

---

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2017**

---



Postlethwaite & Netterville

A Professional Accounting Corporation

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2017**

## TABLE OF CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	I - III
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART I</b>	
Management's Discussion and Analysis	IV - X
<b>BASIC FINANCIAL STATEMENTS</b>	
<u>Government-Wide Financial Statements</u> (GWFS)	
Statement of Net Position	1
Statement of Activities	2
<u>Fund Financial Statements</u> (FFS)	
<u>Governmental Funds:</u>	
Balance Sheet	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	6
<u>Fiduciary Funds:</u>	
Statement of Fiduciary Assets and Liabilities	7
<u>Notes to the Financial Statements</u>	8 - 39
<b>REQUIRED SUPPLEMENTAL INFORMATION - PART II</b>	
Major Fund Descriptions	40
Budgetary Comparison Schedules:	
General Fund	41 - 42
Operations and Maintenance Fund	43
Title I Fund	44
Schedule of Funding Progress and Employer Contributions – Other Post-Employment Benefits Plan	45

Schedule of Proportionate Share of Net Pension Liability for Cost Sharing Defined Benefit Plans	46
Schedule of Employer Contributions to the Retirement Systems of Cost Sharing Defined Benefit Plans	47
Notes to Required Supplementary Information	48
<b>SUPPLEMENTAL INFORMATION:</b>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	49
Combining and Individual Fund Statements – Non Major Governmental Funds	
Non-Major Governmental Fund Descriptions	50
Combining Balance Sheet - Non-Major Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	52 - 53
Fiduciary Fund Type - Descriptions	54
Combining Balance Sheet - Agency Funds	55
Schedule of Compensation Paid Board Members	56
<b>REPORTS ON COMPLIANCE AND INTERNAL CONTROL</b>	
Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	57 - 58
Independent Auditors' Report on Compliance for Each Major Program and Internal Control over Compliance Required by Uniform Guidance	59 - 60
Schedule of Expenditures of Federal Awards	61
Notes to Schedule of Expenditures of Federal Awards	62
Schedule of Findings and Questioned Costs	63 - 67
Summary Schedule of Prior Audit Findings	68 - 69
<b>PERFORMANCE MEASUREMENT DATA</b>	
Independent Accountants' Report On Applying Agreed-Upon Procedures	70 - 74
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data) as of and for the Year Ended June 30, 2016	75 - 76
Performance and Statistical Data	77 - 86



Postlethwaite & Netterville

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

A Professional Accounting Corporation

## **INDEPENDENT AUDITORS' REPORT**

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

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

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

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

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

### **Auditors' Responsibility**

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

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



Postlethwaite & Netterville

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board, as of June 30, 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, the Budgetary Comparison Schedules, the Schedule of Funding Progress and Schedule of Employer Contributions for Other Post-Employment Benefit Plans, the Schedule of Proportionate Share of Net Pension Liability for Cost Sharing Defined Benefit Plans, the Schedule of Employer Contributions to the Retirement Systems for Cost Sharing Defined Benefit Plans, and the related supplementary notes presented on pages IV–X, 40 through 44, 45, 46, 47 and 48, respectively, 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.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish School Board's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, the Combining Non-Major Governmental and Agency Fund Financial Statements, and the Schedule of Compensation Paid to Board Members 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 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



Postlethwaite & Netterville

The Schedule of Compensation, Benefits, and Other Payments to Agency Head, the Combining Non-Major Governmental and Agency Fund Financial Statements, and the Schedule of Compensation Paid to Board Members, 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 Non-Major Fund Financial Statements, the Schedule of Compensation Paid to Board Members, the Schedule of Compensation, Benefits, and Other Payments to Agency Head, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The performance and statistical data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2017, on our consideration of the East Feliciana Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal 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 East Feliciana Parish School Board's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 30, 2017

**REQUIRED SUPPLEMENTARY INFORMATION**

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2017**

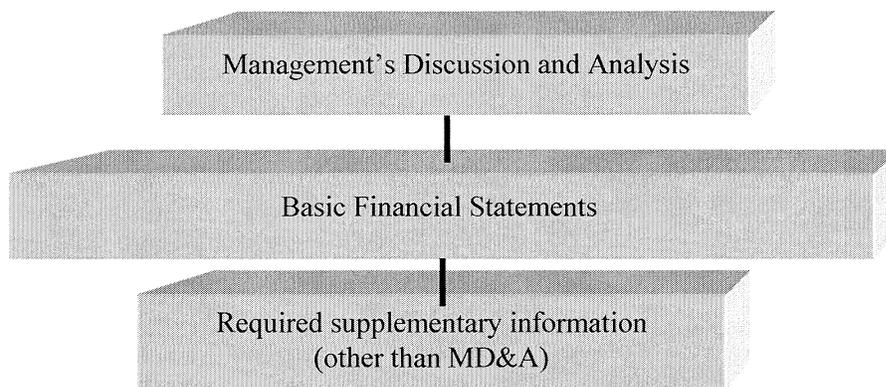
The Management’s Discussion and Analysis of the East Feliciana Parish School Board’s (the School Board) financial performance presents a narrative overview and analysis of the School Board’s financial activities for the year ended June 30, 2017. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information.

**FINANCIAL HIGHLIGHTS**

- ★ The East Feliciana Parish School Board’s liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2017 by approximately \$16,291,000, thus indicating a deficit in net position.
- ★ Expenses exceeded revenues by approximately \$1,693,000 for the year, indicating an overall decrease in the financial position of the School Board over the prior fiscal year.
- ★ State MFP funding decreased by approximately \$425,000 from the prior year due to a decrease in student enrollment (including students attending the charter school) as of the October 1<sup>st</sup> count.
- ★ The General Fund’s fund balance decreased from the prior year by approximately \$507,000 due to a decrease in ad valorem tax revenues of \$97,000, a decrease in state MFP funding of \$425,000, however these decreases were offset by an increase in sales tax revenue (\$234,000), while total expenditures increased by approximately \$799,000, with an increase of approximately \$304,000 in the appropriation to the charter school. The General Fund’s fund balance was approximately \$2,100,000 at June 30, 2017, approximately 11% of annual expenditures.
- ★ The Operations and Maintenance Fund, which accounts for the proceeds of a 1% sales tax, has a fund balance of approximately \$945,000 which can be used for a variety of operating purposes. The School Board has used this fund to provide salary supplements and capital outlay for the past several years.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2017**

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

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

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

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

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

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

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2017**

**Fund financial statements (Continued)**

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

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

**FINANCIAL ANALYSIS OF THE ENTITY**

Condensed Statements of Net Position  
as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u> (as restated)*
Current assets	\$ 5,461,620	\$ 5,578,561
Capital assets, net	<u>10,991,860</u>	<u>9,029,093</u>
Total assets	16,453,480	14,607,654
Deferred outflows of resources related to pension liability	<u>6,856,619</u>	<u>3,170,752</u>
Total assets and deferred outflows of resources	<u>\$ 23,310,099</u>	<u>\$ 17,778,406</u>
Accounts, salaries and other payables	1,088,876	1,927,977
Bonds payable	5,006,656	1,106,323
Lease payable	92,346	-
Net post employment benefit obligation	5,122,698	4,363,184
Compensated absences and claims liabilities	366,714	361,941
Net pension liability	<u>23,672,543</u>	<u>20,492,346</u>
Total liabilities	<u>35,349,833</u>	<u>28,251,771</u>
Deferred inflows of resources related to pension liability	<u>4,250,782</u>	<u>4,124,435</u>
Net Position:		
Net investment in capital assets	7,189,158	9,029,093
Restricted	2,710,889	1,650,446
Unrestricted	<u>(26,190,563)</u>	<u>(25,277,339)</u>
Total net position	<u>(16,290,516)</u>	<u>(14,597,800)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 23,310,099</u>	<u>\$ 17,778,406</u>

\*Amounts previously reported in the prior year were restated as a result of corrections of capital asset classifications identified during the preparation of the current year financial statements.

- Cash and cash equivalents increased by approximately \$93,000 over the prior year. These assets, consisting of cash in local financial institutions comprise approximately 21% of total assets.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2017**

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

- Capital assets, which are reported net of accumulated depreciation, account for 67% of the total assets of the School Board for the most recent year ended.
- Total liabilities have increased by approximately \$7,560,000 primarily related to the issuance of \$4,000,000 Qualified Zone Academy Bonds for the purpose of repairing public facilities and the increase in net postemployment benefit obligation and net pension liability.

Condensed Statements of Revenues and Expenses  
for the years ended June 30, 2017 and 2016

<b>Program revenues</b>	<u>2017</u>	<u>2016 (as restated)</u>
Charges for services	\$ 17,915	\$ 88,004
Operating grants	3,913,643	4,116,523
<b>General revenues</b>		
Property taxes	2,903,394	2,917,008
Sales taxes	3,446,812	2,977,123
Earnings on investments	11,413	111,548
MFP	11,572,972	11,998,437
Other	<u>869,754</u>	<u>258,849</u>
Total revenues	<u>22,735,903</u>	<u>22,467,492</u>
<b>Expenses</b>		
Instruction:		
Regular education	8,438,865	6,040,212
Special education	1,555,180	2,012,300
Vocational education	447,165	241,832
Other education	877,996	661,711
Support Services:		
Pupil support	720,646	503,129
Instructional staff	1,715,331	1,166,544
General administrative	811,301	1,878,645
School administrative	1,040,521	991,782
Business and central services	390,771	485,477
Plant operation and maintenance	2,996,033	2,110,637
Transportation	948,497	1,376,690
Food service	1,029,936	1,174,658
Central services	231,564	199,743
Community service programs	27,145	1,500
Interest charged on long-term debt	17,243	24,189
Appropriation to the charter school	<u>3,180,425</u>	<u>2,876,085</u>
Total expenses	<u>24,428,619</u>	<u>21,745,134</u>
Excess of revenues over (under) expenses	<u>\$ (1,692,716)</u>	<u>\$ 722,358</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2017**

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

Change in Net Position

- MFP, which accounts for 51% of total revenues for 2017, decreased by approximately \$425,000.
- Ad valorem taxes, which account for 13% of total revenues for 2017, increased by approximately \$13,000.
- Sales taxes, which account for 15% of total revenues for 2017, increased by approximately \$470,000.
- Operating grant revenues, comprising 17% of total revenues for 2017, decreased by approximately \$203,000.
- Expenses increased by approximately \$2,683,000 or 12.3% over the previous year, and were primarily related to an increase in repairs and maintenance on the schools and an increase in the appropriation to the charter school of \$304,000, while all other expenses generally increased due to increases in pension expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2017, the East Feliciana Parish School Board had approximately \$11.0million invested in a broad range of capital assets, including land, building, and equipment. (See Table below).

This amount represents an increase (including additions and deductions) of approximately \$522,000 over last year due to the additions of construction in progress for improvements being performed on the school buildings which is funded through the Qualified Zone Academy bonds. The School Board recorded depreciation expense of approximately \$569,000 and net additions of approximately \$1,963,000.

