provisions allowing cancellation in the event the School Board does not appropriate funds in future periods to be paid and allows the equipment to be returned. The School Board paid \$665,358 in lease expense during the year ended June 30, 2017.

Minimum future rentals to be paid on present lease agreements as of June 30, 2017, for each of the next five years and in the aggregate are:

Year Ended June 30,	
2018	573,810
2019	522,778
2020	311,238
2021	102,752
2022	<u>4,580</u>
Total	<u>\$ 1,515,158</u>

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ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 11 SALES TAX

On December 7, 1965, the voters of the parish approved a one percent sales and use tax to be levied by the St. Mary Parish Council, of which 30 percent of the net proceeds is to be remitted to the St. Mary Parish School Board. The proceeds received by the School Board are dedicated to supplement the salaries of teachers and school employees and for general operations of the public schools of St. Mary Parish.

On August 14, 1975, the voters of the parish approved a one-fourth of one percent (1/4 percent) sales and use tax to be levied by the School Board. The net proceeds of the tax are used to provide additional funds for the payment of salaries of teachers and other school board personnel and/or for other employee benefits.

On April 12, 1979, the voters of the parish approved a seven-tenths of one percent (7/10 percent) sales and use tax to be levied by the School Board. The proceeds of the tax were used first for payment of debt service requirements on bonds issued for the purpose of financing the purchase, construction and acquisition of air conditioning facilities and equipment for parish schools. The net proceeds after satisfying the bond service requirements, which have been retired since February 1, 1995, are used each month in the following priority:

- Payment of the cost of utilities.
- An amount equal to 65 percent of the total net proceeds of this tax is set aside and used to supplement other funds for the payment of salaries and/or other employee benefits of teachers and other school board personnel.
- The remainder of the proceeds of this tax is used to construct, maintain, and acquire capital improvements and for other school purposes provided that such proceeds are not used to construct new classroom facilities.

On March 8, 1988, the voters of the parish approved a one-half of one percent (1/2 percent) sales and use tax to be levied by the School Board. The net proceeds of the tax are used to provide additional support to public elementary and secondary schools by providing funds for salary obligations and educational management, advancement, and enrichment. On January 15, 1994, the tax was renewed for an additional period of seven (7) years from termination of its current use. On January 20, 2001, the tax was again renewed.

Sales and use taxes are collected for and remitted to the School Board by the St. Mary Parish Sales and Use Tax Department.

For the year ended June 30, 2017, there were approximately \$252,789 of sales and use taxes held under protest in escrow at the St. Mary Parish Sales and Use Tax Department on behalf of the St. Mary Parish School Board. These funds are not included in the School Board's June 30, 2017 financial statements.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 12 PENSION PLANS

***Plan Descriptions***

Substantially all employees of the School Board are provided with pensions through cost-sharing multiple-employer defined benefit pension plans administered by the Teachers' Retirement System of Louisiana (TRSL), Parochial Employees' Retirement System of Louisiana (PERS), Louisiana School Employees' Retirement System (LSERS), or Louisiana State Employees' Retirement System (LASERS). The authority to establish and amend the benefit terms of TRSL, PERS, LSERS, and LASERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL, PERS, LSERS, and LASERS each issues publicly available financial reports that can be obtained at [www.trsl.org](http://www.trsl.org), [www.persla.org](http://www.persla.org), [www.lasers.net](http://www.lasers.net), and [www.lasersonline.org](http://www.lasersonline.org), respectively.

***Benefits Provided***

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

***Retirement Benefits***

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

Members of the Regular Plan 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 at age 62 upon completing 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 at age 60 upon completing 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 31, 2010, are eligible for a 2.5% benefit factor at age 60 with 5 years of service, age 55 with 25 years of service, at any age with 30 years of service, and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired before July 1, 1999, are eligible for a 2% benefit factor at 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 age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

Members of the Lunch Plan A may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service, or at any age with 30 years of service. Plan A is closed to new entrants.

Members of the Lunch Plan B hired before July 1, 2015, may retire with a 2.0% annual accrual rate at age 55 with 30 years of service or age 60 with 5 years of service. Members hired on or after July 1, 2015, may retire with a 2.0% annual accrual rate at age 62 with 5 years of service, or with an actuarially-reduced benefit with 20 years of service at any age.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

Deferred Retirement Benefits

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 three years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional 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.

Disability Benefits

Active members of TRSL 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 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.

Survivor's Benefits

Provisions for TRSL survivor benefits are provided for in R.S. 11:762. A surviving spouse with minor children of an active member with at least five years of creditable service (two years immediately prior to death) 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 minor children are no longer eligible to receive survivor benefits, and the deceased member had at least 10 years of creditable service, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor children. Benefits for the minor children cease when they are no longer eligible. Each minor child (maximum of two) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to two 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 at least 10 years of creditable service (two years immediately prior to death) or 20 years of creditable service (regardless of when earned) 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% accrual rate 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 creditable service, the surviving spouse's benefit will cease.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

*Permanent Benefit Increase/Cost-of-Living Adjustments*

As fully described in Title 11 of the Louisiana Revised Statutes, TRSL 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. These ad hoc COLAs are not considered to be substantively automatic.

*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.

*Parochial Employees' Retirement System of Louisiana (PERS)*

*Retirement Benefits*

PERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the School Board are members of Plan A. Under Plan A, employees hired prior to January 1, 2007 who retire (1) at or after age 65 with at least 7 years of creditable service, (2) at or after age 60 with at least 10 years of creditable service, (3) at or after age 55 with at least 25 years of creditable service, or (4) at any age with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life. Annual maximum benefit for employees hired prior to January 1, 2007, equals 3% multiplied by creditable years of service, multiplied by the average of the employee's highest consecutive 36 months' salary. Employees hired on or after January 1, 2007, who retire (1) at or after age 67 with at least 7 years of creditable service, (2) at or after age 62 with at least 10 years of creditable service, or (3) at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life. Annual maximum benefit for employees hired on or after January 1, 2007, equals 3% multiplied by creditable years of service, multiplied by the average of the employee's highest consecutive 60 months' salary. Employees who terminate with at least the amount of creditable service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established by state statute (LSA R.S. 11:1901, last modified by Act 584 of 2006).

ST. MARY PARISH SCHOOL BOARD  
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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

Deferred Retirement Option

In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Cost of Living Increases

The Board of Trustees is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

*Louisiana School Employees' Retirement System (LSERS)*

*Retirement Benefits*

LSERS provides retirement, deferred retirement option (DROP), and disability benefits. A member who joined LSERS on or before June 30, 2010 is eligible for normal retirement if he has at least thirty years of creditable service regardless of age, twenty five years of creditable service and is at least age fifty five, twenty years of creditable service regardless of age with an actuarially reduced benefit, or ten years of creditable service and is at least age sixty. A member who joined LSERS on or after July 1, 2010 and prior to July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age sixty, or twenty years of creditable service regardless of age with an actuarially reduced benefit. A member who joined LSERS on or after July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age sixty-two, or twenty years of creditable service regardless of age with an actuarially reduced benefit.

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

*Deferred Retirement Option*

Members of LSERS 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.

LSERS 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.

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

LASERS 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.

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 20 or more years of creditable service, who has withdrawn from active service prior to the age at which he is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits.

Upon the death of a member with five or more years of creditable service, the 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.

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 certain benefit options. 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 R.S. 11:1152(F)(3).

Permanent Benefit Increase/Cost-of-Living Adjustment

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.

Louisiana State Employees' Retirement System (LASERS)

Retirement Benefits

LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-414. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer, and job classification. Act 992 of the 2010 Regular Session of the Louisiana Legislature closed existing sub-plans for members hired before January 1, 2011, and created new sub-plans for regular members, hazardous duty members, and judges. Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members.

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

Eligibility for retirement benefits and the computation of retirement benefits are provided for in R.S. 11:444. All Louisiana Legislative Auditor's members are regular plan members. Regular plan members hired before July 1, 2006, may retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of service, or at age 60 upon completing 10 years of creditable service. Those members hired between July 1, 2006, and June 30, 2015, may retire at age 60 upon completing 5 years of creditable service, and those hired after June 30, 2015, may retire at age 62 upon completing 5 years of creditable service. Additionally, all regular plan members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for regular plan members is equal to 2.5% of average compensation multiplied by the number of years of creditable service, generally not to exceed 100% of average compensation. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed before July 1, 2006, or highest 60 consecutive months of employment for members employed on or after that date.

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.

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.

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

Disability Benefits

Generally, active 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.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 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.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increase/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS 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. These ad hoc COLAs are not considered to be substantively automatic.

**Contributions**

Teachers' Retirement System of Louisiana (TRSL)

Contribution requirements of active employees are governed by Section 101-104 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:101-11:104) and may be amended by the Louisiana Legislature.

Members participating in the TRSL Regular Plan are required by state statute to contribute 8.0% of their annual covered salaries and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017 was 25.5% of annual covered payroll. The School Board's contributions paid to TRSL for the Regular Plan for the year ended June 30, 2017 was \$10,700,595.

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

Members participating in the TRSL Plan B are required by state statute to contribute 5.0% of their annual covered salaries and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017 was 28.2% of annual covered payroll. The School Board's contributions paid to TRSL for the Plan B for the year ended June 30, 2017 was \$478,003.

Members participating in the TRSL Optional Plan are required by state statute to contribute 8% of their annual covered salaries and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017 was 27.4% of annual covered payroll. The School Board's contributions paid to TRSL for the Optional Plan for the year ended June 30, 2017 was \$14,141.

There were no participants in the TRSL Plan A for the year ended June 30, 2017.

*Parochial Employees' Retirement System of Louisiana (PERS)*

According to state statute, contributions for all employers are actuarially determined each year. Covered employees were required by state statute to contribute 9.50% of their salary to the plan from July 2016 to June 2017. The School Board was required by the same statute to contribute 13.0% from July 2016 to December 2016 and 12.5% from January 2017 to June 2017. The School Board's contributions paid to PERS for the year ended June 30, 2017 was \$468.

*Louisiana School Employees' Retirement System (LSERS)*

Contribution requirements of active employees are governed by Act 81 of 1988 and may be amended by the Louisiana Legislature. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2010 (closed plan) and 8.0% of their annual covered salaries if hired on or after July 1, 2010, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017 was 27.3% of annual covered payroll. The School Board's contributions paid to LSERS for the year ended June 30, 2017 was \$1,064,351.

*Louisiana State Employees' Retirement System (LASERS)*

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Substantially all of the School Board employees participating in LASERS are included in the Regular Plan. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017 was 35.8% of annual covered payroll. The School Board's contributions paid to LASERS for the year ended June 30, 2017 was \$49,494.

ST. MARY PARISH SCHOOL BOARD  
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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

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

The following table reflects the School Board's reported net pension liability, pension expense, proportion share of the net pension liability and changes in proportion as of June 30, 2017.

	<u>TRSL</u>	<u>PERS</u>	<u>LSRS</u>	<u>LASERS</u>	<u>Total</u>
Net Pension Liability	\$ 114,789,726	\$ 2,500	\$ 10,108,246	\$ 573,079	\$ 125,473,551
Pension Expense	\$ 11,711,006	\$ 1,485	\$ 1,068,965	\$ 58,904	\$ 12,840,360
Proportion of Net Pension Liability	0.9780%	0.0012%	1.3400%	0.0072%	
Change in Proportion Increase (Decrease)	(0.0199)%	(0.00005)%	(0.0507)%	0.0001%	

The net pension liabilities were measured as of June 30, 2016 for TRSL, LSRS and LASERS while PERS was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of these dates. The School Board's proportion of the net pension liability for TRSL, PERS and LASERS 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. The School Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

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>TRSL</u>	<u>PERS</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 332	\$ 332
Changes in assumptions	-	475	239,465	-	239,940
Difference between projected and actual earnings on pension plan investments	8,356,425	1,940	1,280,546	71,378	9,710,289
Difference between employer contributions and proportionate share of contributions	911,167	61	1,803	295	913,326
Changes in proportion	-	1	-	6,534	6,535
Employer contributions subsequent to measurement date	11,192,739	468	1,064,351	49,494	12,307,052
Total	\$ 20,460,331	\$ 2,945	\$ 2,586,165	\$ 128,033	\$ 23,177,474

ST. MARY PARISH SCHOOL BOARD  
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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

	<u>Deferred Inflows of Resources</u>				
	<u>TRSL</u>	<u>PERS</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 2,266,269	\$ 438	\$ 275,846	\$ 5,315	\$ 2,547,868
Changes in assumptions	-	-	267,169	-	267,169
Difference between employer contributions and proportionate share of contributions	3,124,180	62	4,027	57,796	3,186,065
Changes in proportion	1,770,071	2	339,772	-	2,109,845
Total	<u>\$ 7,160,520</u>	<u>\$ 502</u>	<u>\$ 886,814</u>	<u>\$ 63,111</u>	<u>\$ 8,110,947</u>

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of TRSL, PERS, LSERS, and LASERS net pension liability during 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 (benefit) as follows:

Year ended June 30:	<u>TRSL</u>	<u>PERS</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
2017	\$ (616,498)	\$ 759	\$ (227,702)	\$ (42,774)	\$ (886,215)
2018	(616,498)	748	(84,518)	13,437	(686,831)
2019	2,811,793	524	578,707	27,739	3,418,763
2020	528,275	(56)	368,513	17,026	913,758
Totals	<u>\$ 2,107,072</u>	<u>\$ 1,975</u>	<u>\$ 635,000</u>	<u>\$ 15,428</u>	<u>\$ 2,759,475</u>

**Actuarial Assumptions**

The total pension liability in the actuarial valuations for TRSL, LSERS, PERS and LASERS were determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

	TRSL	PERS	LSERS	LASERS
<b>Valuation date</b>	June 30, 2016	December 31, 2016	June 30, 2016	June 30, 2016
<b>Actuarial cost method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Actuarial Assumptions:</b>				
Expected Remaining Service Lives	5 years	4 years	3 years	3 years
Investment Rate of Return	7.75%	7.00%	7.125%	7.75%
Inflation Rate	2.5% per annum	2.5%	2.625%	3.0%
Projected Salary Increases	3.5% - 10.0%	5.25%	3.075% - 5.375%	3.0% - 14.5%
Cost-of-living adjustments	See plan description	See plan description	See plan description	See plan description
Dates of Experience Study	2008 - 2012	2010 - 2014	2008 - 2012	2009 - 2013
Mortality Rates	<b>Non-disabled and disabled members:</b> RP-2000 Mortality Table with projection to 2025 using Scale AA.	<b>Active members:</b> RP-2000 Sex Distinct Mortality Table  <b>Healthy annuitants and beneficiaries:</b> RP-2000 Healthy Annuitant Mortality Table  <b>Disabled annuitants:</b> RP-2000 Disabled Lives Mortality Table	RP-2000 Sex Distinct Mortality Table	<b>Non-disabled members:</b> RP-2000 Combined Healthy Mortality Table  <b>Disabled members:</b> RP-2000 Disabled Retiree Table

The long-term expected rate of return on pension plan investments of TRSL, PERS, LSERS, and LASERS were 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 expected real rates of return for each major asset class of as of June 30, 2016 for TRSL, LSERS and LASERS, and as of December 31, 2016 for PERS are summarized in the following tables:

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Domestic Equity	31%	4.50%
International Equity	19%	5.31%
Domestic Fixed Income	14%	2.45%
International Fixed Income	7%	3.28%
Private Equity	29%	6.80%
Other Private Assets	0%	4.82%
Total	<u>100%</u>	<u>5.73%</u>
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>8.23%</u>

**Parochial Employees' Retirement System of Louisiana (PERS):**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternative Investments	11%	0.67%
Real Assets	2%	0.12%
Total	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.66%</u>

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed income	30%	1.82%
Equity	51%	3.10%
Alternative Investments	13%	0.79%
Real Assets	6%	0.36%
Total	<u>100%</u>	<u>6.07%</u>
Inflation		<u>2.00%</u>
Expected Geometric Nominal Return		<u>8.07%</u>

ST. MARY PARISH SCHOOL BOARD  
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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

**Louisiana State Employees' Retirement System (LASERS):**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Cash	0%	-0.24%
Domestic equity	25%	4.31%
International equity	32%	5.48%
Domestic Fixed Income	8%	1.63%
International Fixed Income	6%	2.47%
Alternative Investments	22%	7.42%
Global Asset Allocation	7%	2.92%
Total	<u>100%</u>	<u>5.30%</u>
Inflation		<u>3.00%</u>
Expected Geometric Nominal Return		<u>8.30%</u>

**Discount Rate**

The discount rate used to measure the total pension liability of TRSL, PERS, LSERS, and LASERS was 7.75%, 7.125%, 7.00%, and 7.75%, respectively. 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 School Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the School Board's proportionate share of the net pension liability of TRSL, PERS, LSERS and LASERS as of June 30, 2017 using the current discount rate of 7.75%, 7.125%, 7.00%, and 7.75%, respectively, as well as what the School Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>School Board's proportionate share of the net pension liability</u>		
	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL	\$ 143,177,923	\$ 114,789,726	\$ 90,633,289
PERS	\$ 7,479	\$ 2,500	\$ (1,710)
LSERS	\$ 13,269,311	\$ 10,108,246	\$ 7,400,032
LASERS	\$ 704,081	\$ 573,079	\$ 461,769

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Notes to Financial Statements

NOTE 12 PENSION PLANS (CONTINUED)

**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 \$373,537 for its participation in TRSL and \$90 for its participation in PERS. LSERS and LASERS do not receive support from non-employer contributing entities and as a result no revenue was recorded for the participation in LSERS or LASERS for the year ended June 30, 2017.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plans fiduciary net position is available in the separately issued financial reports for TRSL, LSERS, and LASERS and can be obtained on the plans' respective websites or on the Louisiana Legislative Auditor's website: [www.la.la.gov](http://www.la.la.gov).

**Payables to the Pension Plans**

At June 30, 2017, the School Board reported a payable of \$802,239 and \$82,325 for the outstanding amount of contributions due to TRSL and LSERS, respectively.

NOTE 13 OTHER POST EMPLOYMENT BENEFITS

The St. Mary Parish School Board provides certain continuing medical and life insurance benefits for its retired employees. The plan is a self-funded single employer plan administered by BlueCross BlueShield of Louisiana. The plan issues a separate financial report. The report may be obtained by writing to BlueCross BlueShield of Louisiana, P. O. Box 98029, Baton Rouge, Louisiana 70898-9029 or by calling (225) 295-3307.

Requirements for eligibility for these benefits are that retirees at age 65 have not less than fifteen years with the St. Mary Parish School Board or twenty years total service with the last ten years of employment being with the St. Mary Parish School Board. At any age below 65 the retiree must have not less than 30 years of service with at least twenty years with the St. Mary Parish School Board. The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee and the School Board.

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the School Board recognized the cost of postemployment healthcare in the year when the employee services are received, reported the accumulated liability from prior years, and provided information useful in assessing potential demands on the School Board's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 13 OTHER POST EMPLOYMENT BENEFITS

The contribution requirements of plan members and the School Board are established and may be amended by the School Board. The School Board determines the required contribution based on projected pay-as-you-go financing. Current monthly contribution rates for medical insurance at July 1, 2016, the date of the last full actuarial valuation were as follows:

	Plan 1		Plan 2	
	Pre-Medicare	Post-Medicare	Pre-Medicare	Post-Medicare
Retiree Only	\$ 222	\$ 125	\$ 121	\$ 125
Retiree and Spouse	480	291	299	291
Spouse Only	354	201	272	201

Retirees eligible for Medicare are required to enroll in Part A which affects their monthly required premium amount. Employees are also eligible for Basic Life Insurance upon retirement. The School Board will pay one-half of the premium with the retiree being responsible for the other half of the premium. In addition, retirees may elect a Supplemental Life Insurance benefit equal to the minimum of (1) 1.5 times their salary at retirement and (2) \$40,000. The School Board will pay one-half of the premium with the retiree being responsible for the other half of the premium.

Membership in the plan consisted of the following at July 1, 2016, the date of the last full actuarial valuation.

Active employees	1,228
Retired	708
Disabled	4
Spouses of current retirees	160
Surviving spouses	26
Total	2,126

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ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 13 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The following table shows the calculation of the Annual Required Contribution and Net OPEB Obligation.

*Determination of Annual Required Obligation*

Normal Cost at year end	\$ 7,553,374
Amortization of UAAL	<u>12,511,507</u>
Annual Required Contribution (ARC)	20,064,881

*Determination of Net OPEB Obligation*

Annual Required Contribution (ARC)	20,064,881
Interest on prior year Net OPEB Obligation	4,665,645
Adjustment to ARC	<u>(8,405,042)</u>
Annual OPEB Cost	16,325,484
School Board's Contributions made	<u>(4,433,795)</u>
Increase in Net OPEB Obligation	11,891,689
Net OPEB Obligation--beginning of year	<u>124,417,200</u>
Net OPEB Obligation--end of year	<u>\$ 136,308,889</u>

The School Board's other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2016, is estimated to be \$185,204,079. The School Board's contributions represent payments made for premiums for insured individuals.

The following table shows the schedule of Funding Progress.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as Percentage of Payroll
7/1/2014	\$ -	\$ 161,714,659	\$ 161,714,659	0.00%	\$47,884,008	337.72%
7/1/2015 **	\$ -	\$ 170,915,171	\$ 170,915,171	0.00%	\$48,022,778	355.90%
7/1/2016	\$ -	\$ 185,204,079	\$ 185,204,079	0.00%	\$42,864,284	432.07%

\*\* The School Board opted to not have a full actuarial valuation performed, but instead had an estimated valuation performed based on the July 1, 2014 actuarial valuation.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 13 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	15,058,459	4,185,778	27.80%	107,235,726
June 30, 2016	21,813,512	4,632,038	21.23%	124,417,200
June 30, 2017	16,325,484	4,433,795	27.16%	136,308,889

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

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ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 13 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

The annual OPEB cost was determined as part of the actuarial valuation. Additional information as of the last full actuarial valuation follows:

Valuation date:	July 1, 2016
Actuarial cost method:	Unit credit actuarial cost method
Asset valuation method:	Market value
Amortization method:	Level dollar
Remaining amortization period	22 years
<i>Actuarial Assumptions:</i>	
Investment rate of return	3.75%
Inflation rate	None

NOTE 14 RISK MANAGEMENT

Workers' Compensation

The School Board replaced the limited risk management program for workers' compensation with a fully insured plan on May 1, 1999. Management Service, USA was hired by the School Board as administrator of this limited risk program. While under this limited risk plan, the School Board purchased commercial insurance for individual claims in excess of \$600,000. The School Board, unable to obtain reasonable worker's compensation insurance coverage, once again elected to participate in another limited risk management program, effective May 1, 2004. Claims Administrative Services, Inc. serves as the administrator of this plan. The School Board incurred \$1,278,090 in benefits and administrative costs under the limited risk plans during fiscal year 2017. Incurred but not paid claims have been accrued as a liability in the general fund.

Reconciliation of Claims Liabilities

Changes in the claims liability amounts for the risk management programs are as follows:

	Beginning of Fiscal year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year - End
Workers' Compensation	<u>\$ 757,152</u>	<u>\$ 1,405,586</u>	<u>\$1,278,090</u>	<u>\$ 884,648</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 14 RISK MANAGEMENT (CONTINUED)

Claims payable of \$884,648 for workers' compensation at June 30, 2017 was obtained from information provided by the third party administrator.

General Liability

The School Board, unable to obtain reasonable commercial insurance coverage, elected to participate in a self-insurance pool called LARMA (Louisiana Risk Management Agency), effective April 1, 2004. This pool consists of other school boards and is structured where a loss fund is established from actuarial numbers. Aggregate excess coverage of \$2 million is also provided to protect the fund. This fund covers general liability as well as automobile, board errors and omissions liability, and fidelity and forgery insurance. Building and contents coverage is still being provided by a commercial insurance carrier.

NOTE 15 PENDING LITIGATION

Contingencies

At June 30, 2017, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the School Board. It is the opinion of the School Board, after conferring with legal counsel, that the liabilities, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

NOTE 16 FUND BALANCES

The School Board applies GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable Fund Balance**—amounts that are not in spendable form or are required to be maintained intact.

**Restricted Fund Balance**—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**Committed Fund Balance**—amounts constrained to specific purposes by the School Board itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the School Board takes the same highest level action to remove or change the constraint.

**Assigned Fund Balance**—amounts the School Board intends to use for a specific purpose. Intent can be expressed by the School Board or by an official or body to which the School Board delegates the authority.

**Unassigned Fund Balance**—amounts that are available for any purpose.

ST. MARY PARISH SCHOOL BOARD  
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Notes to Financial Statements

NOTE 16 FUND BALANCES (CONTINUED)

The following is a schedule of fund balances as of June 30, 2017:

	General Fund	Special School District No. 1	Nonmajor Governmental Funds	Total Governmental Funds
Non Spendable:				
Inventory	\$ 253,624	\$ -	\$ -	\$ 253,624
Prepaid Expenses	993,997	-	-	993,997
Truancy	100,693	-	-	100,693
Restricted:				
Education Excellence	17	-	-	17
Debt Service	-	-	1,974,646	1,974,646
Maintenance	-	-	7,354,781	7,354,781
Committed:				
Future Occurrences	6,400,000	-	-	6,400,000
Backflow Preventers	187,050	-	-	187,050
District II Construction Loan	2,584,000	-	-	2,584,000
Asbestos Abatement	50,000	-	-	50,000
Band Uniforms	35,000	-	-	35,000
Insurance Deductibles	850,000	-	-	850,000
Floor Tile	100,000	-	-	100,000
Defibrillators	5,000	-	-	5,000
Computer Software Programs	250,000	-	-	250,000
Worker's Comp. Self Ins. Loss	500,000	-	-	500,000
School Food Service (Freezer/Cooler Replacements)	40,000	-	-	40,000
Construction	-	1,925,476	2,730,268	4,655,744
Assigned:				
Red Ribbon	6,500	-	-	6,500
Concession Commissions	5,000	-	-	5,000
Technology	111,696	-	-	111,696
Federal Programs	10,238	-	-	10,238
Food Service	-	-	762,701	762,701
Unassigned:	<u>3,905</u>	<u>-</u>	<u>-</u>	<u>3,905</u>
Total fund balances	<u>\$ 12,486,720</u>	<u>\$ 1,925,476</u>	<u>\$ 12,822,396</u>	<u>\$ 27,234,592</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to Financial Statements

NOTE 16 FUND BALANCES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School Board has provided otherwise in its commitment or assignment actions.