Capital Assets at Year-end (Net of Accumulated Depreciation)		
	2017	Restated 2016
Land	\$ 1,706,878	\$ 1,706,878
Construction-in-Progress	2,453,187	-
Buildings and Improvements	6,683,288	7,169,412
Equipment	148,508	152,803
Totals	\$ 10,991,861	\$ 9,029,093

**Long-term debt**

At June 30, 2017, the School Board had \$4,982,000 in bonds outstanding for the purpose of construction, rehabilitation and renovations. Long-term liabilities also consist of compensated absences payable of \$367,000, net other post-employment benefit obligation of \$5,123,000, a claims liability of \$25,000, a capital lease obligation of \$92,000, and a net pension liability of \$23,673,000.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2017**

**Long-term debt (continued)**

During 2017 the School Board issued \$4,000,000 Qualified Zone Academy Bonds in order to rehabilitate, repair and equip the public school facilities throughout the school system.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Over the course of the year, the General Fund operating budget was amended. The amendment of the operating budget is a customary practice and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant changes during 2017 were as follows:

**Revenues:**

The General Fund budget was amended from the original projections to reflect increases in sales and use taxes (\$150,000), decreases in ad-valorem taxes (\$502,000), and decreases in MFP (\$240,000).

**Expenditures:**

Budgeted expenditures were amended to reflect increased amounts incurred for regular education programs, other education programs, business administration services, and central services. Budgeted expenditures were amended to reflect decreased amounts incurred for special education programs, vocational education programs, pupil support services, instructional staff services, general administration services, transportation. In total, the General Fund expenditure budget was amended from the original projections to reflect reductions in total expenditures of approximately \$280,000.

**ANALYSIS OF FUND BALANCES**

The General Fund's fund balance of \$2,087,000 includes amounts restricted for future salary and benefits expenditures of \$1,405,000, and amounts unassigned for other operational expenditures of \$667,000. Best practices recommend that governments maintain general fund balances equal to 10% of annual expenditures. The Operations and Maintenance Fund's fund balance of \$945,000 is also available for a broad range of uses, including operating costs paid by the General Fund. On a combined basis, these two funds' fund balance equals approximately 16% of annual expenditures of the two funds.

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

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

- Sales tax revenues are budgeted to decrease approximately 9% from the 2017 sales tax revenues.
- Ad-valorem tax revenues are expected to increase by 1%.
- The General Fund operating budget was adopted to operate at a \$3,012 surplus.
- Health insurance and retirement benefit payments are expected to increase on an individual basis.
- State funding through MFP is expected to remain consistent with the prior year.
- Appropriation of funds to the charter school is expected to remain consistent with 2017 amounts.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2017**

**CONTACTING THE EAST FELICIANA PARISH SCHOOL BOARD'S MANAGEMENT**

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mr. Tommy LeJeune, CPA, Faulk & Winkler, LLC, c/o East Feliciana Parish School Board, 12732 Silliman Street, Clinton, LA 70722, (225) 683-8277.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**STATEMENT OF NET POSITION**

**June 30, 2017**

**ASSETS**

Cash and cash equivalents	\$	3,444,393
Sales tax receivable		529,212
Due from other governments		1,116,976
Due from external party (fiduciary fund)		331,329
Inventory		34,209
Other assets		5,500
Capital assets:		
Land and construction in progress		4,160,065
Buildings and equipment, net of accumulated depreciation		6,831,796
TOTAL ASSETS		16,453,480

**DEFERRED OUTFLOWS OF RESOURCES - related to pension liability**

6,856,619

TOTAL ASSETS AND DEFERRED OUTFLOWS  
OF RESOURCES

\$ 23,310,099

**LIABILITIES**

Accounts, salaries and other payables	\$	1,088,876
Long-term liabilities:		
Due within one year		471,805
Due in more than one year		4,993,911
Net pension liability		23,672,543
Post-employment benefit obligation		5,122,698
TOTAL LIABILITIES		35,349,833

**DEFERRED INFLOWS OF RESOURCES - related to pension liability**

4,250,782

**NET POSITION**

Net investment in capital assets		7,189,158
Restricted for:		
School food services		127,024
Facilities improvements		1,178,954
Salaries and benefits		1,404,911
Unrestricted		(26,190,563)
TOTAL NET POSITION		(16,290,516)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$	23,310,099

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit
Instruction:				
Regular education programs	\$ 8,438,865	\$ -	\$ 1,214,917	\$ (7,223,948)
Special education programs	1,555,180	-	223,894	(1,331,286)
Vocational education programs	447,165	-	64,377	(382,788)
Other education programs	877,996	-	126,402	(751,594)
Support Services:	-			
Pupil support services	720,646	-	103,749	(616,897)
Instructional staff services	1,715,331	-	246,951	(1,468,380)
General administration services	811,301	-	116,800	(694,501)
School administration services	1,040,521	-	149,801	(890,720)
Business and central services	390,771	-	56,258	(334,513)
Plant operation and maintenance	2,996,033	-	431,330	(2,564,703)
Transportation	948,497	-	136,552	(811,945)
Food service	1,029,936	17,915	1,005,366	(6,655)
Central services	231,564	-	33,338	(198,226)
Community services	27,145	-	3,908	(23,237)
Interest charges on long-term debt	17,243	-	-	(17,243)
Appropriation to charter school	3,180,425	-	-	(3,180,425)
<b>Total Governmental Activities</b>	<b>24,428,619</b>	<b>17,915</b>	<b>3,913,643</b>	<b>(20,497,061)</b>
General Revenues				
Taxes:				
Ad-valorem taxes				2,903,394
Sales and use taxes				3,446,812
State revenue sharing				26,240
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				11,572,972
Interest and investment earnings				11,413
Gain on sale of asset				24,899
Miscellaneous				818,615
Total general revenues				18,804,345
Change in Net Position				(1,692,716)
Net Position - beginning of year, as restated				(14,597,800)
Net Position - end of year				\$ (16,290,516)

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2017**

	General	Operations and Maintenance	Title I	Capital Projects	Non-major Governmental	Total
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 249,197	\$ 1,474,608	\$ -	\$ 1,341,528	\$ 379,060	\$ 3,444,393
Sales tax receivable	264,606	264,606	-	-	-	529,212
Prepaid expenses	-	-	-	-	-	-
Due from other funds	2,389,941	-	-	-	-	2,389,941
Due from other governments	240,612	-	346,952	-	529,412	1,116,976
Inventory	-	-	-	-	34,209	34,209
Other	5,500	-	-	-	-	5,500
TOTAL ASSETS	<u>\$ 3,149,856</u>	<u>\$ 1,739,214</u>	<u>\$ 346,952</u>	<u>\$ 1,341,528</u>	<u>\$ 942,681</u>	<u>\$ 7,520,231</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Liabilities:						
Accounts payable	\$ 4,756	\$ 2,533	\$ 23,552	\$ -	\$ -	\$ 30,841
Salaries and benefits payable	1,058,035	-	-	-	-	1,058,035
Due to other funds	-	791,190	323,400	162,574	781,448	2,058,612
TOTAL LIABILITIES	<u>1,062,791</u>	<u>793,723</u>	<u>346,952</u>	<u>162,574</u>	<u>781,448</u>	<u>3,147,488</u>
Fund balances:						
Nonspendable	5,500	-	-	-	34,209	39,709
Restricted for:						
School food services	-	-	-	-	127,024	127,024
Salaries and benefits	1,404,911	-	-	-	-	1,404,911
Facility improvements	-	-	-	1,178,954	-	1,178,954
Assigned to operations and maintenance	-	945,491	-	-	-	945,491
Unassigned	676,654	-	-	-	-	676,654
TOTAL FUND BALANCES	<u>2,087,065</u>	<u>945,491</u>	<u>-</u>	<u>1,178,954</u>	<u>161,233</u>	<u>4,372,743</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,149,856</u>	<u>\$ 1,739,214</u>	<u>\$ 346,952</u>	<u>\$ 1,341,528</u>	<u>\$ 942,681</u>	<u>\$ 7,520,231</u>

The accompanying notes are an integral part of this statement.

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

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

**JUNE 30, 2017**

Total Fund Balances at June 30, 2017 - Governmental Funds		\$ 4,372,743
Amounts reported for governmental activities in the statement of net position is different due to the following:		
Some revenue receivables were not collected within sixty days after year-end and, therefore, are not available soon enough to pay for current period expenditures. -		
Deferred inflows and outflows of resources related to the net pension liability are not payable or receivable, respectively, in the current period and therefore not reported in the governmental funds		
Deferred outflows of resources related to pension liability		6,856,619
Deferred intflows of resources related to pension liability		(4,250,782)
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds		
Cost of capital assets at June 30, 2017	25,900,103	
Less: Accumulated depreciation as of June 30, 2017:		
Buildings and improvements	(13,726,983)	
Movable property	(1,181,258)	10,991,862
Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds		
Long-term liabilities at June 30, 2017:		
Revenue bonds	(981,657)	
Qualified Bonds	(4,000,000)	
Lease liability	(92,346)	
Claims liability	(25,000)	
Net post employment benefit obligation	(5,122,698)	
Compensated absences payable	(366,714)	
Net pension liability	(23,672,543)	(34,260,958)
Total Net Position at June 30, 2017 - Governmental Activities		<u>\$ (16,290,516)</u>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Title I</u>	<u>Capital Projects</u>	<u>Non-major Governmental</u>	<u>Total</u>
<b>REVENUES</b>						
Local sources:						
Ad valorem taxes	\$ 2,903,394	\$ -	\$ -	\$ -	\$ -	\$ 2,903,394
Sales and use tax	1,723,406	1,723,406	-	-	-	3,446,812
Earnings on investments	6,506	4,119	-	-	788	11,413
Other	369,984	-	-	100	17,915	387,999
State sources:						
Unrestricted grants-in-aid, MFP	11,554,003	-	-	-	18,969	11,572,972
Revenue sharing	26,240	-	-	-	-	26,240
Restricted grants-in-aid	116,289	-	-	-	332,242	448,531
Federal grants	75,900	-	1,056,026	-	2,781,717	3,913,643
<b>TOTAL REVENUES</b>	<b>16,775,722</b>	<b>1,727,525</b>	<b>1,056,026</b>	<b>100</b>	<b>3,151,631</b>	<b>22,711,004</b>
<b>EXPENDITURES</b>						
Current:						
Instruction:						
Regular education programs	7,397,638	-	1,193	-	772,582	8,171,413
Special education programs	859,718	-	-	-	666,658	1,526,376
Vocational education programs	403,654	-	289	-	29,212	433,155
Other education programs	280,735	-	464,136	-	103,175	848,046
Support:						
Pupil support services	545,148	-	-	-	183,394	728,542
Instructional staff services	974,147	-	439,945	-	275,401	1,689,493
General administration services	741,097	-	45,999	-	-	787,096
School administration services	1,013,282	-	-	-	1,543	1,014,825
Business and central services	378,702	-	-	-	-	378,702
Plant operation and maintenance	1,672,851	45,057	-	738,895	-	2,456,803
Transportation	914,233	-	-	-	-	914,233
Food services	99,334	-	-	-	950,512	1,049,846
Central services	226,397	-	-	-	-	226,397
Community services	26,127	-	-	-	-	26,127
Appropriation to charter school	3,180,425	-	-	-	-	3,180,425
Debt service - principal	145,324	-	-	-	-	145,324
Debt service - interest	17,243	-	-	-	-	17,243
Capital outlay	323,211	70,563	24,684	2,082,251	31,993	2,532,702
<b>TOTAL EXPENDITURES</b>	<b>19,199,266</b>	<b>115,620</b>	<b>976,246</b>	<b>2,821,146</b>	<b>3,014,470</b>	<b>26,126,748</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,423,544)	1,611,905	79,780	(2,821,046)	137,161	(3,415,744)
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond Proceeds	113,004	-	-	4,000,000	-	4,113,004
Proceeds from Sale of Capital Asset	24,899	-	-	-	-	24,899
Transfers in	1,778,325	-	-	-	-	1,778,325
Transfers out	-	(1,611,905)	(79,780)	-	(86,640)	(1,778,325)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,916,228</b>	<b>(1,611,905)</b>	<b>(79,780)</b>	<b>4,000,000</b>	<b>(86,640)</b>	<b>4,137,902</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER US</b>						
	(507,316)	-	-	1,178,954	50,521	722,159
FUND BALANCES - beginning of year, restated	2,594,381	945,491	-	-	110,712	3,650,584
FUND BALANCES - end of year	\$ 2,087,065	\$ 945,491	\$ -	\$ 1,178,954	\$ 161,233	\$ 4,372,743