NOTE 17 COMPENSATION OF BOARD MEMBERS

A detail of the compensation paid to individual board members for the year ending June 30, 2017 follows:

Ginger Griffin, President	\$	7,800
Wayne Deslatte		7,200
Joseph Foulcard		7,200
Marilyn LaSalle		7,200
Mary Lockley		7,200
William McCarty		7,200
Anthony Streva		7,200
Roland Verrett		7,200
Michael Taylor		7,800
Kenneth Alfred		7,200
Pearl Rack		<u>7,200</u>
Total	\$	<u>80,400</u>

NOTE 18 CHANGES IN AGENCY FUND DEPOSITS

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

Fund	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017
School Activity	<u>\$ 2,300,448</u>	<u>\$ 3,925,076</u>	<u>\$ 3,888,121</u>	<u>\$ 2,337,403</u>

NOTE 19 GRANT AUDIT

The School Board receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to the Financial Statements

NOTE 20 DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources at June 30, 2017 consisted of the following:

Millennium Trust Funds	<u>\$ 51,715</u>
Total deferred inflows of resources	<u>\$ 51,715</u>

The Louisiana State Legislature created the Millennium Trust in 1999 to provide for the disposition of proceeds from the tobacco settlement. The same legislation that created the Millennium Trust, Louisiana Revised Statute (LRS): 39:98.1-98.5, also established the Education Excellence Fund as a component of the Millennium Trust. By legislative mandate, the Louisiana Department of Education has the responsibility of providing the appropriations and oversight of monies from the Education Excellence Fund with the specific purpose of ensuring that all expenditures are used to support “excellence in educational practice.” Funds are obtained by the submission of an approved Education Excellence Expenditure Plan to the Louisiana Department of Education. For further information the St. Mary Parish School Board maintains a copy of the Educational Excellence Expenditure Plan and can be viewed at the St. Mary Parish School Board’s central office at 474 Highway 317, Centerville, Louisiana 70538.

NOTE 21 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

A detail of compensation, benefits, and other payments made to Superintendent Leonard Armato for the year ended June 30, 2017 follows:

Agency Head Name: Leonard Armato

Purpose	Amount
Salary	\$ 135,310
Benefits - insurance	4,713
Benefits - retirement	34,585
Car allowance	12,000
Dues	1,185
Travel	1,409
Housing (conferences)	<u>374</u>
Total	<u>\$ 189,576</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

MAJOR FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in other funds.

Special School District No. 1 Fund

Special School District No. 1 Fund is used to acquire or improve land, building sites and other school – related facilities within the district. In addition, it is used to purchase the necessary equipment and furnishings for the schools. Funding is provided by the proceeds of the \$21,000,000 bond issue dated July 29, 2014.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Local sources:				
Ad valorem tax	\$ 12,584,000	\$ 12,584,000	\$ 12,165,938	\$ (418,062)
Sales taxes	14,150,000	14,150,000	14,455,523	305,523
Tuition	315,000	315,000	281,786	(33,214)
Interest earnings	234,000	234,000	192,947	(41,053)
Leases and royalties	200,000	200,000	1,898,032	1,698,032
Other	1,287,657	1,287,657	1,421,558	133,901
State sources:				
Unrestricted grants-in-aid	45,134,483	45,134,483	44,929,085	(205,398)
Restricted grants-in-aid	274,561	274,561	419,110	144,549
Federal sources:				
Restricted	105,000	105,000	82,241	(22,759)
Total revenues	74,284,701	74,284,701	75,846,220	1,561,519
<u>Expenditures:</u>				
Current -				
Instruction:				
Regular programs	30,882,960	30,882,960	31,936,654	(1,053,694)
Special education programs	8,662,746	8,662,746	8,811,866	(149,120)
Vocational education programs	2,443,375	2,443,375	2,214,982	228,393
Other instructional programs	1,777,295	1,777,295	1,511,020	266,275
Special programs	1,194,065	1,194,065	1,225,369	(31,304)
Adult and continuing education programs	33,456	33,456	36,144	(2,688)
Support services:				
Pupil support services	4,638,777	4,638,777	4,662,362	(23,585)
Instructional staff services	4,006,310	4,006,310	4,199,633	(193,323)
General administration	1,862,053	1,862,053	1,635,697	226,356
School administration	5,940,051	5,940,051	5,790,366	149,685
Business services	749,182	749,182	718,243	30,939
Operation and maintenance of plant services	6,829,892	6,829,892	6,683,217	146,675
Student transportation services	3,884,324	3,884,324	3,807,582	76,742
Central services	1,134,461	1,134,461	1,169,905	(35,444)
Non-instructional services:				
Food service operations	428,616	428,616	309,340	119,276
Community service programs	24,765	24,765	24,765	-

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Budgetary Comparison Schedule  
General Fund (Continued)  
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other	\$ -	\$ -	\$ 156,308	\$ (156,308)
Total expenditures	<u>74,492,328</u>	<u>74,492,328</u>	<u>74,893,453</u>	<u>(401,125)</u>
Deficiency of revenues under expenditures	(207,627)	(207,627)	952,767	1,160,394
Other financing sources (uses):				
Operating transfers in	1,376,112	1,376,112	344,544	(1,031,568)
Operating transfers out	<u>(1,058,000)</u>	<u>(1,058,000)</u>	<u>-</u>	<u>1,058,000</u>
Total other financing sources (uses)	<u>318,112</u>	<u>318,112</u>	<u>344,544</u>	<u>26,432</u>
Deficiency of revenues and and other sources over (under) expenditures and other uses	110,485	110,485	1,297,311	1,186,826
<u>FUND BALANCES</u>				
Beginning of year	<u>11,189,409</u>	<u>11,189,409</u>	<u>11,189,409</u>	<u>-</u>
End of year	<u>\$ 11,299,894</u>	<u>\$ 11,299,894</u>	<u>\$ 12,486,720</u>	<u>\$ 1,186,826</u>

See accompanying notes to the required supplementary information.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule Proportionate Share of Net Pension Liability  
For the Year Ended June 30, 2017

Fiscal Year*	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>Teachers' Retirement System of Louisiana</b>					
2017	0.97802%	\$ 114,789,726	\$ 43,709,773	262.62%	59.90%
2016	0.99793%	\$ 107,299,878	\$ 44,988,296	238.51%	62.50%
2015	1.03000%	\$ 104,944,078	\$ 45,987,288	228.20%	63.70%
<b>Parochial Employees' Retirement System of Louisiana</b>					
2017	0.00121%	\$ 2,500	\$ 5,000	50.00%	94.10%
2016	0.00126%	\$ 3,306	\$ 7,200	45.92%	93.50%
2015	0.00127%	\$ 464	\$ 7,200	6.44%	99.10%
<b>Louisiana School Employees' Retirement System</b>					
2017	1.33999%	\$ 10,108,246	\$ 3,898,720	259.27%	70.09%
2016	1.39067%	\$ 8,818,639	\$ 3,814,283	231.20%	74.49%
2015	1.44000%	\$ 8,347,312	\$ 3,908,816	213.55%	76.18%
<b>Louisiana State Employees' Retirement System</b>					
2017	0.00730%	\$ 573,079	\$ 138,251	414.52%	57.70%
2016	0.00716%	\$ 486,648	\$ 137,114	354.92%	62.70%
2015	0.95400%	\$ 596,401	\$ 142,919	417.30%	65.00%

\*Amounts presented were determined as of the end of the fiscal year.

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

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule of Contributions  
For the Year Ended June 30, 2017

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
<b>Teachers' Retirement System of Louisiana</b>					
2017	\$ 11,192,739	\$ 11,192,739	\$ -	\$ 43,709,773	25.6%
2016	\$ 11,879,586	\$ 11,888,742	\$ (9,156)	\$ 44,988,296	26.4%
2015	\$ 12,908,085	\$ 12,906,752	\$ 1,333	\$ 45,987,288	28.1%
<b>Parochial Employees' Retirement System of Louisiana</b>					
2017	\$ 468	\$ 468	\$ -	\$ 5,000	9.4%
2016	\$ 990	\$ 990	\$ -	\$ 7,200	13.8%
2015	\$ 1,098	\$ 1,098	\$ -	\$ 7,200	15.3%
<b>Louisiana School Employees' Retirement System</b>					
2017	\$ 1,064,352	\$ 1,064,352	\$ -	\$ 3,898,720	27.3%
2016	\$ 1,151,914	\$ 1,151,914	\$ -	\$ 3,814,283	30.2%
2015	\$ 1,289,909	\$ 1,289,909	\$ -	\$ 3,908,816	33.0%
<b>Louisiana State Employees' Retirement System</b>					
2017	\$ 49,494	\$ 49,494	\$ -	\$ 138,251	35.8%
2016	\$ 51,006	\$ 51,006	\$ -	\$ 137,114	37.2%
2015	\$ 52,880	\$ 52,880	\$ -	\$ 142,919	37.0%

\*Amounts presented were determined as of the end of the fiscal year.

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

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to the Required Supplementary Information

NOTE 1 BASIS OF ACCOUNTING

The budgetary basis is in accordance with generally accepted accounting principles (GAAP).

NOTE 2 BUDGETARY PRACTICES

Budgetary Information

Proposed budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP) and are presented to the School Board by the Superintendent prior to the commencement of each fiscal year. After public hearings, the proposed budgets, after any amendments deemed necessary, are adopted by the Board. Budgetary amendments are processed in the same manner. Budgets are prepared only for the General Fund and all Special Revenue Funds.

All appropriations lapse at the end of each fiscal year.

Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in the General Fund. These excess expenditures were covered by available fund balance in the fund.

NOTE 3 PENSION PLANS - CHANGES OF BENEFIT TERMS

Teachers' Retirement System of Louisiana (TRSL)

- A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.
- Regular Plan members whose first employment makes them eligible for membership in a Louisiana state retirement on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age 62 with at least five years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

Parochial Employees' Retirement System (PERS)

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

Louisiana School Employees' Retirement System (LSERS)

A 1.9% COLA, effective July 1, 2016, provided by Act 512 of the 2016 Louisiana Regular Legislative Session.

Louisiana State Employees' Retirement System (LASERS)

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

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Notes to the Required Supplementary Information

NOTE 4 PENSION PLANS - CHANGES OF ASSUMPTIONS

Teachers' Retirement System of Louisiana (TRSL)

There were no changes in assumptions for the year ended June 30, 2016.

Parochial Employees' Retirement System (PERS)

There were no changes in assumption to the actuarial valuation for the year ended December 31, 2016.

Louisiana School Employees' Retirement System (LSERS)

For the actuarial valuation report for the year ended June 30, 2016, the discount rate was increased from 7.0% to 7.125%. The assumed long-term rate return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return. The inflation rate was decreased from 2.75% per annum to 2.625%.

Louisiana State Employees' Retirement System (LASERS)

There were no changes in assumptions to the actuarial valuation for the year ended June 30, 2016.

**SUPPLEMENTAL INFORMATION**

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

NON-MAJOR FUND DESCRIPTIONS

Elementary and Secondary Education Act - As Amended by the No Child Left Behind Act of 2001

Title I of the No Child Left Behind Act of 2001, including ARRA funding, is a program for economically and educationally disadvantaged school children that is federally financed, state-administered, and locally operated by the School Board. Title I services are provided through various projects that are designed to meet the special needs of educationally disadvantaged children. The activities supplement, rather than replace, state and locally mandated activities. Title I Migrant is a program for children of migrant parents that is federally financed, state-administered, and locally operated by the School Board. This service is supplementary and is designed to meet the special needs of migratory children.

Title I Grants to Local Educational Agencies, American Recovery and Reinvestment Act of 2009 (ARRA) is a program to help local educational agencies and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.

Title II of the No Child Left Behind Act of 2001 is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and foreign languages and to increase the accessibility of such instruction to all students.

Title III of the No Child Left Behind Act of 2001 is a federal grant that focuses on assisting school districts in teaching English to Limited English Proficiency students in an effort to meet the challenges of state standards required of all students.

Title IV Safe and Drug-Free Schools and Communities Fund of the No Child Left Behind Act of 2001 is a program by which the federal government provides funds to the School Board for drug abuse education and prevention that is coordinated with related community efforts and resources.

Temporary Assistance for Needy Families

Title IV Temporary Assistance for Needy Families of the Social Security Act is comprised of several programs by which the federal government provides funds to the School Board to assist needy families with children so that children can be cared for in their own homes; reduce dependency by promoting job preparation, work and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

Rural Education Achievement Program

The Rural Education Achievement Program is a program to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

NON-MAJOR FUND DESCRIPTIONS

Individuals with Disabilities Education Act

Preschool Incentive Fund, including ARRA funding, is a program for expanding educational services to children with disabilities ages three through five years, and at a State's discretion, to two year old children with disabilities who will reach age three during the school year.

Special education funds, including ARRA funding, are programs used to help provide the special education and related services needed to make a free appropriate public education available to eligible children and, in some cases, to provide early intervening services.

School Districts Maintenance Funds

The School Districts Maintenance Fund accounts for the purchases of new equipment, for repairs and renovation of existing buildings and equipment and for the maintenance of the grounds for School Districts I, II and III. Financing is provided primarily by a special property tax levy on property within each district and by the related state revenue sharing. Individual fund balances of the School Districts Maintenance Funds at June 30, 2017, are as follows:

District I	\$ 2,234,762
District II	2,730,997
District III	<u>2,389,022</u>
Total fund equity	<u>\$ 7,354,781</u>

School Lunch Fund

The School Lunch Fund is a program that provides nourishing morning and noon meals for students in all grades. This fund is supplemented by both federal and state funds that are based on reimbursement and participation.

Vocational/Adult Education

This is made up of the Carl D. Perkins Vocational Fund, Adult Education Workplace Literacy Funds, and Adult Education Funds. These provide funding for the instructional needs of vocational and adult education in St. Mary Parish.

Enhancing Education through Technology Program

The Enhancing Education through Technology Programs, including ARRA funding, provide funds to improve student academic achievement through the use of technology in schools; assist all students in becoming technologically literate by the end of the eighth grade; and encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

NON-MAJOR FUND DESCRIPTIONS

Reserve Officers' Training Corps

The Reserve Officers' Training Corps is a leadership course that instills the values of citizenship, national and community service, personal responsibility, and a sense of accomplishment in high school students.

DEBT SERVICE FUNDS

Consolidated School District No. 1, Special School District No. 4, Fifth Ward Special School District No 1, and Sixth Ward Special School District No. 3.

The school district debt service funds accumulate monies to retire the outstanding bond issues of the respective school districts. The bond issues are financed by a special tax levy on property within the territorial limits of the various school districts.

The bond issues for Fifth Ward Special School District No. 1 and Sixth Ward Special District No. 3 have been retired. Remaining assets represent collections of prior year ad valorem taxes and are reserved for school district expenditures.

CAPITAL PROJECTS FUNDS

District Capital Project Funds

The board appropriates funds to provide for construction and major repair projects at each District.

Consolidated School District No. 1 Fund

Consolidated School District No. 1 Fund is used to acquire or improve land, building sites and other school-related facilities within the district. In addition, it is used to purchase the necessary equipment and furnishings for the schools. Funding has been provided by the proceeds of the \$24,000,000 bond issue dated May 1, 2007.

Special School District No. 4 Fund

Special School District No. 4 Fund is used to acquire or improve land, building sites and other school – related facilities within the district. In addition, it is used to purchase the necessary equipment and furnishings for the schools. Funding has been provided by the proceeds of the \$4,700,000 bond issue dated May 1, 2007.

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ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Combined Balance Sheet  
Non-Major Governmental Funds  
By Fund Type  
June 30, 2017

ASSETS	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Cash and interest-bearing deposits	\$ 8,815,824	\$ 1,640,058	\$ 5,721,192	\$ 16,177,074
Receivables:				
Accounts	14,124	7,380	-	21,504
Other receivables	-	-	106	106
Due from other governmental units	2,144,773	-	-	2,144,773
Due from other funds	919,858	409,854	725,000	2,054,712
Inventory, at cost	<u>266,505</u>	<u>-</u>	<u>-</u>	<u>266,505</u>
 Total assets	 <u>\$ 12,161,084</u>	 <u>\$ 2,057,292</u>	 <u>\$ 6,446,298</u>	 <u>\$ 20,664,674</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 302,906	\$ -	\$ 25,639	\$ 328,545
Accrued liabilities	344,796	-	2,800	347,596
Due to other governmental units	142	-	-	142
Due to other funds	<u>3,395,758</u>	<u>82,646</u>	<u>3,687,591</u>	<u>7,165,995</u>
Total liabilities	<u>4,043,602</u>	<u>82,646</u>	<u>3,716,030</u>	<u>7,842,278</u>
Fund balances:				
Restricted for debt service	-	1,974,646	-	1,974,646
Restricted for maintenance	7,354,781	-	-	7,354,781
Assigned for food service	762,701	-	-	762,701
Committed for construction	<u>-</u>	<u>-</u>	<u>2,730,268</u>	<u>2,730,268</u>
Total fund balances	<u>8,117,482</u>	<u>1,974,646</u>	<u>2,730,268</u>	<u>12,822,396</u>
 Total liabilities and fund balances	 <u>\$ 12,161,084</u>	 <u>\$ 2,057,292</u>	 <u>\$ 6,446,298</u>	 <u>\$ 20,664,674</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Special Revenue Funds  
Combining Balance Sheet  
June 30, 2017

	No Child Left Behind Act			
	Title I	Title II	Title III	Title IV
ASSETS				
Cash and interest-bearing deposits	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	31	-	-	-
Due from other governmental units	914,348	371,419	6,197	204,497
Due from other funds	-	1,184	-	45,747
Inventory, at cost	-	-	-	-
Total assets	<u>\$ 914,379</u>	<u>\$ 372,603</u>	<u>\$ 6,197</u>	<u>\$ 250,244</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 8,517	\$ -	\$ -	\$ -
Accrued liabilities	79,531	30,947	6	15,581
Due to other governmental units	-	-	-	-
Due to other funds	<u>826,331</u>	<u>341,656</u>	<u>6,191</u>	<u>234,663</u>
Total liabilities	<u>914,379</u>	<u>372,603</u>	<u>6,197</u>	<u>250,244</u>
Fund balances:				
Restricted for maintenance	-	-	-	-
Assigned for food service	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	<u>\$ 914,379</u>	<u>\$ 372,603</u>	<u>\$ 6,197</u>	<u>\$ 250,244</u>

Rural Education Achievement Program	Individuals with Disabilities Education Act		School Districts Maintenance	School Lunch
	Preschool Incentive	Special Education		
\$ -	\$ -	\$ -	\$ 8,015,639	\$ 800,185
-	-	-	14,093	-
-	23,746	578,996	-	27,203
13,784	-	76,087	666,408	71,941
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,505</u>
<u>\$ 13,784</u>	<u>\$ 23,746</u>	<u>\$ 655,083</u>	<u>\$ 8,696,140</u>	<u>\$ 1,165,834</u>
\$ -	\$ -	\$ 4,201	\$ 283,929	\$ 5,733
13,784	3,428	31,522	38,374	131,623
-	-	142	-	-
<u>-</u>	<u>20,318</u>	<u>619,218</u>	<u>1,019,056</u>	<u>265,777</u>
<u>13,784</u>	<u>23,746</u>	<u>655,083</u>	<u>1,341,359</u>	<u>403,133</u>
-	-	-	7,354,781	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,701</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,354,781</u>	<u>762,701</u>
<u>\$ 13,784</u>	<u>\$ 23,746</u>	<u>\$ 655,083</u>	<u>\$ 8,696,140</u>	<u>\$ 1,165,834</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Special Revenue Funds  
Combining Balance Sheet (Continued)  
June 30, 2017

	<u>Vocational/Adult Education</u>	<u>Enhancing Education through Technology Grants</u>
ASSETS		
Cash and interest-bearing deposits	\$ -	\$ -
Receivables:		
Accounts	-	-
Due from other governmental units	18,367	-
Due from other funds	43,359	1,348
Inventory, at cost	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 61,726</u>	 <u>\$ 1,348</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 526	\$ -
Accrued liabilities	-	-
Due to other governmental units	-	-
Due to other funds	<u>61,200</u>	<u>1,348</u>
Total liabilities	<u>61,726</u>	<u>1,348</u>
 Fund balances:		
Restricted for maintenance	-	-
Assigned for food service	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>
 Total liabilities and fund balances	 <u>\$ 61,726</u>	 <u>\$ 1,348</u>

Reserve Officers' Training Corps	Total
\$ -	\$ 8,815,824
-	14,124
-	2,144,773
-	919,858
<u>-</u>	<u>266,505</u>
<u>\$ -</u>	<u>\$ 12,161,084</u>
\$ -	302,906
-	344,796
-	142
<u>-</u>	<u>3,395,758</u>
<u>-</u>	<u>4,043,602</u>
-	7,354,781
<u>-</u>	<u>762,701</u>
<u>-</u>	<u>8,117,482</u>
<u>\$ -</u>	<u>\$ 12,161,084</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Debt Service Funds  
Combining Balance Sheet  
June 30, 2017

	Consolidated District No. 1	Special School District No. 4	Fifth Ward Special School District No. 1	Sixth Ward Special School District No. 3	Total
ASSETS					
Cash and interest-bearing deposits	\$ 601,040	\$ 134,542	\$ 894,863	\$ 9,613	\$ 1,640,058
Accounts receivable	3,392	553	3,435	-	7,380
Due from other funds	<u>81,618</u>	<u>229</u>	<u>328,007</u>	<u>-</u>	<u>409,854</u>
 Total assets	 <u>\$ 686,050</u>	 <u>\$ 135,324</u>	 <u>\$ 1,226,305</u>	 <u>\$ 9,613</u>	 <u>\$ 2,057,292</u>
LIABILITIES AND FUND EQUITY					
Due to other funds	<u>\$ -</u>	<u>\$ 81,646</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 82,646</u>
 Total liabilities	 <u>-</u>	 <u>81,646</u>	 <u>1,000</u>	 <u>-</u>	 <u>82,646</u>
Fund balances:					
Restricted for debt service	<u>\$ 686,050</u>	<u>\$ 53,678</u>	<u>\$ 1,225,305</u>	<u>\$ 9,613</u>	<u>\$ 1,974,646</u>
 Total liabilities and fund balances	 <u>\$ 686,050</u>	 <u>\$ 135,324</u>	 <u>\$ 1,226,305</u>	 <u>\$ 9,613</u>	 <u>\$ 2,057,292</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Capital Projects Funds  
Combining Balance Sheet  
June 30, 2017

	District Capital Projects	Consolidated District No. 1	Special School District No. 4	Totals
ASSETS				
Cash and interest-bearing deposits	\$ 5,448,401	\$ 212,265	\$ 60,526	\$ 5,721,192
Other receivables	-	106	-	106
Due from other funds	725,000	-	-	725,000
Total assets	\$ 6,173,401	\$ 212,371	\$ 60,526	\$ 6,446,298
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 25,639	\$ -	\$ -	\$ 25,639
Accrued liabilities	2,800	-	-	2,800
Due to other funds	3,618,417	19,690	49,484	3,687,591
Total liabilities	3,646,856	19,690	49,484	3,716,030
Fund balances:				
Committed for Construction	2,526,545	192,681	11,042	2,730,268
Total liabilities and fund balances	\$ 6,173,401	\$ 212,371	\$ 60,526	\$ 6,446,298

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Combined Statement of Revenues, Expenditures,  
And Changes in Fund Balances  
Non-Major Governmental Funds by Fund Type  
Year Ended June 30, 2017

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Local sources -				
Ad valorem taxes	\$ 7,075,731	\$ 2,995,249	\$ -	\$ 10,070,980
Interest earnings	13,388	17,180	156	30,724
Food service	320,738	-	-	320,738
Other	12,080	-	-	12,080
State sources -				
Unrestricted grants-in-aid	1,405,509	-	-	1,405,509
Other	-	620	-	620
Federal sources -				
Restricted grants-in-aid	11,543,024	-	-	11,543,024
Other - commodities	396,879	-	-	396,879
Total revenues	<u>20,767,349</u>	<u>3,013,049</u>	<u>156</u>	<u>23,780,554</u>
Expenditures:				
Current -				
Instruction:				
Regular programs	269,214	-	-	269,214
Special education programs	813,740	-	-	813,740
Vocational education programs	105,142	-	-	105,142
Other instructional programs	332,568	-	-	332,568
Special programs	3,335,727	-	-	3,335,727
Support services:				
Pupil support services	819,116	-	-	819,116
Instructional staff services	1,149,217	-	-	1,149,217
General administration	242,740	110,753	882	354,375
School administration	65,914	-	-	65,914
Business services	78,634	400	-	79,034
Operation and maintenance of plant	5,208,310	-	131,117	5,339,427
Student transportation services	50,631	-	-	50,631
Central services	110,602	-	-	110,602
Non-instructional services -				
Food service operations	5,956,073	-	-	5,956,073
Facilities acquisition, expansion and rehabilitation				
	116,515	-	113,696	230,211
Other	-	-	34,850	34,850
Debt service -				
Principal retirement	-	2,166,000	-	2,166,000
Interest and fiscal charges	-	1,294,460	-	1,294,460
Total expenditures	<u>18,654,143</u>	<u>3,571,613</u>	<u>280,545</u>	<u>22,506,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,113,206</u>	<u>(558,564)</u>	<u>(280,389)</u>	<u>1,274,253</u>
Other financing sources (uses)				
Operating transfers in	-	-	974,000	974,000
Operating transfers out	<u>(1,318,544)</u>	<u>-</u>	<u>-</u>	<u>(1,318,544)</u>
Total other financing sources (uses)	<u>(1,318,544)</u>	<u>-</u>	<u>974,000</u>	<u>(344,544)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	794,662	(558,564)	693,611	929,709
Fund balances, beginning	<u>7,322,820</u>	<u>2,533,210</u>	<u>2,036,657</u>	<u>11,892,687</u>
Fund balances, ending	<u>\$ 8,117,482</u>	<u>\$ 1,974,646</u>	<u>\$ 2,730,268</u>	<u>\$ 12,822,396</u>