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2017**

Excess of Revenues and Other Financing Sources  
over Expenditures and Other Uses - Total Governmental Funds \$ 722,159

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

Because some revenues will not be collected within sixty days after year-end,  
they are not considered "available" revenues in the governmental funds. -

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities the cost of those assets  
is allocated over their estimated useful lives and reported as  
depreciation expense.

Capital outlay and other expenditures capitalized, net	\$ 2,531,500	
Depreciation expense for year ended June 30, 2017	(568,732)	1,962,768

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

Principal payments on debt and capital lease		145,324
Proceeds from debt		(4,000,000)
Proceeds from capital lease		(113,004)

Expenses reported in the statement of activities do not require the  
use of current financial resources and therefore are  
not reported as expenditures in governmental funds

Net other post employment benefit obligation	\$ (759,514)	
Change in compensated absences liability	(29,772)	
Change in net pension liability, deferred outflows and inflows of resources related to pension liability	379,323	(409,963)

Change in Net Position - Governmental Activities \$ (1,692,716)

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2017**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 1,178,567
Sales tax receivable	<u>516,116</u>
 TOTAL ASSETS	 <u><u>\$ 1,694,683</u></u>
 <b><u>LIABILITIES</u></b>	
Taxes paid under protest	\$ 278,314
Due to other funds	331,329
Amounts held for school clubs and activities	163,575
Due to other governments	<u>921,465</u>
 TOTAL LIABILITIES	 <u><u>\$ 1,694,683</u></u>

The accompanying notes are an integral part of this statement

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**General Information**

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of East Feliciana Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplements to their salaries. The School Board is currently comprised of 12 members who are elected from 7 districts for a term of four years.

During the fiscal year ended June 30, 2017, the School Board operated 5 schools within the parish with a total enrollment of approximately 1,700 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

1. **Summary of Significant Accounting Policies**

a. **Reporting Entity**

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

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

b. **Basis of Presentation**

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

**Governmental Fund Types:**

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

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

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant programs established for various educational objectives as well as a fund to account for the proceeds of a 1% sales tax dedicated to operations.

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

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

**Fiduciary Fund Type - Agency Funds:**

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

c. **Basis of Accounting/Measurement Focus**

**Government-Wide Financial Statements (GWFS)**

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

c. Basis of Accounting/Measurement Focus (continued)

Fund Financial Statements (FFS)

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

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

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

Revenues

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

Non-exchange transactions, in which the Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes and gross receipts business taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types.

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

Expenditures

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

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

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

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

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

d. **Budget Practices**

The proposed budgets for fiscal year 2017 were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2017 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, were made available to the public.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expensed is not automatically re-appropriated in the next year.

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

e. Cash and Cash Equivalents

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

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

f. Inventory

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

g. Capital Assets

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

Capital assets are recorded in the GWFS as an asset, but are reported in the FFS as an expenditure. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 15 years for equipment, 10 to 30 years for building and land improvements, and 40 years for buildings.

h. Government-wide Net Position

Government-wide assets are divided into three components:

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

h. Government-wide Net Position (continued)

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

- Nonspendable - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Spendable:
  - Restricted - amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
  - Committed - amounts that can be used only for specific purposes determined by a formal action by School Board ordinance or resolution.
  - Assigned - amounts that are designated by the Board for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service).
  - Unassigned - all amounts not included in other spendable classifications.

i. Annual, Sick and Sabbatical Leave

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

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

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

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

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

j. Sales Taxes

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

- A one percent sales and use tax renewed on October 21, 1995 for the ten years beginning June 30, 1998. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries. The remainder of the proceeds is to be used for the operations, including maintenance and improvement, of school buildings and sites of the public schools in East Feliciana Parish. This tax was renewed effective July 1, 2018 for a period of ten years.
- An additional one percent sales tax was approved by voters of the Parish on October 17, 1981 and originally set to expire on December 31, 2007. This sales tax is dedicated to capital improvements of the public school system of East Feliciana Parish, payment of any indebtedness incurred in making capital improvements, and payment of maintenance and operational expenses of the School Board. This tax was renewed for a second time effective January 1, 2018 for a period of ten years. Ninety-one percent of this tax was dedicated by the School Board for the payment of salary supplements during the year ended June 30, 2017.

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

k. Pension Plans

The East Feliciana Parish School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 8. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

l. Estimates

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

m. Future accounting changes

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

2. **Property Taxes**

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

Property taxes are recognized as revenue in the fiscal year for which they are levied. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Tax bills are mailed in November/December. If taxes are not paid by the due date of December 31, they bear interest at one percent per month until paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

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

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

3. **Cash**

The School Board's cash and cash equivalents consist entirely of deposits in local financial institutions. At year end, the carrying amount of the School Board's deposits was \$4,622,960 which includes \$1,178,567 held in an agency capacity for sales tax and school activities. The bank balance was \$6,323,223.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in event of financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The School Board's deposits were not subject to custodial credit risk at June 30, 2017.

4. **Due From/To Other Funds**

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

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 2,389,941	\$ -
Operations and Maintenance	-	791,190
Title I	-	323,400
Capital Projects	-	162,574
Non-major Governmental Funds	-	781,448
Agency Fund- Sales Tax Collections	-	331,329
Total	<u>\$ 2,389,941</u>	<u>\$ 2,389,941</u>

Balances are a result of advances made by the general fund for expenditures of the federal grant programs, and sales tax collections owed to the general fund from the tax collection agency fund.

5. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2017, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 1,778,325	\$ -
Operations and Maintenance	-	1,611,905
Title I	-	79,780
Non-Major Governmental Funds	-	86,640
	<u>1,778,325</u>	<u>1,778,325</u>

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**6. Capital Assets**

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

	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Cost at June 30, 2016, restated	\$ 1,706,878	\$ -	\$ 20,375,118	\$ 1,286,608	\$ 23,368,604
Additions	-	2,453,187	35,155	43,158	2,531,500
Cost at June 30, 2017	<u>1,706,878</u>	<u>2,453,187</u>	<u>20,410,273</u>	<u>1,329,766</u>	<u>25,900,104</u>
Accumulated Depreciation at June 30, 2016, as restated	-	-	(13,205,706)	(1,133,805)	(14,339,511)
Additions	-	-	(521,279)	(47,453)	(568,732)
Accumulated Depreciation at June 30, 2017	<u>-</u>	<u>-</u>	<u>(13,726,985)</u>	<u>(1,181,258)</u>	<u>(14,908,243)</u>
Capital assets, net of accumulated depreciation at June 30, 2017	<u>\$ 1,706,878</u>	<u>\$ 2,453,187</u>	<u>\$ 6,683,288</u>	<u>\$ 148,508</u>	<u>\$ 10,991,861</u>

Depreciation expense of \$568,732 was a charge to plant operation and maintenance function in the statement of activities.

**7. General Long-term Debt**

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

	<u>Balance 6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>	<u>Amount due within one year</u>
Claims and assessments	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -
Compensated absences	336,942	606,596	(576,824)	366,713	89,744
Qualified School construction bonds	556,323	-	(54,666)	501,657	54,667
Qualified Zone Academy Bond	-	4,000,000	-	4,000,000	235,294
Revenue Bonds	550,000	-	(70,000)	480,000	75,000
Alio Lease	-	113,004	(20,658)	92,346	17,100
	<u>\$ 1,468,265</u>	<u>\$ 4,719,600</u>	<u>\$ (722,148)</u>	<u>\$ 5,465,716</u>	<u>\$ 471,805</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**7. General Long-term Debt (continued)**

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

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

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

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

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

The bond issues outstanding at June 30, 2017, is as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Due Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Qualified School Construction Bond Series 2011, dated June 22, 2011	\$ 820,000	.8%	June 15, 2026	\$ 19,671	\$ 501,657
Revenue Bonds, Series 2013 dated July 2013	750,000	2.34%	March 15, 2023	40,248	480,000
Qualified Zone Academy Bond, Series 2016	4,000,000	0.00%	December 15, 2033	-	4,000,000
	<u>\$ 5,570,000</u>			<u>\$ 59,919</u>	<u>\$ 4,981,657</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

7. **General Long-term Debt (continued)**

Principal and interest payments are due as follows:

Years Ending June 30,	Principal	Interest	Total
2018	\$ 364,960	\$ 15,168	\$ 380,128
2019	364,960	12,976	377,936
2020	369,960	10,783	380,743
2021	369,960	8,474	378,434
2022	374,960	6,165	381,125
2023-2027	1,489,798	6,353	1,496,151
2028-2032	1,176,471	-	1,176,471
2033-2034	470,588	-	470,588
Total	<u>\$ 4,981,657</u>	<u>\$ 59,919</u>	<u>\$ 5,041,576</u>

The School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the net assessed value of taxable property. At June 30, 2017, the net assessed value of taxable property for the parish was \$146,189,894, which would result in a \$51,166,463 bonded debt limit.

The Alio lease principal and interest payouts as of June 30, 2017, is as follows:

Years Ending June 30,	Principal	Interest	Total
2018	\$ 17,100	\$ 3,558	\$ 20,658
2019	17,759	2,899	20,658
2020	18,443	2,215	20,658
2021	19,153	1,504	20,657
2022	19,891	766	20,657
Total	<u>\$ 92,346</u>	<u>\$ 10,942</u>	<u>\$ 103,288</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**8. Operating Leases**

The School Board contracts with individual bus owners on an annual basis for a period of one school year. The School Board had 26 operating lease agreements for the use of privately owned buses with various individual bus owners for the year ended June 30, 2017. Lease payments vary between \$9,000 and \$16,000 per year for each operating lease agreement. Total payments under the agreements were approximately \$380,000 for the school year ended June 30, 2017.

**9. Defined Benefit Pension Plans**

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

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

TRSL:	LSERS:	LASERS
8401 United Plaza Blvd.	8660 United Plaza	8401 United Plaza Blvd.
P. O. Box 94123	Blvd.	P. O. Box 44213
Baton Rouge, Louisiana 70804-	Baton Rouge, LA	Baton Rouge, Louisiana 70804-
9123	70804	4213
(225) 925-6446	(225) 925-6484	(225) 925-0185
www.trsl.org	www.lasers.net	www.lasersonline.org

The School System implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the School System to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

**Plan Descriptions:**

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

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. The School System has participants in TRSL's Regular Plan and in Plan A. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761. Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of creditable service, 2) at the age of 55 with at least 25 years of creditable service, or 3) at any age with at least 30 years of creditable service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Final average salary is based upon the member's highest successive 36 months (highest successive 60 months for members employed after January 1, 2011).

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

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

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3½% of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2½% of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service.

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

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

The Louisiana State Employees' Retirement System (LASERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. The School System has participants in this plan who began service under the LASER plan and later transferred to employment with the School System. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification. The substantial majority of members may retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The computation of retirement benefits are provided for in LRS 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of creditable service.

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.

Eligibility requirements and benefit computations for disability benefits are provided for in LRS 11:461. All members with ten or more years of creditable service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Provisions for survivor's benefits are provided for in LRS 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student. The minimum service 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.

**Funding Policy**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

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

	<u>School System</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	25.50%	8.00%
Plan A	30.70%	9.10%
School Employees' Retirement System	27.30%	7.50%- 8.00%
State Employees' Retirement System	35.80%	7.50% - 8.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Teachers' Retirement System:			
Regular Plan	\$2,055,926	\$ 2,101,010	\$ 2,471,094
School Employees' Retirement System	252,528	229,141	322,763
State Employees' Retirement System	-	-	-

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

	Net Pension Liability at June 30, 2016	Rate at June 30, 2016	Increase (Decrease) to June 30, 2015 Rate
Teachers' Retirement System	\$ 21,807,087	0.1858%	0.0119%
School Employees' Retirement System	1,865,456	0.2473%	(0.0356)%
State Employees' Retirement System	-	0.0000%	0.0000%
	<u>\$ 23,672,543</u>		

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

	<u>Pension Expense</u>
Teachers' Retirement System	\$ 2,545,775
School Employees' Retirement System	64,570
State Employees' Retirement System	-
	<u>\$ 2,610,345</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (481,440)
Changes of assumptions	44,193	(49,306)
Net difference between projected and actual earnings on pension plan investments	3,035,488	(1,211,661)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,468,483	(2,508,375)
Employer contributions subsequent to the measurement date	2,308,454	-
Total	<u>\$ 6,856,618</u>	<u>\$ (4,250,782)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 6,265,345	\$ (3,888,428)
School Employees' Retirement System (LSERS)	591,273	(300,174)
State Employees' Retirement System (LASERS)	-	(62,180)
	<u>\$ 6,856,618</u>	<u>\$ (4,250,782)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

The School System reported a total of \$2,308,454 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2018. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Teachers' Retirement System	\$ 2,055,926
School Employees' Retirement System (LSERS)	252,528
State Employees' Retirement System (LASERS)	-
	\$ 2,308,454

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

Year	TRSL	LSERS	LASERS	Total
2018	\$ (292,138)	\$ (80,821)	\$ (62,180)	\$ (435,139)
2019	(292,137)	(55,415)	4	(347,548)
2020	272,454	106,799	-	379,253
2021	632,807	68,009	-	700,816
	\$ 320,986	\$ 38,572	\$ (62,176)	\$ 297,382

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

**Actuarial Assumptions**

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

	<b>TRSL</b>	<b>LSERS</b>	<b>LASERS</b>																		
<b>Valuation Date</b>	June 30, 2016	June 30, 2016	June 30, 2016																		
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal																		
<b>Actuarial Assumptions: Expected Remaining Service Lives</b>	5 years	3 years	3 years																		
<b>Investment Rate of Return</b>	7.75% net of investment expenses	7.125% per annum	7.75% net of investment expenses																		
<b>Inflation Rate</b>	2.5% per annum	2.625%	3.0% per annum																		
<b>Mortality</b>	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Healthy Sex Distinct Mortality Table	<b>Non-disabled members</b> - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.  <b>Disabled members</b> – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.																		
<b>Salary Increases</b>	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study of the Plan's members ranging from 3.075% to 5.375%	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:																		
			<table border="0"> <thead> <tr> <th style="text-align: left;"><b>Member Type</b></th> <th style="text-align: center;"><b>Lower Range</b></th> <th style="text-align: center;"><b>Upper Range</b></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">4.00%</td> <td style="text-align: center;">13.00%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">3.00%</td> <td style="text-align: center;">5.50%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.60%</td> <td style="text-align: center;">14.50%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.60%</td> <td style="text-align: center;">14.50%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.60%</td> <td style="text-align: center;">14.50%</td> </tr> </tbody> </table>	<b>Member Type</b>	<b>Lower Range</b>	<b>Upper Range</b>	Regular	4.00%	13.00%	Judges	3.00%	5.50%	Corrections	3.60%	14.50%	Hazardous Duty	3.60%	14.50%	Wildlife	3.60%	14.50%
<b>Member Type</b>	<b>Lower Range</b>	<b>Upper Range</b>																			
Regular	4.00%	13.00%																			
Judges	3.00%	5.50%																			
Corrections	3.60%	14.50%																			
Hazardous Duty	3.60%	14.50%																			
Wildlife	3.60%	14.50%																			

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

	<b>TRSL</b>	<b>LSERS</b>	<b>LASERS</b>
<b>Cost of Living Adjustments</b>	The System allows for the payment of ad hoc permanent benefit increases that are funded through investment earnings when recommended by the board of trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long term rate of return was 8.23% for 2016.	The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 expected rate of inflation was 3.25% . The resulting expected long-term rates of return are 8.72% for 2016.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

n/a - amount not provided by Retirement System

***Discount Rate***

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.75%, 7.25% and 7.75, respectively for the year ended June 30, 2016.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.75%	7.75%	8.75%
EFPSB Share of			
NPL	\$ 23,660,168	\$ 21,807,087	\$ 14,478,168
LSERS			
Rates	6.25%	7.125%	8.25%
EFPSB Share of			
NPL	\$ 2,464,558	\$ 1,865,456	\$ 1,220,668
LASERS			
Rates	6.75%	7.75%	8.75%
EBRPSS Share of			
NPL	\$ -	\$ -	\$ -

**Payables to the Pension Plan**

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

	<u>June 30,</u> <u>2017</u>
TRSL	\$ 544,051
LSERS	39,321
LASERS	-
	<u>\$ 583,372</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**10. Post-employment Health Care Benefits**

Effective with the Fiscal Year beginning July 1, 2008, East Feliciana Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45).

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

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB Codification Section P50) for financial reporting purposes and for this valuation. The OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility for purposes of this valuation, and we have assumed that 12.5% of post-Medicare eligibility retirees elect that plan. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who entered one of the four state systems on or after January 1, 2011 may not retire until age 60 without actuarial reduction in their pension benefits.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

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

**Fund Policy** – Until 2008, the East Feliciana Parish School Board recognized the cost of providing post-employment medical and life insurance benefits (the East Feliciana Parish School Board’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the East Feliciana Parish School Board’s portion of health care and life insurance funding cost for retired employees totaled \$889,985 and \$829,282, respectively.

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 624,696	\$ 613,533
30-year UAL amortization amount	1,102,599	1,093,242
Annual required contribution (ARC)	<u>\$ 1,727,295</u>	<u>\$ 1,706,775</u>

**Net Post-Employment Benefit Obligation (Asset)** – The table below shows the East Feliciana Parish School Board’s Net Other Post-Employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 4,363,184	\$ 3,548,970
Annual required contribution	1,727,295	1,706,775
Interest on Net OPEB Obligation	174,527	141,959
ARC Adjustment	<u>(252,323)</u>	<u>(205,237)</u>
OPEB Cost	1,649,499	1,643,497
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(889,985)</u>	<u>(829,283)</u>
Change in Net OPEB Obligation	759,514	814,214
Ending Net OPEB Obligation	<u>\$ 5,122,698</u>	<u>\$ 4,363,184</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$ 1,649,499	53.95%	\$ 5,122,698
June 30, 2016	\$ 1,643,497	50.46%	\$ 4,363,184
June 30, 2015	\$ 1,592,556	48.22%	\$3,548,970

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

**Funded Status and Funding Progress** – In 2017 and 2016, the East Feliciana Parish School Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$19,828,824 which is defined as that portion, as determined by a particular actuarial cost method (the East Feliciana Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 19,828,824	\$ 19,660,705
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 19,828,824</u>	<u>\$ 19,660,705</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 10,289,623	\$ 10,147,994
UAAL as a percentage of covered payroll	192.71%	193.74%

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

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

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

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

**Post employment Benefit Plan Eligibility Requirements** – It is assumed that entitlement to benefits will commence four years after earliest eligibility to enter the D.R.O.P. as described above under the heading "Plan Description". This consists of a three year D.R.O.P. period plus an additional one year delay. Medical benefits are provided to employees upon actual retirement.

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

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

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

**Method of Determining Value of Benefits** – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The "State Share" premiums in the OGB medical rate schedule provided are "unblended" rates for active and retired as required by GASB Codification Section P50 and have been used for valuation purposes.

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

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

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

		OPEB Costs and Contributions		
		FY 2015	FY 2016	FY 2017
OPEB Cost	\$	1,592,556	\$ 1,643,497	\$ 1,649,499
Contribution		-	-	-
Retiree premium		767,854	829,283	889,985
Total contribution and premium		767,854	829,283	889,985
Change in net OPEB obligation	\$	824,702	\$ 814,214	\$ 759,514
% of contribution to cost		0.00%	0.00%	0.00%
% of contribution plus premium to cost		48.22%	50.46%	53.95%

**11. Receivables**

Receivables as of June 30, 2017 for the School Board's governmental activities are as follows:

	General Fund	Operations and Maintenance	Title I	Capital Project	Non-Major Governmental	Total
Sales Tax	\$ 264,606	\$ 264,606	\$ -	\$ -	\$ -	\$ 529,212
Grants	-	-	346,952	-	529,412	876,364
Other	240,612	-	-	-	-	240,612
Totals	\$ 505,218	\$ 264,606	\$ 266,740	\$ -	\$ 529,412	\$ 1,646,188

**12. Litigation, Claims and Contingencies**

The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board. However, a liability of \$25,000 equal to the insurance policy deductible is recorded as a long-term liability in the statement of net position to cover any contingent losses.