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ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
And Changes in Fund Balances  
Year Ended June 30, 2017

	No Child Left Behind Act			
	Title I	Title II	Title III	Title IV
Revenues:				
Local sources -				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Food service	-	-	-	-
Other	-	-	-	-
State sources -				
Unrestricted grants-in-aid	-	-	-	-
Federal sources -				
Restricted grants-in-aid	2,820,664	904,950	88,536	450,905
Other - commodities	-	-	-	-
Total revenues	2,820,664	904,950	88,536	450,905
Expenditures:				
Current -				
Instruction:				
Regular programs	1,362	12,400	-	-
Special education programs	-	-	-	-
Vocational education programs	-	-	-	-
Other instructional programs	-	-	-	142,157
Special programs	2,009,196	774,349	79,783	286,983
Support services:				
Pupil support services	144,236	-	272	-
Instructional staff services	511,025	74,810	6,777	-
General administration	-	-	-	-
School administration	-	-	-	-
Business services	6,054	-	-	-
Operation and maintenance of plant services	298	-	-	-
Student transportation services	1,186	-	-	-
Central services	-	-	-	-
Non-instructional services -				
Food service operations	-	-	-	-
Facilities acquisition, expansion and rehabilitation				
Total expenditures	2,673,357	861,559	86,832	429,140
Excess revenues over expenditures	147,307	43,391	1,704	21,765
Other financing sources (uses)				
Operating transfers out	(147,307)	(43,391)	(1,704)	(21,765)
Total other financing sources (uses)	(147,307)	(43,391)	(1,704)	(21,765)
Excess (deficiency) of revenues and other uses over (under) expenditures and other uses				
	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

Rural Education Achievement Program	Individuals with Disabilities Education Act		School Districts Maintenance	School Lunch
	Preschool Incentive	Special Education		
\$ -	\$ -	\$ -	\$ 7,075,731	\$ -
-	-	-	13,306	82
-	-	-	-	320,738
-	-	-	12,080	-
-	-	-	205,509	1,200,000
195,331	68,889	2,261,862	-	4,531,488
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>396,879</u>
<u>195,331</u>	<u>68,889</u>	<u>2,261,862</u>	<u>7,306,626</u>	<u>6,449,187</u>
-	-	45,111	210,341	-
-	65,294	748,446	-	-
-	-	-	-	-
-	-	56,862	21,484	-
185,116	-	300	-	-
-	-	674,608	-	-
-	-	555,063	-	-
-	-	-	241,090	-
-	-	-	65,914	-
-	-	26,037	46,543	-
-	-	10,295	5,197,717	-
-	-	26,759	22,686	-
-	-	1,814	108,788	-
-	-	-	988	5,955,085
<u>-</u>	<u>-</u>	<u>-</u>	<u>116,515</u>	<u>-</u>
<u>185,116</u>	<u>65,294</u>	<u>2,145,295</u>	<u>6,032,066</u>	<u>5,955,085</u>
<u>10,215</u>	<u>3,595</u>	<u>116,567</u>	<u>1,274,560</u>	<u>494,102</u>
<u>(10,215)</u>	<u>(3,595)</u>	<u>(116,567)</u>	<u>(974,000)</u>	<u>-</u>
<u>(10,215)</u>	<u>(3,595)</u>	<u>(116,567)</u>	<u>(974,000)</u>	<u>-</u>
-	-	-	300,560	494,102
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,054,221</u>	<u>268,599</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,354,781</u>	<u>\$ 762,701</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Special Revenue Funds  
Combining Statement of Revenue, Expenditures,  
And Changes in Fund Balances (Continued)  
Year Ended June 30, 2017

	Vocational/Adult Education	Enhancing Education through Technology Grants
Revenues:		
Local sources -		
Ad valorem taxes	\$ -	\$ -
Interest earnings	-	-
Food service	-	-
Other	-	-
State sources -		
Unrestricted grants-in-aid	-	-
Federal sources -		
Restricted grants-in-aid	108,334	-
Other - commodities	-	-
Total revenues	108,334	-
Expenditures:		
Current -		
Instruction:		
Regular programs	-	-
Special education programs	-	-
Vocational education programs	105,142	-
Other instructional programs	-	-
Special programs	-	-
Support services:		
Pupil support services	-	-
Instructional staff services	1,542	-
General administration	1,650	-
School administration	-	-
Business services	-	-
Operation and maintenance of plant services	-	-
Student transportation services	-	-
Central services	-	-
Non-instructional services -		
Food service operations	-	-
Facilities acquisition expansion and rehabilitation	-	-
Total expenditures	108,334	-
Excess revenues over expenditures	-	-
Other financing sources (uses)		
Operating transfers out	-	-
Total other financing sources (uses)	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-
Fund balances, beginning	-	-
Fund balances, ending	\$ -	\$ -

Reserve Officers' Training Corps	Total
\$ -	\$ 7,075,731
-	13,388
-	320,738
-	12,080
-	1,405,509
112,065	11,543,024
-	<u>396,879</u>
<u>112,065</u>	<u>20,767,349</u>
-	269,214
-	813,740
-	105,142
112,065	332,568
-	3,335,727
-	819,116
-	1,149,217
-	242,740
-	65,914
-	78,634
-	5,208,310
-	50,631
-	110,602
-	5,956,073
-	<u>116,515</u>
<u>112,065</u>	<u>18,654,143</u>
-	<u>2,113,206</u>
-	<u>(1,318,544)</u>
-	<u>(1,318,544)</u>
-	794,662
-	<u>7,322,820</u>
<u>\$ -</u>	<u>\$ 8,117,482</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Debt Service Funds  
Combining Statement of Revenues, Expenditures,  
And Changes in Fund Balances  
Year Ended June 30, 2017

	Consolidated School District No. 1	Special School District No. 4	Fifth Ward Special School District No. 1	Sixth Ward Special School District No. 3	Total
Revenues:					
Local sources -					
Ad valorem taxes	\$ 1,182,167	\$ 375,192	\$ 1,437,890	\$ -	\$ 2,995,249
Interest earnings	8,785	1,131	7,222	42	17,180
State sources -					
Other	<u>431</u>	<u>189</u>	<u>-</u>	<u>-</u>	<u>620</u>
Total revenues	<u>1,191,383</u>	<u>376,512</u>	<u>1,445,112</u>	<u>42</u>	<u>3,013,049</u>
Expenditures:					
Current -					
Support services:					
General administration	44,563	16,654	49,536	-	110,753
Business services	-	-	400	-	400
Debt service -					
Principal retirement	1,182,000	234,000	750,000	-	2,166,000
Interest and fiscal charges	<u>461,173</u>	<u>86,624</u>	<u>746,663</u>	<u>-</u>	<u>1,294,460</u>
Total expenditures	<u>1,687,736</u>	<u>337,278</u>	<u>1,546,599</u>	<u>-</u>	<u>3,571,613</u>
Excess (deficiency) of revenues over expenditures	(496,353)	39,234	(101,487)	42	(558,564)
Fund balances, beginning	<u>1,182,403</u>	<u>14,444</u>	<u>1,326,792</u>	<u>9,571</u>	<u>2,533,210</u>
Fund balances, ending	<u>\$ 686,050</u>	<u>\$ 53,678</u>	<u>\$ 1,225,305</u>	<u>\$ 9,613</u>	<u>\$ 1,974,646</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Capital Projects Funds  
Combining Statement of Revenues, Expenditures,  
And Changes in Fund Balances  
Year Ended June 30, 2017

	District Capital Projects	Consolidated District No. 1	Special School District No. 4	Total
Revenues:				
Local sources -				
Interest earnings	\$ -	\$ 115	\$ 41	\$ 156
Total revenues	<u>-</u>	<u>115</u>	<u>41</u>	<u>156</u>
Expenditures:				
Current -				
Support services:				
General administration	882	-	-	882
Maintenance of plant	131,117	-	-	131,117
Facilities acquisition, expansion and rehabilitation	113,696	-	-	113,696
Other	<u>34,850</u>	<u>-</u>	<u>-</u>	<u>34,850</u>
Total expenditures	<u>280,545</u>	<u>-</u>	<u>-</u>	<u>280,545</u>
Excess (deficiency) of revenues over expenditures	(280,545)	115	41	(280,389)
Other financing sources				
Operating transfers in	<u>974,000</u>	<u>-</u>	<u>-</u>	<u>974,000</u>
Total other financing sources	<u>974,000</u>	<u>-</u>	<u>-</u>	<u>974,000</u>
Excess of revenues and other sources over expenditures	693,455	115	41	693,611
Fund balances, beginning	<u>1,833,090</u>	<u>192,566</u>	<u>11,001</u>	<u>2,036,657</u>
Fund balances, ending	<u>\$ 2,526,545</u>	<u>\$ 192,681</u>	<u>\$ 11,042</u>	<u>\$ 2,730,268</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS:

Ann Dangerfield Scholarship, J. J. Hebert Memorial, C. J. Peltier Scholarship

The private purpose trust funds invest donated monies in a trustee capacity and expend the funds in accordance with the wishes of the donors.

AGENCY FUND:

School Activity

The school activity agency fund is custodial in nature and accounts for activities within all twenty-four schools comprising the system. Monies accumulated within the student activity agency fund are under the supervision of the School Board; however, the monies are the properties of the respective schools and student bodies and are not available for use by the School Board.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Fiduciary Funds  
Combining Balance Sheet  
June 30, 2017

	Private Purpose Trust Funds			Agency Fund	
	Ann Dangerfield Scholarship	J. J. Hebert Memorial	C. J. Peltier, Jr. Scholarship	School Activity	Total
<b>ASSETS</b>					
Cash and interest-bearing deposits	\$ 12,269	\$ 380	\$ 234	\$ 2,337,403	\$ 2,350,286
Total assets	<u>\$ 12,269</u>	<u>\$ 380</u>	<u>\$ 234</u>	<u>\$ 2,337,403</u>	<u>\$ 2,350,286</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 500	\$ -	\$ -	\$ -	\$ 500
Deposits due to others	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,337,403</u>	<u>2,337,403</u>
Total liabilities	<u>500</u>	<u>-</u>	<u>-</u>	<u>2,337,403</u>	<u>2,337,903</u>
<b>Fund balances:</b>					
Unreserved - undesignated	<u>11,769</u>	<u>380</u>	<u>234</u>	<u>-</u>	<u>12,383</u>
Total liabilities and fund balances	<u>\$ 12,269</u>	<u>\$ 380</u>	<u>\$ 234</u>	<u>\$ 2,337,403</u>	<u>\$ 2,350,286</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Private Purpose Trust Funds  
Combining Statement of Revenue, Expenditures,  
And Changes in Fund Balances  
Year Ended June 30, 2017

	<u>Ann Dangerfield Scholarship</u>	<u>J. J. Hebert Memorial</u>	<u>C. J. Peltier, Jr. Scholarship</u>	<u>Total</u>
Revenues:				
Local sources -				
Interest earnings	\$ 7	\$ -	\$ -	\$ 7
Expenditures	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>(500)</u>
Deficiency of revenues over expenditures	(493)	-	-	(493)
Fund balances, beginning	<u>12,262</u>	<u>380</u>	<u>234</u>	<u>12,876</u>
Fund balances, ending	<u>\$ 11,769</u>	<u>\$ 380</u>	<u>\$ 234</u>	<u>\$ 12,383</u>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Agency Fund  
School Activity Funds  
Schedule of Changes in Deposit Due to Others  
Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
St. Mary Parish Alternative	\$ 745	\$ 990	\$ 1,481	\$ 254
J. S. Aucoin Elementary	45,245	72,688	79,971	37,962
Bayou Vista Elementary	78,065	100,133	106,665	71,533
B.E Boudreaux Middle	44,881	81,397	73,124	53,154
Berwick Elementary	146,251	138,005	135,425	148,831
Berwick Junior High	105,582	215,255	203,926	116,911
Berwick Senior High	240,611	448,023	396,046	292,588
Centerville High	115,479	359,967	361,478	113,968
W. P. Foster Elementary	70,089	74,634	59,677	85,046
Franklin Junior High	93,069	105,311	112,746	85,634
Franklin Senior High	36,085	200,032	201,613	34,504
Hernandez Elementary	33,821	-	33,821	-
LaGrange Elementary	26,660	56,857	41,110	42,407
J. B. Maitland Elementary	37,018	63,572	49,752	50,838
Morgan City Junior High	151,558	178,154	160,485	169,227
Morgan City Senior High	294,141	625,861	586,955	333,047
M. E. Norman Elementary	110,037	132,379	118,421	123,995
Patterson Junior High	71,607	127,092	132,247	66,452
Patterson Senior High	127,442	286,896	292,395	121,943
Raintree Elementary	87,176	130,032	164,489	52,719
M. D. Shannon Elementary	18,498	-	18,498	-
H. A. Watts Elementary	85,932	213,959	219,209	80,682
West St. Mary High	206,015	204,168	223,415	186,768
Wyandotte Elementary	74,441	109,671	115,172	68,940
	<u>\$ 2,300,448</u>	<u>\$ 3,925,076</u>	<u>\$ 3,888,121</u>	<u>\$ 2,337,403</u>

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**Darnall, Sikes,  
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

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*

Leonard Armato, Superintendent  
and Members of the St. Mary Parish School Board  
Centerville, 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 St. Mary 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 St. Mary Parish School Board's basic financial statements, and have issued our report thereon dated December 8, 2017.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Mary 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Mary Parish School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

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

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the St. Mary 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. See finding 2017-001.

## **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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document; therefore, its distribution is not limited.

*Darnall, Sikes, Gardes & Frederick*

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 8, 2017



**Darnall, Sikes,  
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

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

Leonard Armato, Superintendent  
and Members of the St. Mary Parish School Board  
Centerville, Louisiana

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

We have audited the St. Mary Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the St. Mary Parish School Board's major federal programs for the year ended June 30, 2017. The St. Mary 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 School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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### *Opinion on Each Major Federal Program*

In our opinion, the St. Mary 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 St. Mary 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 St. Mary 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 St. Mary Parish School Board's internal control over compliance.

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

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

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

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document; therefore, its distribution is not limited.

*Dannall, Sikes, Gardes & Frederick*

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
December 8, 2017

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ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Pass-through programs:			
Child Nutrition Cluster:			
Louisiana Department of Agriculture:			
National School Lunch Program - Non-cash Assistance (Note 3)	10.555	N/A	\$ 396,879
Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	1,277,148
National School Lunch Program	10.555	N/A	<u>3,254,340</u>
Subtotal Louisiana Department of Education pass-through programs			<u>4,531,488</u>
Total Child Nutrition Cluster			4,928,367
U.S. Department of Education:			
Pass-through programs from:			
Louisiana Department of Education:			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	84.010	28-16-T1-51C	115,769
Title I Grants to Local Educational Agencies	84.010	28-17-T1-51	<u>2,703,432</u>
Total Title I, Part A Cluster			2,819,201
Migrant Education State Grant	84.011		<u>1,463</u>
Total Migrant Education State Grant			1,463
Special Education Cluster (IDEA)			
Special Education - Grants to States	84.027	28-16-B1-51C	1,815,286
Special Education - Grants to States	84.027	28-17-B1-51	355,705
Special Education - Grants to States	84.027	28-17-JP-51	60,000
Special Education - Grants to States	84.027	28-15-OG-51	18,790
Special Education - Grants to States	84.027	28-17-RH-51	<u>12,082</u>
Total Special Education - Grants to States			2,261,863
Special Education - Preschool Grants	84.173	28-16-P1-51C	15,404
Special Education - Preschool Grants	84.173	28-17-P1-51	<u>53,485</u>
Total Special Education - Preschool Grants			<u>68,889</u>
Total Special Education Cluster (IDEA)			2,330,752
Rural Education	84.358	28-17-RE-51	<u>195,331</u>
Total Rural Education			195,331
Improving Teacher Quality State Grants	84.367	28-16-50-51C	46,827
Improving Teacher Quality State Grants	84.367	28-17-50-51	<u>785,397</u>
Total Improving Teacher Quality State Grants			832,224
Career and Technical Education - Basic Grants to States	84.048	28-16-02-51C	3,888
Career and Technical Education - Basic Grants to States	84.048	28-17-02-51	<u>104,446</u>
Total Career and Technical Education - Basic Grants to States			108,334
English Language Acquisition Grants	84.365	28-16-60-51C	34,379
English Language Acquisition Grants	84.365	28-17-60-51	51,620

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule of Expenditures of Federal Awards (Continuing)  
Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
English Language Acquisition Grants	84.365	28-16-S3-51C	629
English Language Acquisition Grants	84.365	28-17-S3-51	<u>1,908</u>
Total English Language Acquisition Grants			88,536
Mathematics and Science Partnerships	84.366	28-16-MP-29	<u>72,727</u>
Subtotal Louisiana Department of Education pass-through programs			<u>6,448,568</u>
Total U.S. Department of Education			6,448,568
U.S. Department of Health and Human Services:			
Pass-through programs from:			
Louisiana Department of Education:			
TANF Cluster			
Temporary Assistance for Needy Families (TANF)	93.558	28-17-36-51	300,905
Temporary Assistance for Needy Families (TANF)	93.558	28-17-JS-51	<u>150,000</u>
Total TANF Cluster			450,905
U.S. Department of Homeland Security			
Pass-through programs from:			
Louisiana Governors Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance	97.036	N/A	<u>57,940</u>
Total U.S. Department of Homeland Security			57,940
U.S. Department of Defense			
Direct programs:			
Army ROTC	12.357	N/A	<u>112,065</u>
Total expenditures of federal awards			<u>\$ 11,997,845</u>

NOTE 1      BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the St. Mary 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 *OMB 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 St. Mary Parish School Board, it is not intended to and does not present the financial position or changes in net assets of the Entity.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule of Expenditures of Federal Awards (Continuing)  
Year Ended June 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 NATIONAL SCHOOL LUNCH PROGRAM – NON-CASH ASSISTANCE

Non-cash assistance is reported in the schedule at the fair market value of the USDA commodities received and disbursed.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2017

2016-001	Finding:	<u>Noncompliance with the No Child Left Behind Act Highly Qualified Teachers and Paraprofessionals Requirements</u>
	Status:	This finding has been resolved.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017

Part 1 Summary of Audit Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the St. Mary Parish School Board's financial statements as of and for the year ended June 30, 2017.

Internal Control Deficiencies - Financial Reporting

There were no significant deficiencies in internal control over financial reporting noted during the audit of the financial statements as of and for the year ended June 30, 2017.

Noncompliance - Financial Reporting

The results of our tests disclosed one instance of noncompliance which is required to be reported under *Government Auditing Standards* and is listed as item 2017-001 in Part 2.

FEDERAL AWARDS

Auditor's Report – Major Programs

An unmodified opinion has been issued on the St. Mary Parish School Board's compliance with the requirements of its major programs as of and for the year ended June 30, 2017.

Major Programs – Identification

The St. Mary Parish School Board, at June 30, 2017, had the following major program:

Title I, Part A Cluster	CFDA # 84.010
-------------------------	---------------

Program Type Determination

The dollar threshold to distinguish between Type A and Type B programs was \$750,000 for the fiscal year ended June 30, 2017.

Deficiencies in Internal Control – Major Programs

Our consideration of internal control over major programs disclosed no instances of internal control deficiencies.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2017

Part 1 Summary of Audit Results (Continued)

FEDERAL AWARDS (Continued)

Noncompliance – Major Programs

The results of our tests on compliance for each major program disclosed no instances of noncompliance.

Risk Consideration

For the fiscal year ended June 30, 2017, the St. Mary Parish School Board was considered a low-risk auditee.

Part 2 Findings Relating to an Audit in Accordance with *Government Auditing Standards*

2017-001 Noncompliance with the Louisiana Public Bid Law

Criteria: Louisiana R.S. 38:2224 requires an affidavit attesting that a public contract was not secured through employment or payment of solicitor must be obtained by the contracting entity (the School Board). The law applies to all architects, landscape architects, engineers, contractors, subcontractors, or any person, corporation, firm, association, or other organization receiving value for services rendered in connection with a contract for the construction, alteration or demolition of a public building or project.

Condition: The School Board did not obtain an affidavit as described above prior to accepting the bid and commencing construction for a public works contract.

Cause: Failure to properly monitor the bidding process for public works led to this condition.

Effect: Because the required bid documents were not obtained during the bid process, the School Board is not in compliance with the Louisiana Public Bid Law.

Recommendation: We recommend that all required bid documents, including affidavits and agreements, be included during the bidding and selection process for the execution of public works contracts.

Views of Responsible Officials and Planned Corrective Actions: This information is in the separate Management's Corrective Action Plan for Current Year Findings.

Part 3 Findings and Questioned Costs Relating to Federal Programs

This section is not applicable for the year ended June 30, 2017.

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Management's Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2017

Response to Finding 2017-001:

Although it was not done during the bidding process as required by the Louisiana Public Bid Law, management of the St. Mary Parish School Board did obtain the required signed affidavit during the course of the audit for fiscal year ended June 30, 2017. The School Board contracted an outside engineering firm who handled the bidding process for the public works project in question. It was the understanding of the School Board that all required procedures had been followed. Management will implement procedures to enhance its monitoring of the bidding process whether performed in-house or outsourced.

ST. MARY PARISH SCHOOL BOARD  
Special District No. 4, Consolidated School District No. 1 and Fifth Ward Special School District No. 1  
Centerville, Louisiana

Annual Report for Tax Year 2016

**Audited Financial Statements**

Special School District No. 4, Consolidated School District No. 1 and Fifth Ward Special School District No. 1 (the “Issuers”) operate on a fiscal year ending June 30. The Financial Statements of the St. Mary Parish School Board (the “Governing Authority”) and notes thereto for the fiscal year ended June 30, 2017, audited by Darnall, Sikes, Gardes & Frederick, a Corporation of Certified Public Accountants, Lafayette, Louisiana, and their report dated as of December 8, 2017, is a supplement to this Annual Report. Included in the notes is a description of the basis of accounting used by the Issuers in reporting their financial statements.

**Debt of the Issuers**

The Issuers have no short-term indebtedness, other than normal accounts payable or as otherwise stated in this Annual Report or its supplement. The Issuers have never defaulted in the payment of their outstanding bonds or obligations. The total amount of debt the Issuers issued follows:

**Special School District No. 4**

Besides the general obligation bonds for which the Official Statement was prepared, no debt has been authorized or issued by the Issuer since the date of the Official Statement. Of the \$4,700,000 of bonds issued, \$3,176,000 was outstanding as of June 30, 2017.

**Consolidated School District No. 1**

Besides the general obligation bonds for which the Official Statement was prepared, no debt has been authorized or issued by the Issuer since the date of the Official Statement. Of the \$24,000,000 of bonds issued, \$16,288,000 was outstanding as of June 30, 2017.

**Fifth Ward Special School District No. 1**

Besides the general obligation bonds for which the Official Statement was prepared, no debt has been authorized or issued by the Issuer since the date of the Official Statement. Of the \$21,000,000 of bonds issued, \$19,535,000 is still outstanding as of June 30, 2017.

**Assessment Procedures**

The assessment procedures and homestead exemption as authorized by law are the same as those in effect for the tax years reported in the Official Statement.

ST. MARY PARISH SCHOOL BOARD  
 Special District No. 4, Consolidated School District No. 1 and Fifth Ward Special School District No. 1  
 Centerville, Louisiana

Annual Report for Tax Year 2016

▪ **Assessed Valuation of Property in the Issuers**

The 2016 assessed valuations of property in the Issues follows:

**Special School District No. 4**

Taxable Assessed Valuation	\$ 63,189,956
Homestead Exemptions	<u>4,441,702</u>
Total Assessed Valuation	<u>\$ 67,631,658</u>

**Consolidated School District No. 1**

Taxable Assessed Valuation	\$ 119,085,840
Homestead Exemptions	<u>23,733,707</u>
Total Assessed Valuation	<u>\$ 142,819,547</u>

**Fifth Ward Special School District No. 1**

Taxable Assessed Valuation	\$ 105,238,350
Homestead Exemptions	<u>14,904,959</u>
Total Assessed Valuation	<u>\$ 111,417,583</u>

Source: St. Mary Parish Assessor's Office

▪ **Assessed Valuation of Property in the Issuers – By Classification**

A breakdown of the 2016 assessed valuations of property in the Issuers by classification follows:

**Special School District No. 4**

<u>Classification</u>	<u>Assessed Valuation</u>
Real Estate	\$ 11,733,767
Personal Property	39,459,862
Public Service Property	<u>16,438,029</u>
Total	<u>\$ 67,631,658</u>

ST. MARY PARISH SCHOOL BOARD  
 Special District No. 4, Consolidated School District No. 1 and Fifth Ward Special School District No. 1  
 Centerville, Louisiana

Annual Report for Tax Year 2016

▪ **Assessed Valuation of Property in the Issuers – By Classification (continued)**

**Consolidated School District No. 1**

<u>Classification</u>	<u>Assessed Valuation</u>
Real Estate	\$ 65,169,405
Personal Property	55,967,743
Public Service Property	21,682,399
Total	<u>\$ 142,819,547</u>

**Fifth Ward Special School District No. 1**

<u>Classification</u>	<u>Assessed Valuation</u>
Real Estate	\$ 40,540,104
Personal Property	57,707,292
Public Service Property	13,170,187
Total	<u>\$ 111,417,583</u>