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**13. Changes in Agency Funds**

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

	<u>School</u>		
	<u>Activity</u>	<u>Sales Tax</u>	<u>Total</u>
Balance at June 30, 2016	\$ 178,332	\$ 1,305,463	\$ 1,483,795
Additions	405,991	8,387,580	8,793,571
Reductions	<u>(420,748)</u>	<u>(8,161,935)</u>	<u>(8,582,683)</u>
Balance at June 30, 2017	<u>\$ 163,575</u>	<u>\$ 1,531,108</u>	<u>\$ 1,694,683</u>

**14. Detailed Restricted Net Position**

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

Net Position Restricted for:

Capital improvements:

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

\$ 1,178,954

Total Net Position restricted for capital projects 1,178,954

External legal constraints:

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

1,404,911

Total Net Position restricted for external legal  
constraints 1,404,911

School food services:

Dedicated to school food services

127,024

Total Restricted Net Position \$ 2,710,889

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2017, the School Board withheld \$48,000 for administrative fees. This resulted in a distribution of \$4,781,578 of sales tax collections to the Police Jury during the year ended June 30, 2017.

**16. Tax Revenues Abated**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2017, \$322,422 in East Feliciana Parish School System ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

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

The School Board, while preparing financial statements for fiscal year 2017, identified an accounting error for land totaling \$155,000 which was classified as a building addition and subsequently depreciated. The net book value was zero at the beginning of the fiscal year and the correction restores the cost of the land and adjusts accumulated depreciation on the government-wide financial statements. In addition, land purchased of \$352,110 was not recorded in capital asset schedule maintained by the School Board. The correction recognizes the cost of the land on the government-wide financial statements. While reviewing outstanding checks in the operating cash account of the General Fund, management identified an outstanding retirement contribution totaling \$356,573 which was reissued and never voided in the accounting system in the previous fiscal year. The correction restores the overstatement of expenses and understatement of cash in the General Fund and Government-wide financial statements.

The following summarizes the restated beginning net position at the government-wide and the general fund as described above:

	<u>Government- Wide</u>	<u>General Fund</u>
Net position/ Fund Balance, beginning		
of year, as previously stated:	\$ (15,461,483)	\$ 2,237,808
Voided retirement checks	356,573	356,573
Accumulated depreciation	155,000	-
Land addition	<u>352,110</u>	<u>-</u>
Net position/Fund balance, beginning		
of year, as restated	<u>\$ (14,597,800)</u>	<u>\$ 2,594,381</u>

**REQUIRED SUPPLEMENTAL INFORMATION – PART II**

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

**BUDGETARY COMPARISON SCHEDULES**  
**MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2017**

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

**General Fund**

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

**Operations and Maintenance Fund**

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

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

**Title I**

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

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad-valorem	\$ 3,410,000	\$ 2,908,000	\$ 2,903,394	\$ (4,606)
Sales and use	1,500,000	1,650,000	1,723,406	73,406
Earnings on investments	5,650	5,650	6,506	856
Other	326,250	359,250	369,984	10,734
State sources:				
Unrestricted grants-in-aid	11,950,000	11,710,000	11,554,003	(155,997)
Revenue sharing	75,000	75,000	26,240	(48,760)
Restricted grants-in-aid	23,000	23,000	116,289	93,289
Federal sources:				
Grants-in-aid	125,000	198,500	75,900	(122,600)
Total revenues	<u>17,414,900</u>	<u>16,929,400</u>	<u>16,775,722</u>	<u>(153,678)</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	6,702,380	7,214,980	7,397,638	(182,658)
Special education programs	1,108,700	837,900	859,718	(21,818)
Vocational education programs	238,071	182,071	403,654	(221,583)
Other education programs	175,600	235,840	280,735	(44,895)
Special programs	77,447	218,679	-	218,679
Support services:				
Pupil support services	677,427	576,427	545,148	31,279
Instructional staff services	841,182	808,482	974,147	(165,665)
General administration services	885,630	818,630	741,097	77,533
School administration services	1,150,960	1,073,960	1,013,282	60,678
Business administration services	426,940	506,340	378,702	127,638
Plant operation and maintenance	1,746,860	1,650,360	1,672,851	(22,491)
Transportation	1,425,890	1,159,890	914,233	245,657
Food services	114,151	109,651	99,334	10,317
Central services	102,868	218,368	226,397	(8,029)
Community services	1,500	1,500	26,127	(24,627)
Appropriation to charter school	3,164,610	2,946,451	3,180,425	(233,974)
Debt service - principal	-	-	145,324	(145,324)
Debt service - interest	-	-	17,243	(17,243)
Capital outlay:				
Facility Acquisition & construction	10,000	7,000	323,211	(316,211)
Total expenditures	<u>18,850,216</u>	<u>18,566,529</u>	<u>19,199,266</u>	<u>(632,737)</u>
Deficiency of revenues under expenditures	<u>\$ (1,435,316)</u>	<u>\$ (1,637,129)</u>	<u>\$ (2,423,544)</u>	<u>\$ (786,415)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE**

**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Other financing sources (uses):</u></b>				
Transfers of Indirect costs	120,800	125,800	-	125,800
Bond Proceeds	-	-	113,004	(113,004)
Proceeds from sale of capital asset	-	-	24,899	(24,899)
Operating transfers out	-	-	-	-
Operating transfers in	<u>1,425,000</u>	<u>1,550,000</u>	<u>1,778,325</u>	<u>228,325</u>
Total other financing sources	<u>1,545,800</u>	<u>1,675,800</u>	<u>1,916,228</u>	<u>216,222</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	110,484	38,671	(507,316)	(545,987)
FUND BALANCES - beginning of year	<u>2,237,644</u>	<u>2,237,644</u>	<u>2,594,381</u>	<u>356,737</u>
FUND BALANCES - end of year	<u>\$ 2,348,128</u>	<u>\$ 2,276,315</u>	<u>\$ 2,087,065</u>	<u>\$ (189,250)</u>

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

**OPERATIONS AND MAINTENANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Sales and use	\$ 1,500,000	\$ 1,650,000	\$ 1,723,406	\$ 73,406
Earnings on investments	200	200	4,119	3,919
Total revenues	<u>1,500,200</u>	<u>1,650,200</u>	<u>1,727,525</u>	<u>77,325</u>
<b><u>Expenditures:</u></b>				
Current:				
Support services:				
Plant operation and maintenance	75,000	100,000	45,057	54,943
Capital outlay	-	-	70,563	(70,563)
Total expenditures	<u>75,000</u>	<u>100,000</u>	<u>115,620</u>	<u>(15,620)</u>
Excess of revenues over expenditures	<u>1,425,200</u>	<u>1,550,200</u>	<u>1,611,905</u>	<u>61,705</u>
<b><u>Other financing uses:</u></b>				
Operating transfers out	<u>(1,425,000)</u>	<u>(1,550,000)</u>	<u>(1,611,905)</u>	<u>(61,905)</u>
Total other financing uses	<u>(1,425,000)</u>	<u>(1,550,000)</u>	<u>(1,611,905)</u>	<u>(61,905)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	200	200	-	(200)
FUND BALANCES - beginning of year	<u>945,491</u>	<u>945,491</u>	<u>945,491</u>	<u>-</u>
FUND BALANCES - end of year	<u>\$ 945,691</u>	<u>\$ 945,691</u>	<u>\$ 945,491</u>	<u>\$ (200)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**TITLE I FUND**

**BUDGETARY COMPARISON SCHEDULE**

**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original</u>	<u>Final</u>		<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
<b><u>Revenues:</u></b>				
Federal grants	\$ 1,625,000	1,625,000	\$ 1,056,026	\$ (568,974)
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	-	-	1,193	(1,193)
Vocational education programs	-	-	289	(289)
Special education programs	650,000	650,000	464,136	185,864
Other education programs	340,000	340,000	-	340,000
Instructional staff services	346,000	346,000	439,945	(93,945)
General administration services	220,000	220,000	45,999	174,001
Capital Outlay	-	-	24,684	(24,684)
Total expenditures	<u>1,556,000</u>	<u>1,556,000</u>	<u>976,246</u>	<u>579,754</u>
Excess of revenues over expenditures	<u>69,000</u>	<u>69,000</u>	<u>79,780</u>	<u>10,780</u>
<b><u>Other financing uses:</u></b>				
Operating transfers out	<u>(69,000)</u>	<u>(69,000)</u>	<u>(79,780)</u>	<u>(10,780)</u>
Total other financing uses	<u>(69,000)</u>	<u>(69,000)</u>	<u>(79,780)</u>	<u>(10,780)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-
FUND BALANCES - beginning of year	-	-	-	-
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**OTHER POST EMPLOYMENT BENEFITS PLAN**  
**RETIREE HEALTH AND LIFE INSURANCE**  
**YEAR ENDED JUNE 30, 2017**

**SCHEDULE OF FUNDING PROGRESS**

<u>Fiscal Year</u> <u>Ending</u>	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial Value</u> <u>Value of</u> <u>Plan Assets (a)</u>	<u>Actuarial</u> <u>Accrued Liability (AAL)</u> <u>- Unit Credit Cost (b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL) (b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>% of Covered</u> <u>Payroll ((b-a)/c)</u>
6/30/2017	7/1/2016	\$ -	\$ 19,828,824	\$ 19,828,824	0%	\$ 10,289,623	192.71%
6/30/2016	7/1/2014	-	19,660,705	19,660,705	0%	10,147,994	193.74%
6/30/2015	7/1/2014	-	18,904,524	18,904,524	0%	10,389,679	181.95%
6/30/2014	7/1/2012	-	18,760,680	18,760,680	0%	10,946,156	171.39%
6/30/2013	7/1/2012	-	18,039,115	18,039,115	0%	11,769,771	153.27%
6/30/2012	7/1/2010	-	17,145,015	17,145,015	0%	12,685,052	135.16%
6/30/2011	7/1/2010	-	16,485,591	16,485,591	0%	13,051,527	126.31%
6/30/2010	7/1/2009	-	13,613,573	13,613,573	0%	9,556,501	142.45%
6/30/2009	7/1/2009	-	13,613,573	13,613,573	0%	8,883,192	153.25%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Amount Contributed</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Costs</u> <u>Contributed</u>	<u>Increase</u> <u>(Decrease) to</u> <u>Net OPEB</u> <u>Obligation</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2017	\$ 1,649,499	\$ 889,985	53.95%	\$ 759,514	\$ 5,122,698
6/30/2016	1,643,497	829,282	50.46%	814,214	4,363,184
6/30/2015	1,592,556	767,854	48.22%	824,702	3,548,970
6/30/2014	1,439,255	824,994	57.32%	614,262	2,724,268
6/30/2013	1,393,682	763,883	54.81%	629,799	2,110,006
6/30/2012	1,350,478	853,419	63.19%	497,059	1,480,207
6/30/2011	1,307,078	790,203	60.46%	516,875	983,148
6/30/2010	1,042,256	837,286	80.33%	204,970	466,273
6/30/2009	1,077,012	815,709	75.74%	261,303	261,303