Source: St. Mary Parish Assessor's Office

▪ **Tax Collection Records of the Issuers**

The 2016 ad valorem tax levies and collections for each of the issuers follows:

**Special School District No. 4**

Amount of Taxes Levied (a)	\$ 379,137	
Deduction for Pensions (b)	<u>11,009</u>	
Net Taxes Levied	368,128	
Net Taxes Collected (c)	375,192	* 102%
Millage Rate	6.00	

ST. MARY PARISH SCHOOL BOARD  
 Special District No. 4, Consolidated School District No. 1 and Fifth Ward Special School District No. 1  
 Centerville, Louisiana

Annual Report for Tax Year 2016

▪ **Tax Collection Records of the Issuers (continued)**

**Consolidated School District No. 1**

Amount of Taxes Levied (a)	\$	1,190,853	
Deduction for Pensions (b)		<u>34,579</u>	
Net Taxes Levied		1,156,274	
 Net Taxes Collected (c)		 1,182,167 *	 102%
 Millage Rate		 10.00	

**Fifth Ward Special School District No. 1**

Amount of Taxes Levied (a)	\$	1,447,688	
Deduction for Pensions (b)		<u>42,037</u>	
Net Taxes Levied		1,405,651	
 Net Taxes Collected (c)		 1,437,890 *	 102%
 Millage Rate		 15.00	

\*Includes prior year collections

Sources: (a) St. Mary Parish Assessor's Office, (b) Legislative Auditor's Office, (c) St. Mary Parish School Board

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ST. MARY PARISH SCHOOL BOARD  
Special District No. 4, Consolidated School District No. 1 and Fifth Ward Special School District No. 1  
Centerville, Louisiana

Annual Report for Tax Year 2016

▪ **Leading Taxpayers**

The ten largest property taxpayers for 2016 of the Issuers and their assessed valuations follow:

**Special School District No. 4**

Taxpayer	Type of Business	Assessed Valuation
1. Cabot Corporation	Carbon Black Mfg.	\$ 9,839,744
2. Enterprise Gas Processing	Oil & Gas	9,756,106
3. Columbian Chemicals	Carbon Black Mfg.	8,130,654
4. Energy Quest II	Oil & Gas	4,614,140
5. Southern Natural Gas	Oil & Gas	3,078,973
6. Plains Pipeline	Oil & Gas	2,842,277
7. Shoreline Southeast	Oil & Gas	1,943,405
8. Crimson Gulf	Oil & Gas	1,815,062
9. Gulf South Pipeline	Oil & Gas	1,539,500
10. CSL Exploration	Oil & Gas	<u>1,504,910</u>
		<u>\$ 45,064,771</u> *

\*Approximately 71.0% of the 2016 taxable assessed valuation of Special School District No. 4.

**Consolidated School District No. 1**

Taxpayer	Type of Business	Assessed Valuation
1. Gulfport Energy	Oil & Gas	\$ 11,053,898
2. Cleco Power Company	Power Generation	8,265,880
3. Carey Salt Company	Salt Production	5,666,894
4. Hilcorp Energy Co.	Oil & Gas	4,506,926
5. Sterling Sugars Inc.	Sugar Production	4,093,547
6. Orion Engineered Carbons	Chemicals	3,938,749
7. Zydeco Pipeline Company	Oil & Gas	2,512,014
8. Acadian Gas Pipeline	Oil & Gas	2,259,670
9. Energy XXI Onshore	Oil & Gas	2,057,186
10. St Mary Sugar Co Op	Sugar Production	<u>2,028,416</u>
		<u>\$ 46,383,180</u> *

\*Approximately 39.0% of the 2016 taxable assessed valuation of Consolidated School District No. 1.

ST. MARY PARISH SCHOOL BOARD  
Special District No. 4, Consolidated School District No. 1 and Fifth Ward Special School District No. 1  
Centerville, Louisiana

Annual Report for Tax Year 2016

▪ **Leading Taxpayers (continued)**

**Fifth Ward Special School District No. 1**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>
1. Texas Petroleum Investment	Oil & Gas	\$ 10,563,560
2. Castex Energy Inc	Oil & Gas	9,274,985
3. Cleco Power LLC	Power Generation	3,233,620
4. Enlink Pelican	Pipeline Transport	3,126,021
5. Banc of America Leasing & Capital	Finance	2,745,000
6. Cameron International Corp	Oil & Gas	2,720,898
7. ANR Pipeline Company	Pipeline Transport	2,516,082
8. Plains Gas Solutions	Pipeline Transport	2,218,641
9. Trunkline Gas	Pipeline Transport	2,091,563
10. Patterson State Bank	Commercial Bank	<u>1,768,270</u>
		<u>\$ 40,258,640</u> *

\*Approximately 42.0% of the 2016 taxable assessed valuation of Fifth Ward Special School District No. 1.

Source: St. Mary Parish Assessor's Office

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E. Larry Sikes, CPA/PFS, CVA, CFP®  
Danny P. Frederick, CPA  
Clayton E. Damall, CPA, CVA  
Eugene H. Damall, III, CPA  
Stephanie M. Higginbotham, CPA  
John P. Armato, CPA/PFS  
J. Stephen Gardes, CPA, CVA  
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M. Rebecca Gardes, CPA  
Joan B. Moody, CPA  
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Chad M. Bailey, CPA  
Adam J. Curry, CPA, CFP®  
Kyle P. Saltzman, CPA  
Blaine M. Crochet, CPA, M.S.

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

Kathleen T. Darnall, CPA  
Kevin S. Young, CPA  
Christy S. Dew, CPA, MPA  
Rachel W. Ashford, CPA  
Veronica L. LeBleu, CPA, MBA  
Christine Guidry Berwick, CPA, MBA  
Brandon L. Porter, CPA  
Jacob C. Roberie, CPA  
Brandon R. Dunphy, CPA

St. Mary Parish School Board  
Centerville, LA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of St. Mary Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of St. Mary Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of St. Mary Parish School Board is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants 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.

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

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

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

No differences were noted for this procedures.

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A Member of:  
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Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

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### 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<sup>st</sup>.

No differences were noted for this procedure.

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 for this procedure.

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

No differences were noted for this procedure.

### 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.

No differences were noted for this procedure.

### 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<sup>st</sup> 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.

During our testing over Performance Schedule 4, we noted 6 exceptions when comparing years of experience noted in the Profile of Educational Personnel (PEP) file to the related employee’s personnel file for 25 teachers selected. Of the 6 exceptions noted, 5 teachers were placed in the incorrect experience breakdown bucket. We amended the schedule to reflect the corrections for these 6 teachers.

### 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 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.

No differences were noted for this procedure.

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

No differences were noted for this procedure.

Class Size Characteristics (Schedule 6)

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

No differences were noted for this procedure.

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 St. Mary Parish School Board.

No differences were noted for this procedure.

iLEAP Tests (Schedule 9)

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

No differences were noted for this procedure.

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

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

*Darnall, Sikes, Gardes & Frederick*  
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
December 8, 2017

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 1 – General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2017

General Fund Instructional and Equipment Expenditures:

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 27,195,352	
Other Instructional Staff Salaries	4,488,480	
Instructional Staff Employee Benefits	12,697,280	
Purchased Professional and Technical Services	195,135	
Instructional Materials and Supplies	932,749	
Instructional Equipment	<u>98,483</u>	
Total Teacher and Student Interaction Activities		\$ 45,607,479

Other Instructional Activities 436,303

Pupil Support Activities	4,662,362	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		4,662,362

Instructional Staff Services	4,199,633	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		4,199,633

School Administration	5,856,280	
Less: Equipment for School Administration	<u>(60,559)</u>	
Net School Administration		<u>5,795,721</u>

Total General Fund Instructional Expenditures \$ 60,701,498

Total General Fund Equipment Expenditures \$ 311,200

Certain Local Revenue Sources:

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 4,947,614
Renewable Ad Valorem Taxes	13,694,257
Debt Service Ad Valorem Taxes	2,995,868
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	599,798
Sales and Use Taxes	<u>14,455,522</u>
Total Local Taxation Revenue	<u>\$ 36,693,059</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 1,894,452
Earnings from Other Real Property	<u>-</u>
Total Local Earnings on Investment in Real Property	<u>\$ 1,894,452</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 371,512
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<u>-</u>
Total State Revenue in Lieu of Taxes	<u>\$ 371,512</u>

Nonpublic Textbook Revenue \$ 15,402

Nonpublic Transportation Revenue \$ -

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 2 – Education Levels of Public School Staff  
As of October 1, 2016

Category	Full-Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	0%	1	6%	-	0%	-	0%
Bachelor's Degree	424	75%	15	94%	-	0%	-	0%
Master's Degree	108	19%	-	0%	27	60%	-	0%
Master's Degree + 30	31	5%	-	0%	13	30%	-	0%
Specialist in Education	3	1%	-	0%	2	5%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	2	5%	-	0%
Total	568	100%	16	100%	44	100%	-	0%

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 3 – Number and Type of Public Schools  
For the Year Ended June 30, 2017

Type	Number
Elementary	10
Middle/Jr. High	5
Secondary	5
Combination	1
Total	21

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 4 – Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers  
As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.
Principals	-	-	-	2
Assistant Principals	1	-	2	3
Classroom Teachers	78	43	127	76
Total	79	43	129	81

	15-19 yrs.	20-24 Yrs.	25+ Yrs.	Total
Principals	4	6	9	21
Assistant Principals	4	6	7	23
Classroom Teachers	97	64	99	584
Total	105	76	115	628

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 5 – Public School Staff Data: Average Salaries  
For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 47,142	\$ 47,469
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 46,527	\$ 46,848
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	605.068	590.554

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 6 – Class Size Characteristics  
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	71.9%	739	28.1%	289	0.0%	-	0.0%	-
Elementary Activity Classes	67.0%	138	27.2%	56	1.5%	3	440.0%	9
Middle / Jr. High	67.5%	390	24.4%	141	8.0%	46	20.0%	1
Middle / Jr. High Activity Classes	77.3%	163	11.8%	25	6.2%	13	4.7%	10
High	63.7%	757	24.0%	285	12.0%	142	30.0%	4
High Activity Classes	77.8%	126	10.5%	17	7.4%	12	4.3%	7
Combination	67.7%	130	30.7%	59	1.6%	3	0.0%	-
Combination Activity Classes	54.1%	20	43.2%	16	2.7%	1	0.0%	-

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 7 – Louisiana Educational Assessment Program

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	5%	2%	7%	15%	4%
Mastery	43%	41%	37%	38%	37%	32%
Basic	27%	26%	29%	28%	27%	33%
Approaching Basic	17%	17%	19%	20%	14%	20%
Unsatisfactory	9%	11%	13%	7%	7%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	10%	9%	3%	5%	10%	1%
Mastery	43%	41%	38%	39%	42%	34%
Basic	29%	28%	36%	30%	29%	32%
Approaching Basic	13%	15%	16%	21%	15%	27%
Unsatisfactory	5%	7%	7%	5%	4%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	3%	1%	4%	7%	3%
Mastery	43%	36%	32%	33%	33%	23%
Basic	33%	29%	33%	36%	30%	36%
Approaching Basic	15%	22%	27%	20%	23%	32%
Unsatisfactory	6%	10%	7%	7%	7%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	5%	4%	3%	1%	2%
Mastery	33%	32%	32%	27%	25%	25%
Basic	27%	35%	40%	31%	37%	38%
Approaching Basic	25%	21%	20%	30%	33%	28%
Unsatisfactory	10%	7%	4%	9%	4%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 7 – Louisiana Educational Assessment Program

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	10%	10%	3%	1%	2%	<1%
Mastery	31%	26%	30%	26%	24%	22%
Basic	31%	32%	35%	35%	38%	33%
Approaching Basic	17%	20%	21%	28%	29%	34%
Unsatisfactory	11%	12%	11%	10%	7%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8%	5%	2%	2%	1%	3%
Mastery	37%	37%	38%	27%	28%	34%
Basic	30%	31%	34%	30%	34%	26%
Approaching Basic	16%	19%	15%	27%	26%	22%
Unsatisfactory	9%	8%	11%	14%	11%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 8 – Graduate Exit Exam

District Achievement Level Results	English Language Arts					
	2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	Mathematics					
	2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	Science					
	2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 11						
Advanced	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	Social Studies					
	2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 11						
Advanced	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

Schedule 9 – iLEAP Tests

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	7%	5%	6%	N/A	2%
Mastery	23%	22%	16%	18%	N/A	12%
Basic	45%	45%	46%	29%	N/A	50%
Approaching Basic	19%	20%	22%	32%	N/A	22%
Unsatisfactory	9%	6%	11%	15%	N/A	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	5%	3%	3%	N/A	2%
Mastery	18%	19%	17%	20%	N/A	13%
Basic	47%	49%	47%	31%	N/A	52%
Approaching Basic	23%	20%	25%	27%	N/A	20%
Unsatisfactory	7%	7%	8%	19%	N/A	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	2%	3%	3%	N/A	3%
Mastery	18%	17%	11%	16%	N/A	11%
Basic	46%	45%	42%	30%	N/A	41%
Approaching Basic	20%	23%	28%	28%	N/A	26%
Unsatisfactory	12%	13%	16%	23%	N/A	19%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	4%	4%	4%	N/A	9%
Mastery	18%	19%	14%	18%	N/A	14%
Basic	42%	44%	45%	27%	N/A	41%
Approaching Basic	25%	22%	28%	30%	N/A	25%
Unsatisfactory	11%	11%	9%	21%	N/A	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