**East Feliciana Parish School System**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**for Cost Sharing Defined Benefit Plans**  
**For the Year Ended June 30, 2017 (\*)**

Pension Plan	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's 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	0.1858%	\$ 21,807,087	\$ 7,988,631	272.9765%	59.90%
	2016	0.1739%	\$ 18,698,318	\$ 7,689,440	243.1688%	62.50%
	2015	0.2057%	\$ 21,024,672	\$ 8,999,354	233.6242%	63.70%
<b>Louisiana School Employees Retirement System</b>						
	2017	0.2473%	1,865,456	758,745	245.8607%	70.09%
	2016	0.2829%	1,794,028	734,381	244.2912%	74.49%
	2015	0.3000%	1,739,552	818,965	212.4086%	76.18%
<b>Louisiana State Employees' Retirement System</b>						
	2017	0.0000%	-	-	#DIV/0!	0.00%
	2016	0.0000%	-	-	#DIV/0!	0.00%
	2015	0.0026%	163,013	52,983	307.6704%	65.00%

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

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

**East Feliciana Parish School System**  
**Schedule of Employer Contributions to Each Retirement System**  
**for Cost Sharing Defined Benefit Plans**  
**For the Year Ended June 30, 2017**

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

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

**For reference only:**

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**Notes to Required Supplementary Information  
For the Year Ended June 30, 2017**

**Changes of Benefit Terms include:**

Teachers Retirement System of Louisiana

- There were no changes of benefit terms for the year ended June 30, 2017 and 2016.

Louisiana School Employees Retirement System

- There were no changes of benefit terms for the year ended June 30, 2017 and 2016.

Louisiana State Employees' Retirement System

- There were no changes of benefit terms for the year ended June 30, 2017 and 2016.

**Changes of Assumptions**

Teachers Retirement System of Louisiana

- There were no changes of benefit assumptions for the year ended June 30, 2017 and 2016.

Louisiana School Employees Retirement System

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

Discount Rate:

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

Inflation Rate:

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

Salary Increases:

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

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

Louisiana State Employees' Retirement System

- There were no changes of benefit assumptions for the year ended June 30, 2017 and 2016.

**SUPPLEMENTAL INFORMATION**

**EAST FELICIANA PARISH SCHOOL BOARD**

Clinton, Louisiana

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

June 30, 2017

**Agency Head:** Carlos J. Sam

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 131,546
Benefits - insurance	6,728
Benefits - retirement	33,544
Membership Dues	100
Car allowance	6,000
Mileage	112
Registration fees	1,496
Conference travel (mileage, parking, taxi, airfare, ect.)	362
Special meals	503
	<u>\$ 180,391</u>

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

**NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**JUNE 30, 2017**

**Title II**

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

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

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

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

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

**Other Federal Funds**

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

**State Grants**

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

**School Food Service Fund**

The School Food Service Fund is used to account for the operations of the school food service program. The purposes of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults. The program is subsidized by grants from the U.S. Department of Agriculture and the Louisiana Department of Education.

**SRCL**

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

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

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	Special Revenue							Total
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL	School Food Service	
<b><u>ASSETS</u></b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,060	\$ 379,060
Due from other governments	92,018	36,004	145,212	204,806	51,372	-	-	529,412
Due from other funds	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	34,209	34,209
Other	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 92,018</b>	<b>\$ 36,004</b>	<b>\$ 145,212</b>	<b>\$ 204,806</b>	<b>\$ 51,372</b>	<b>\$ -</b>	<b>\$ 413,269</b>	<b>\$ 942,681</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	92,018	36,004	145,212	204,806	51,372	-	252,036	781,448
Due to other governments	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>92,018</b>	<b>36,004</b>	<b>145,212</b>	<b>204,806</b>	<b>51,372</b>	<b>-</b>	<b>252,036</b>	<b>781,448</b>
Fund balances:								
Nonspendable	-	-	-	-	-	-	34,209	34,209
Spendable:								
Restricted for:								
Federal and state grant programs	-	-	-	-	-	-	-	-
School food services	-	-	-	-	-	-	127,024	127,024
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,233</b>	<b>161,233</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 92,018</b>	<b>\$ 36,004</b>	<b>\$ 145,212</b>	<b>\$ 204,806</b>	<b>\$ 51,372</b>	<b>\$ -</b>	<b>\$ 413,269</b>	<b>\$ 942,681</b>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**

**FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue						School Food Service	Total Non-Major Governmental
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL		
<b><u>REVENUES</u></b>								
Local sources:								
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 788	\$ 788
Other Revenues	-	-	-	-	-	-	17,915	17,915
State sources:								
Unrestricted grants-in-aid, MFP	-	-	-	-	-	-	18,969	18,969
Restricted grants-in-aid	-	-	151,695	-	180,547	-	-	332,242
Federal grants	138,581	640,121	149,210	395,023	-	410,925	1,047,857	2,781,717
<b>TOTAL REVENUES</b>	<b>138,581</b>	<b>640,121</b>	<b>300,905</b>	<b>395,023</b>	<b>180,547</b>	<b>410,925</b>	<b>1,085,529</b>	<b>3,151,631</b>
<b><u>EXPENDITURES</u></b>								
Current:								
Instruction:								
Regular education programs	110,196	305	45,403	206,001	63,305	347,372	-	772,582
Special education programs	-	259,806	230,797	135,256	40,799	-	-	666,658
Vocational education programs	-	-	-	23,266	5,946	-	-	29,212
Other education programs	-	-	-	-	68,865	34,310	-	103,175
Support:								
Pupil support services	-	183,394	-	-	-	-	-	183,394
Instructional staff services	25,123	156,322	13,584	26,578	3,904	-	49,890	275,401
General administration services	-	-	-	-	-	-	-	-
School administration services	-	-	-	-	1,543	-	-	1,543
Business and central services	-	-	-	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	950,512	950,512
Central services	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Facilities acquisition and maintenance	-	1,202	-	-	-	-	30,791	31,993
<b>TOTAL EXPENDITURES</b>	<b>135,319</b>	<b>601,029</b>	<b>289,784</b>	<b>391,101</b>	<b>184,362</b>	<b>381,682</b>	<b>1,031,193</b>	<b>3,014,470</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>								
<b>OVER (UNDER) EXPENDITURES</b>	<b>\$ 3,262</b>	<b>\$ 39,092</b>	<b>\$ 11,121</b>	<b>\$ 3,922</b>	<b>\$ (3,815)</b>	<b>\$ 29,243</b>	<b>\$ 54,336</b>	<b>\$ 137,161</b>

(continued)

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**

**CHANGES IN FUND BALANCES - NON-MAJOR FUNDS**

**FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue						Total	
			Other			School Food	Other	
	Title II	IDEA	TANF	Federal	State	SRCL	Service	Governmental
			Funds	Grants				
<b><u>OTHER FINANCING (USES)</u></b>								
Operating transfers (out)	\$ (3,262)	\$ (39,092)	\$ (11,121)	\$ (3,922)	\$ -	\$ (29,243)	\$ -	\$ (86,640)
<b><u>DEFICIENCIES OF REVENUES AND</u></b>								
<b><u>OTHER FINANCING SOURCES</u></b>								
<b><u>OVER (UNDER) EXPENDITURES</u></b>								
<b><u>AND OTHER USES</u></b>	-	-	-	-	(3,815)	-	54,336	50,521
FUND BALANCES - beginning of year	-	-	-	-	3,815	-	106,897	110,712
FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,233	\$ 161,233

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**FIDUCIARY FUND TYPE – DESCRIPTIONS**  
**JUNE 30, 2017**

**AGENCY FUNDS**

**Sales Tax Fund**

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

**School Activity Funds**

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

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**COMBINING BALANCE SHEET - AGENCY FUNDS**

**JUNE 30, 2017**

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 163,575	\$ 1,014,992	\$ 1,178,567
Certificates of deposit	-		-
Sales tax receivable	-	516,116	516,116
	<u>163,575</u>	<u>1,531,108</u>	<u>1,694,683</u>
Total assets	\$ <u>163,575</u>	\$ <u>1,531,108</u>	\$ <u>1,694,683</u>
<b><u>LIABILITIES</u></b>			
Taxes paid under protest	\$ -	\$ 278,314	\$ 278,314
Due to other funds	-	331,329	331,329
Amounts held for school clubs and activities	163,575	-	163,575
Due to other governments	-	921,465	921,465
	<u>163,575</u>	<u>1,531,108</u>	<u>1,694,683</u>
Total liabilities	\$ <u>163,575</u>	\$ <u>1,531,108</u>	\$ <u>1,694,683</u>

EAST FELICIANA PARISH SCHOOL BOARD  
Clinton, Louisiana

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2017

Micheal Bradford	\$ 6,900
Paul Kent	6,600
Edward Brooks	6,300
Richard Terrell	6,900
Elizabeth Dawson	6,550
Melvin Hollins	6,450
Mitch Harrell	6,550
Rhonda Matthews	6,400
Joyce Kent	6,605
Timothy Corcoran	6,400
Derald Spears	6,300
Rufus Nesbit	<u>3,850</u>
	<u>\$ 75,805</u>

**REPORTS ON COMPLIANCE AND**  
**INTERNAL CONTROL**

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

East Feliciana Parish School Board  
Clinton, Louisiana

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

**Internal Control over Financial Reporting**

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

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

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



## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

Baton Rouge, Louisiana  
December 30, 2017



Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809  
225-922-4600 Phone - 225-922-4611 Fax - 225-922-4612

*A Professional Accounting Corporation*

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

East Feliciana Parish School Board  
Clinton, Louisiana

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

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

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulation, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

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

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

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

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



Postlethwaite & Netterville

## Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be a significant deficiencies.

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

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.

A handwritten signature in cursive script that reads "Postlethwaite &amp; Netterville".

Baton Rouge, Louisiana  
December 30, 2017

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

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

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Passed through to Sub-recipients</u>
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>				
Pass-through program from Louisiana Department of Education:				
National School Lunch Program	N/A	10.555 <sup>1</sup>	\$ 677,973	\$ -
School Breakfast Program	N/A	10.553 <sup>1</sup>	277,781	-
Child and Adult Care Program	N/A	10.558	11,858	-
Food Distribution Program (Food Commodities)	N/A	10.555 <sup>1</sup>	80,163	-
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>1,047,775</u>	<u>-</u>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>				
Pass-through program from Louisiana Department of Education:				
Title I Grants to Local Education Agencies	10-T1-19	84.010A	937,772	37,036
Title I- School Improvements	N/A	84.388	118,254	-
Striving Readers Comprehensive Literacy	28-12-SN-19C	84.371C	410,925	-
Title II - Improving Teacher Quality	10-50-19	84.367	138,581	-
Teachers Incentive Fund	N/A	84.374A	315,240	-
Math and Science Partnership	N/A	84.413A	344	-
Believe and Succeed	N/A	84.010A	18	-
Special Education - Grant to States	10-B1-19	84.027 <sup>2</sup>	573,622	-
Special Education - Grant to States Opportunity Grant (IDEA)	10-B1-19	84.027A <sup>2</sup>	46,648	-
Special Education - Preschool Grants	10-P1-19	84.173 <sup>2</sup>	19,851	-
Vocational Education - Basic Secondary	10-02-19	84.048	26,776	-
Rural Education Achievement Program	28/-11-RE-19	84.358	41,587	-
Education for Homeless Children and Youth	28-16-H1-19	84.196A	11,058	-
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>2,640,676</u>	<u>37,036</u>
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Pass-through program from Louisiana Department of Health and Human Services:				
Temporary Assistance for Needy Families (TANF)		93.558	149,210	-
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>149,210</u>	<u>-</u>
<b><u>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</u></b>				
Pass-through program from Louisiana Governor's Office of Homeland Security and Emergency Preparedness:				
FEMA disaster relief	EFB001B	97.036	75,900	
Total Expenditures of Federal Awards			<u>\$ 3,913,561</u>	<u>\$ 37,036</u>

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

<sup>1</sup> Child Nutrition Cluster \$ 1,035,917

<sup>2</sup> Special Education Cluster \$ 640,121

**EAST FELICIANA PARISH SCHOOL BOARD**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – NON-MONETARY ASSISTANCE**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2017, the organization had food commodities totaling \$34,209 in inventory. The value of commodities received and used during the period ended June 30, 2017, totaled \$80,163.

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

The expenditures listed in the accompanying schedule are reported in the following funds in the East Feliciana Parish School Board's June 30, 2017, basic financial statements and combining schedules. Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with the revenue reported.

Federal NCLB - Title I Funds	\$ 1,056,026
Federal NCLB - Title II Funds	138,581
Federal IDEA Funds	640,121
Striving Readers Comprehensive Literacy	410,925
Other Federal Funds	395,023
TANF	149,210
FEMA assistance	75,900
School Food Service Fund	<u>1,047,857</u>
Balance at June 30, 2017	<u>\$ 3,913,643</u>

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

East Feliciana Parish School Board did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2017.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2017**

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? \_\_\_\_\_   x   yes    \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555	Child Nutrition Cluster
84.027;84.027A;84.173	Special Education Cluster

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.
- The East Feliciana Parish School Board did not qualify as a low-risk auditee.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2017**

**B. Findings - Financial Statement Audit**

None

**C. Findings – Major Federal Award Programs**

**2017 -001      Reporting- Internal Controls**

*CFDA#10.555 and CFDA 10.553    Child Nutrition Cluster*

Questioned Costs:      None

Criteria:                      The Uniform Guidance requires that a system of internal controls must be in place to ensure the School Board's compliance with applicable direct and material areas of compliance, including reporting. In accordance with grant terms, funds passed through from the Louisiana Department of Education (LDOE) are received on a reimbursement-basis based on eligible meals served.

In accordance with compliance requirements described at 2 CFR section 200.305, the School Board is required to submit reimbursement requests to the LDOE on a periodic basis, which is typically monthly.

Universe/  
Population Size:              Not applicable.

Sample Size:                      Not applicable.

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

Cause:                                      Management has underlying controls that they believe to be sufficient to ensure accuracy of reimbursement requests; however, these controls are not documented by evidence of approval.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2017**

**2017 -001**      **Reporting- Internal Controls (continued)**

*CFDA#10.555 and CFDA 10.553    Child Nutrition Cluster*

Effect:                      The School Board lacks documented internal controls over the preparation and submission of the reimbursement claims for meals served. Without appropriate documented internal controls over reporting, reviews of the reimbursement claims may not be performed and errors in amounts requested may go undetected that would cause them to be non-compliant with Federal award terms.

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

Repeat Finding:            No.

**View of Responsible Official:**

*We understand that the matter reported related to enhancing documentation of review and approval of reimbursement request submissions made on a monthly basis. Although the District currently has a process in place to review reimbursement requests monthly, the recommendation relates to maintaining physical evidence to support this control presently in place. Since the process for review is performed in an automated fashion using systems required by the State of Louisiana, the District does not maintain a signature or checklist showing the process was performed. Moving forward, the District will maintain a physical copy of the reimbursement request along with a signature of the food service manager to support the review process currently in place.*

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

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

Questioned Costs:        None.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2017**

**2017 -002**      **Documentation of Suspension and Debarment (continued)**

**View of Responsible Official:**

*Although the School Board presently searches the federal website for vendors receiving federal funds, an annual process to document on-going review of present vendors will be implemented immediately. The search results will be maintained to support this control process.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2016**

**Findings - Financial Statement Audit**

None

**C. Findings – Major Federal Award Programs**

*CFDA#10.555 and CFDA 10.553 Child Nutrition Cluster*

**2016 -001 Special Tests and Provisions – Verification of Free and Reduced Price Applications**

Criteria: Under the compliance requirements of the program, by November 15th of each school year, the local education agency (LEA) must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals. The local education agency must follow-up on children whose eligibility status has changed as the result of the verification activities to put them in the appropriate category.

Condition(s): The verification procedures were not adequately performed. The School Board selected a sample of applications for verification as required by the regulations. However, based on the responses received from applicants, the School Board did not make the appropriate changes to eligibility status for 7 out of the 19 applications tested. ***This is a repeat finding from the prior year.***

Cause: The above condition is a result of software application errors and a lack of internal controls over this compliance area.

Effect: The School Board may provide free or reduced-price meals to children who were not eligible to receive them.

Questioned Costs: \$770

Recommendation: We recommend the School Board implement and document the required secondary review of applications selected for verification. Also, the School Board should investigate further the software application errors that occurred during the fiscal year.

**View of Responsible Official:**

*During fiscal year ending June 30, 2017, the School District entered into the Community Eligibility Provision program which will eliminate the preparation applications for administering free and reduced lunch participants. As such, with the change in the structure of the lunch program, the School District considers this matter resolved.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2016**

**2016 -001**      **Special Tests and Provisions – Verification of Free and Reduced Price Applications**  
*(continued)*

**Current Status:**      Resolved due to the School Board participating in the Community Eligibility Provision program for fiscal year 2016-2017.

**PERFORMANCE MEASUREMENT DATA**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

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

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

The procedures and associated findings are as follows:

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

*Procedure #1*

P&N 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 among the following amounts reported on the schedule:

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

*Results of procedure # 1*

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



Postlethwaite & Netterville

### **Education Levels of Public School Staff (Schedule 2)**

#### *Procedure # 2*

We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

#### *Results of Procedure # 2*

No differences were noted between the number of full-time classroom teachers per schedule 4 and schedule 2, nor between the schedules and the October 1<sup>st</sup> payroll records.

#### *Procedure # 3*

We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule and to school board supporting payroll records as of October 1<sup>st</sup>.

#### *Results of procedure # 3*

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2, nor between the schedules and the October 1<sup>st</sup> payroll records.

#### *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.

#### *Results of Procedure # 4:*

In our sample of 25 employees, there were no discrepancies noted.

### **Number and Type of Public Schools (Schedule 3)**

#### *Procedure # 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 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

#### *Results of Procedure # 5*

We noted no discrepancies between the schools as listed in the “Class Size Data Report” and the list of schools on the application.



Postlethwaite & Netterville

#### **Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)**

##### *Procedure #6*

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individuals' personnel files to determine if the individuals' experience was properly classified on the schedule.

##### *Results of Procedure # 6*

In our sample of 25 employees, there were no discrepancies that existed between the aforementioned listing and the schedule.

#### **Public Staff Data (Schedule 5)**

##### *Procedure # 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

##### *Results of procedure # 7*

In our sample of 25 teachers, we noted no discrepancies.

##### *Procedure # 8*

We recalculated the average salaries and full-time equivalents reported in the schedule to determine mathematical accuracy.

##### *Results of procedure # 8*

No differences were noted.

#### **Class Size Characteristics (Schedule 6)**

##### *Procedure # 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 roll books for those classes and determined if the class was properly classified on the schedule.



Postlethwaite & Netterville

Results of Procedure # 9

Of the 10 classes selected, we noted the following differences in 5 class between the roll book counts and the number reported in Schedule 6:

<u>Number of Students Reported</u>	<u>Roll Book Counts</u>	<u>Difference</u>
12	14	2
20	21	1
14	13	-1
4	3	-1
22	23	1

**Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)**

Procedure # 10

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

Results of Procedure # 10

No differences were noted.

**The Graduation Exit Exam for the 21st Century (Schedule 8)**

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

**The iLEAP Tests (Schedule 9)**

Procedure # 12

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

Results of Procedure # 12

No differences were noted.

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



8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809  
225-922-4600 Phone - 225-922-4611 Fax - [www.pn.com](http://www.pn.com)

Postlethwaite & Netterville

*A Professional Accounting Corporation*

This report is intended solely for the use of management of East Feliciana Parish School Board 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 Legislative Auditor as a public document.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 30, 2017

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

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

**June 30, 2017**

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

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

**Schedule 2 - Education Levels of Public School Staff**

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

**Schedule 3 - Number and Type of Public Schools**

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

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

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

**Schedule 5 - Public School Staff Data: Average Salaries**

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

**Schedule 6 - Class Size Characteristics**

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

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

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

**Schedule 8 - Graduation Exit Examination**

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

**Schedule 9 –iLEAP Tests**

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

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

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

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:	
Teacher and Student Interaction Activities:	
Classroom Teacher Salaries	\$ 3,525,866
Other Instructional Staff Activities	968,517
Instructional Staff Employee Benefits	2,672,837
Purchased Professional and Technical Services	522,362
Instructional Materials and Supplies	214,525
Instructional Equipment	-
Total Teacher and Student Interaction Activities	<u>7,904,107</u>
Other Instruction Activities	985,809
Pupil Support Activities	544,596
Less: Equipment for Pupil Support Activities	-
Net Pupil Support Activities	<u>544,596</u>
Instructional Staff Services	939,692
Less: Equipment for Instructional Staff Services	-
Net Instructional Staff Services	<u>939,692</u>
School Administration	1,004,218
Less: Equipment for School Administration	-
Net School Administration	<u>1,004,218</u>
Total General Fund Instructional Expenditures	11,378,422
Total General Fund Equipment Expenditures	<u>-</u>

**Certain Local Revenue Sources**

Local Taxation Revenue:	
Constitutional Ad Valorem Taxes	464,755
Renewable Ad Valorem Tax	2,368,205
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	71,629
Sales and Use Taxes	1,723,406
Total Local Taxation Revenue	<u><u>4,627,995</u></u>
Local Earnings on Investment in Real Property:	
Earnings from 16th Section Property	886
Earnings from Other Real Property	752
Total Local Earnings on Investment in Real Property	<u><u>1,638</u></u>
State Revenue in Lieu of Taxes:	
Revenue Sharing - Constitutional Tax	70,434
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u><u>70,434</u></u>
Nonpublic Textbook Revenue	<u><u>556</u></u>
Nonpublic Transportation Revenue	<u><u>-</u></u>