ST. MARY PARISH SCHOOL BOARD  
Centerville, Louisiana

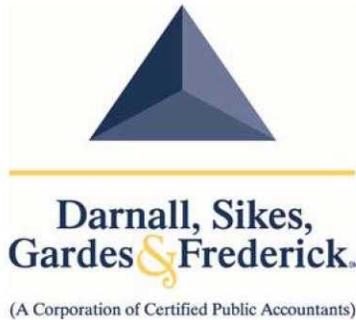
Schedule 9 – iLEAP Tests

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7%	7%	5%	7%	N/A	3%
Mastery	26%	24%	21%	23%	N/A	17%
Basic	39%	43%	36%	25%	N/A	41%
Approaching Basic	19%	19%	25%	21%	N/A	25%
Unsatisfactory	9%	7%	13%	24%	N/A	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	2%	2%	10%	N/A	1%
Mastery	18%	22%	17%	22%	N/A	12%
Basic	43%	39%	39%	26%	N/A	49%
Approaching Basic	24%	26%	27%	26%	N/A	23%
Unsatisfactory	11%	11%	15%	16%	N/A	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

E. Larry Sikes, CPA/PFS, CVA, CFP®  
 Danny P. Frederick, CPA  
 Clayton E. Darnall, CPA, CVA  
 Eugene H. Darnall, III, CPA  
 Stephanie M. Higginbotham, CPA  
 John P. Armato, CPA/PFS  
 J. Stephen Gardes, CPA  
 Jennifer S. Ziegler, CPA/PFS, CFP®  
 Chris A. Miller, CPA, CVA  
 Steven G. Moosa, CPA  
 M. Rebecca Gardes, CPA  
 Joan B. Moody, CPA  
 Lauren V. Hebert, CPA/PFS  
 Erich G. Loewer, III, CPA, M.S. Tax  
 Jeremy C. Meaux, CPA  
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 Craig C. Babineaux, CPA/PFS, CFP®  
 Adam J. Curry, CPA, CFP®  
 Kyle P. Saltzman, CPA, CFE  
 Jacob C. Roberie, CPA

Kevin S. Young, CPA  
 Christy S. Dew, CPA, MPA  
 Rachel W. Ashford, CPA  
 Veronica L. LeBleu, CPA, MBA  
 Christine Guidry Berwick, CPA, MBA  
 Brandon L. Porter, CPA  
 Brandon R. Dunphy, CPA  
 Robert C. Darnall, CPA, CVA, M.S.



INDEPENDENT ACCOUNTANTS' REPORT  
 ON APPLYING AGREED-UPON PROCEDURES

St. Mary Parish School Board  
 and the Louisiana Legislative Auditor  
 Centerville, Louisiana

We have performed the procedures enumerated below, which were agreed to by St. Mary Parish School Board (School Board), and the 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 of 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 findings are as follows:

***Written Policies and Procedures***

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget:

Written policies and procedures were obtained and did address the functions noted above.

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 Morgan City, LA 70380  
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203 S. Jefferson Street  
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A Member of:  
 American Institute of  
 Certified Public Accountants  
 Society of Louisiana  
 Certified Public Accountants

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

- 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:

Written policies and procedures were obtained and did address the functions noted above.

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

Written policies and procedures were obtained and did address the functions noted above.

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

Written policies and procedures were obtained and did address the functions noted above.

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

Written policies and procedures were obtained and did address the functions noted above.

- 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:

Written policies and procedures were obtained and did address the functions noted above.

- 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:

The School Board does not have written policies and procedures that address the functions noted above.

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

Written policies and procedures were obtained and did address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits:

Written policies and procedures were obtained and did address the functions noted above.

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

Written policies and procedures were obtained and did address the functions noted above with the exception of EMMA reporting requirements.

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

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2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document:

Obtained and reviewed minutes of the managing board/committee for the fiscal period noted that the board met monthly in accordance with the entity's policy.

- 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):

Minutes did not include monthly budget-to-actual comparisons for the major funds identified as such. However, monthly budget-to-actual discussions occurred related to tax collections.

- 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:

Deficit spending was not noted during the fiscal period.

- 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.):

The minutes reference non-budgetary financial information for at least one meeting during the fiscal period.

### **Bank Reconciliations**

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

Obtained a listing of client bank accounts from management and management provided representation that the listing was complete.

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

- a) Bank reconciliations have been prepared:

Bank reconciliations have been prepared for all months.

- 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:

Evidence of management's review of the bank reconciliations for each month were noted.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period:

None of the reconciliations were noted as having outstanding items for more than six months of fiscal year end.

## Collections

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

Obtained listing of cash collection locations and management provided representation that the listing was complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee:

Written documentation was obtained and it was noted that the employees who are responsible for collecting cash are bonded. It was noted that cafeteria staff do share the register/drawer with another person. However, it is the School Board's policy that each employee responsible for collecting cash have their own separate login account and perform a cash count at the end of each session. It was also noted that the employees who are responsible for collecting cash are not responsible for depositing the cash in the bank, recording the deposits, or reconciling the bank statements.

- 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:

Written documentation was obtained and it was noted that the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections in the cash collection location selected.

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location:

Collection documentation was obtained for the selected cash collections and it was noted that four of the eight locations selected did not make deposits within one day of collections for the week of cash collections tested.

For the week of cash collections tested at Aucoin, J.S. Elementary, we noted that deposits were not made within one day of collection for all five days of collections tested. For two of the collection days tested, deposits were in transit for eight days. For one of the collection days tested, deposit was in transit for nine days. For one of the collection days tested, deposit was in transit for five days. For one of the collection days tested, deposit was in transit for six days.

For the week of cash collections tested at Berwick Junior High, we noted that a deposit was not made within one day of collection for one of the five collection days tested. This deposit was in transit for two days.

For the week of cash collections tested at Centerville High, we noted that a deposit was not made within one day of collection for one of the five collection days tested. This deposit was in transit for four days.

For the week of cash collections tested at West St. Mary High, we noted that a deposit was not made within one day of collection for one of the five collection days tested. This deposit was in transit for three days.

- 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:

Daily cash collections selected were completely supported by documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections:

Written documentation was obtained and it was noted that the entity has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

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

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

Obtained listing of disbursements and management provided representation that the listing was complete.

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system:

Examined supporting documentation for each of the disbursements selected and noted that all applicable purchases selected were initiated using a purchase order system.

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

Examined supporting documentation for each of the disbursements selected and noted appropriate approval of purchase orders by a person who did not initiate the transaction.

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

Examined supporting documentation for each of the disbursements selected and noted that all of the applicable transactions had an approved purchase order, the proper receiving report, and an approved invoice.

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

The persons responsible for processing payments are not prohibited from adding vendors to the entity's purchasing/disbursement system.

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

The person with signatory authority has no responsibility for initiating or recording purchases.

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

Supply of unused checks are maintained in a locked location, with restricted access to those persons without signatory authority.

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

The entity utilizes signature stamps/machines with restricted access.

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

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

Obtained listing of active credit cards and management provided representation that the listing was complete.

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

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

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

Monthly statement was reviewed and approved by someone other than the authorized card holder.

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

Finance charges and late fees were not noted on the selected statements.

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

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased):

An original itemized receipt was noted for each transaction.

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

Each transaction documented the business/public purpose.

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

Each transaction included other documentation required by the disbursement policy.

- 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:

All transactions tested were noted as following applicable policies and laws.

- 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:

No exceptions were noted for the transactions tested.

## *Travel and Expense Reimbursement*

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

Obtained listing of travel and expense reimbursements by person and management provided representation that the listing was complete.

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

Written policies and procedures were obtained and there were no instances of non-compliance.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates:

No exceptions were noted for the transactions tested.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]:

Expenses selected were reimbursed in accordance with established per diem amount.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating):

Documentation of the business purpose was noted for each expense reimbursement selected.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance):

Documentation required by written policy was noted for each expense reimbursement selected.

- 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:

No exceptions were noted for the transactions tested.

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

Each expense tested was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

## *Contracts*

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

Obtained listing of all contracts in effect and management provided representation that the listing was complete.

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

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid:

It was noted that the entity did have a formal written contract that supported the services agreed upon and the amount paid for all contracts tested.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder):

For the contracts tested that were subject to the Louisiana Bid Law, it was noted that one contract was not in compliance due to the lack of a non-collusion affidavit.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice:

For the contracts tested that were not subject to the Louisiana Bid Law, it was noted that the entity did not solicit quotes for two of the public works purchase contracts due to the fact that the purchases were below the \$152,550 threshold.

- 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:

An amendment for one contract was noted, however, it was made to reduce the cost of the contract and therefore did not exceed the contract limit. The amendment was included as an "alternate" in the original bid and therefore was not outside of the scope of the original contract. The amendment was to remove three improvement areas that were listed as alternates which decreased the contract amount by \$44,980.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract:

The invoices and related payments 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):

Obtained documentation of board approval for selected contracts, as required by policy.

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

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained listing of employees with their related salaries and management's representation that the listing was complete.

- 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:

Each employee selected was paid in 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:

Changes to pay rates during the fiscal period for selected employee were approved in writing.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

Documentation of daily attendance and leave were noted for each selected employee.

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

Documentation of supervisor approval for attendance and leave were not noted for each selected employee as the School Board's policy does not address written approval for sick leave or annual leave. The School Board's policy only addresses written approval for maternity leave and leaves of absence. Other absences only require supervisor approval. Further, time and attendance records are reviewed and approved by supervisors on a monthly basis.

- 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:

Documentation of written leave records were maintained for employees selected.

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

Obtained listing of employees terminated during the fiscal period and management provided representation that the listing was complete. Termination payments of selected employees were made in accordance with policy and/or contract and approved by management.

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

Obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period and noted that the related payments and required reporting forms were submitted to the applicable agencies by the required deadlines.

### ***Ethics (excluding nonprofits)***

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

We noted that the annual ethics course was not completed by one of the five employees selected.

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

Per discussion with management, there were no alleged ethics violations reported to the entity during the fiscal period.

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

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

Not applicable; no new debt was issued during the fiscal period.

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

Documentation was obtained to support that debt service payments were made as scheduled and debt reserves were maintained as required by debt covenants.

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

Documentation was obtained to support that millage collections did not exceed debt service payments by more than 10% during the fiscal period. No millages continued to be received for debt that had been paid off.

***Other***

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

Management has asserted that the entity did not have any misappropriations of public funds or assets during the reporting period.

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

Required notices were posted on the entity's premises and website.

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

No exceptions noted.

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.

*Darnall, Sikes, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
December 8, 2017

*St. Mary Parish School Board*

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**Management responses to the  
Independent Account's Report on Applying Agreed-Upon Procedures**

**Written Policies and Procedures**

- 1.) g.) Credit Cards - The School Board will implement written policies and procedures that address how credit cards are to be controlled, allowable business uses, documentation requirements, required approvers and the monitoring of card usage.
- 1.) j.) Debt Service - The School Board will revise its debt service policy to include EMMA reporting requirements.

**Board**

- 2.) b.) Budget-to-actual high-level comparisons for major funds will be presently to the board on a monthly basis as part of the CFO's staff reports which will include, but not be limited to, a comparison of sales tax collections.

**Bank Reconciliations**

- 6.) a.) The School Board will continue to allow our cafeteria staff to share the cash register/drawer with another person since it is the School Board's policy that each separate employee have their own login account and perform a cash count at the end of each session. Another internal control that is already in place is the employees collecting the cash don't deposit the cash in the bank or record the deposits. Additionally, collection reports are sent to the Central Office and reconciled back to the bank statements monthly by a Central Office employee.
- 6.) c.) The School Board will send out a reminder to all schools the importance of following our policy which states deposits should be made daily.

**Disbursements – General**

- 10.) The School Board will begin requiring approval by either the CFO, Alton Perry or the Chief Accountant, Becky Voisin, for 100% of new vendors being set up.

**Contracts**

- 21.) b.) The School Board will re-iterate to our architects the importance of obtaining a non-collusion affidavit as required by the Louisiana Public bid law.

21.) b.) St. Mary Parish School Board recognizes that it is a best practice to solicit quotes for public works purchase contracts below \$152,550; however, since it is not required by Louisiana Public Bid Law and since the School Board does not have the in-house personnel or resources to write specifications on every public works project, the School Board will continue to follow the law & write specifications on public works contracts above \$152,550.

**Payroll and Personnel**

- 23.) c.) While it is St. Mary Parish School Board's policy for absences to be approved by supervisors which is currently being followed, the school board will begin keeping documentation of such approval (either electronically or in writing).

**Ethics**

- 26.) The assistant superintendent will re-iterate the importance of completing the annual ethics course to all schools and principals and will begin monitoring such completion.