EAST FELICIANA PARISH SCHOOL BOARD  
 Clinton, Louisiana

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

Schedule 2

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	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Bachelor's Degree	57	65.52%	42	95.45%	0	0.00%	0	0.00%
Master's Degree	20	22.99%	2	4.55%	5	41.67%	0	0.00%
Master's Degree + 30	7	8.05%	0	0.00%	4	33.33%	0	0.00%
Specialist in Education	0	0.00%	0	0.00%	1	8.33%	0	0.00%
Ph. D. or Ed. D.	3	3.45%	0	0.00%	2	16.67%	0	0.00%
<b>Total</b>	<b>87</b>	<b>100.00%</b>	<b>44</b>	<b>100.00%</b>	<b>12</b>	<b>100.00%</b>	<b>0</b>	<b>0.00%</b>

EAST FELICIANA PARISH SCHOOL BOARD  
Clinton, Louisiana

Schedule 3

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

Type	Number
Elementary	3
Middle/Jr. High	1
Secondary	1
Combination	0
<b>Total</b>	<b>5</b>

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

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

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2016**

**Schedule 4**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	2	1	1	1	0	5
Principals	2	0	0	1	0	0	4	7
Classroom Teachers	42	16	31	4	13	15	10	131
<b>Total</b>	<b>44</b>	<b>16</b>	<b>33</b>	<b>6</b>	<b>14</b>	<b>16</b>	<b>14</b>	<b>143</b>

EAST FELICIANA PARISH SCHOOL BOARD  
 Clinton, Louisiana

Public School Staff Data

Schedule 5

For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	37,961.44	37,658.58
Average Classroom Teachers' Salary Excluding Extra Compensation	37,961.44	37,658.58
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	183.00	178.00

EAST FELICIANA PARISH SCHOOL BOARD  
Clinton, Louisiana

Class Size Characteristics  
As of October 1, 2016

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	37.92%	91	52.50%	126	5.42%	13	4.17%	10
Elementary Activity Classes	27.27%	9	60.61%	20	3.03%	1	9.09%	3
Middle/Jr. High	95.50%	106	4.50%	5	0.00%	0	0.00%	0
Middle/Jr. High Activity Classes	16.67%	1	16.67%	1	50.00%	3	16.67%	1
High	58.56%	130	36.04%	80	4.95%	11	0.45%	1
High Activity Classes	53.57%	15	28.57%	8	17.86%	5	0.00%	0
Combination	100.00%	24	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	100.00%	1	0.00%	0	0.00%	0	0.00%	0
Other Regular	0.00%	0	0.00%	0	0.00%	0	0.00%	0

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

EAST FELICIANA PARISH SCHOOL BOARD  
Clinton, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century  
For the Year Ended June 30, 2017

Schedule 7  
1 of 2

District Achievement Level Results	Language Arts	Language Arts	Language Arts	Mathematics	Mathematics	Mathematics
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 3</b>						
Advanced	2.00%	0.00%	3.00%	5.00%	5.00%	4.00%
Mastery	22.00%	29.00%	27.00%	16.00%	28.00%	26.00%
Basic	26.00%	25.00%	32.00%	24.00%	31.00%	24.00%
Approaching Basic	31.00%	25.00%	21.00%	32.00%	25.00%	26.00%
Unsatisfactory	20.00%	21.00%	17.00%	24.00%	11.00%	20.00%
Total	101%	100%	100%	101%	100%	100%

District Achievement Level Results	Language Arts	Language Arts	Language Arts	Mathematics	Mathematics	Mathematics
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 4</b>						
Advanced	3.00%	7.00%	5.00%	1.00%	6.00%	3.00%
Mastery	41.00%	27.00%	31.00%	30.00%	22.00%	29.00%
Basic	28.00%	30.00%	34.00%	26.00%	26.00%	29.00%
Approaching Basic	23.00%	28.00%	23.00%	37.00%	33.00%	29.00%
Unsatisfactory	5.00%	8.00%	7.00%	6.00%	13.00%	10.00%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Language Arts	Language Arts	Language Arts	Mathematics	Mathematics	Mathematics
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 5</b>						
Advanced	0.00%	2.00%	3.00%	6.00%	5.00%	5.00%
Mastery	22.00%	33.00%	25.00%	26.00%	22.00%	18.00%
Basic	35.00%	32.00%	37.00%	29.00%	28.00%	29.00%
Approaching Basic	34.00%	24.00%	27.00%	29.00%	36.00%	27.00%
Unsatisfactory	9.00%	9.00%	7.00%	10.00%	9.00%	21.00%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Language Arts	Language Arts	Language Arts	Mathematics	Mathematics	Mathematics
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 6</b>						
Advanced	1.00%	2.00%	2.00%	0.00%	2.00%	0.00%
Mastery	27.00%	25.00%	28.00%	18.00%	18.00%	11.00%
Basic	45.00%	41.00%	32.00%	32.00%	32.00%	36.00%
Approaching Basic	17.00%	28.00%	29.00%	37.00%	38.00%	37.00%
Unsatisfactory	10.00%	5.00%	10.00%	13.00%	10.00%	16.00%
Total	100%	100%	101%	100%	100%	100%

District Achievement Level Results	Language Arts	Language Arts	Language Arts	Mathematics	Mathematics	Mathematics
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 7</b>						
Advanced	2.00%	5.00%	7.00%	0.00%	0.00%	0.00%
Mastery	29.00%	27.00%	24.00%	9.00%	12.00%	20.00%
Basic	35.00%	28.00%	34.00%	41.00%	35.00%	32.00%
Approaching Basic	22.00%	27.00%	18.00%	37.00%	37.00%	29.00%
Unsatisfactory	12.00%	14.00%	17.00%	13.00%	16.00%	19.00%
Total	100%	100%	101%	100%	100%	100%

District Achievement Level Results	Language Arts	Language Arts	Language Arts	Mathematics	Mathematics	Mathematics
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 8</b>						
Advanced	2.00%	5.00%	4.00%	0.00%	1.00%	1.00%
Mastery	33.00%	35.00%	31.00%	19.00%	20.00%	22.00%
Basic	34.00%	38.00%	34.00%	26.00%	22.00%	24.00%
Approaching Basic	21.00%	14.00%	23.00%	28.00%	31.00%	28.00%
Unsatisfactory	10.00%	8.00%	9.00%	27.00%	25.00%	24.00%
Total	100%	100%	100%	100%	100%	99%

EAST FELICIANA PARISH SCHOOL BOARD  
Clinton, Louisiana

Schedule 9  
1 of 2

/LEAP Tests  
For the Year Ended June 30, 2017

District Achievement Level Results	Science	Science	Science	Social Studies	Social Studies	Social Studies
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 3</b>						
Advanced	6.00%	5.00%	5.00%	2.00%	N/A	6.00%
Mastery	10.00%	13.00%	13.00%	12.00%	N/A	9.00%
Basic	30.00%	41.00%	33.00%	42.00%	N/A	28.00%
Approaching Basic	35.00%	26.00%	32.00%	32.00%	N/A	31.00%
Unsatisfactory	19.00%	15.00%	18.00%	12.00%	N/A	26.00%
Total	100%	100%	101%	100%	0%	100%

District Achievement Level Results	Science	Science	Science	Social Studies	Social Studies	Social Studies
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 4</b>						
Advanced	4.00%	4.00%	3.00%	0.00%	N/A	2.00%
Mastery	18.00%	14.00%	8.00%	9.00%	N/A	11.00%
Basic	38.00%	40.00%	49.00%	53.00%	N/A	29.00%
Approaching Basic	35.00%	30.00%	26.00%	22.00%	N/A	33.00%
Unsatisfactory	5.00%	11.00%	14.00%	16.00%	N/A	25.00%
Total	100%	99%	100%	100%	0%	100%

District Achievement Level Results	Science	Science	Science	Social Studies	Social Studies	Social Studies
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 5</b>						
Advanced	1.00%	2.00%	3.00%	4.00%	N/A	2.00%
Mastery	9.00%	9.00%	7.00%	13.00%	N/A	6.00%
Basic	36.00%	41.00%	37.00%	47.00%	N/A	25.00%
Approaching Basic	34.00%	28.00%	36.00%	22.00%	N/A	33.00%
Unsatisfactory	20.00%	19.00%	17.00%	14.00%	N/A	34.00%
Total	100%	99%	100%	100%	0%	100%

District Achievement Level Results	Science	Science	Science	Social Studies	Social Studies	Social Studies
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 6</b>						
Advanced	0.00%	1.00%	1.00%	0.00%	N/A	0.00%
Mastery	10.00%	9.00%	6.00%	4.00%	N/A	7.00%
Basic	47.00%	41.00%	47.00%	48.00%	N/A	22.00%
Approaching Basic	26.00%	28.00%	32.00%	27.00%	N/A	39.00%
Unsatisfactory	17.00%	21.00%	14.00%	21.00%	N/A	32.00%
Total	100%	100%	100%	100%	0%	100%

District Achievement Level Results	Science	Science	Science	Social Studies	Social Studies	Social Studies
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 7</b>						
Advanced	3.00%	3.00%	5.00%	4.00%	N/A	8.00%
Mastery	25.00%	15.00%	14.00%	14.00%	N/A	20.00%
Basic	41.00%	39.00%	37.00%	44.00%	N/A	26.00%
Approaching Basic	17.00%	24.00%	24.00%	24.00%	N/A	17.00%
Unsatisfactory	14.00%	18.00%	20.00%	14.00%	N/A	29.00%
Total	100%	99%	100%	100%	0%	100%

District Achievement Level Results	Science	Science	Science	Social Studies	Social Studies	Social Studies
	2015	2016	2017	2015	2016	2017
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 8</b>						
Advanced	1.00%	1.00%	1.00%	1.00%	N/A	5.00%
Mastery	13.00%	14.00%	12.00%	11.00%	N/A	20.00%
Basic	36.00%	37.00%	40.00%	36.00%	N/A	26.00%
Approaching Basic	28.00%	26.00%	26.00%	29.00%	N/A	21.00%
Unsatisfactory	23.00%	21.00%	21.00%	22.00%	N/A	28.00%
Total	101%	99%	100%	99%	0%	100%

Please note that the grade 9 iLEAP has been dropped by the Department of Education, everything at that level was moved to end of course testing  
The Department of Education will be reviewing End of Course Testing and its potential inclusion for Assurance purposes in time for Assurance submissions next year

# EAST FELICIANA PARISH SCHOOL BOARD

**RICHARD TERRELL**  
President

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



**MITCHELL HARRELL**  
Vice President

FAX  
225-683-3320

December 30, 2017

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

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

## **2017 audit**

### 2017-001 – Reporting – Internal Controls

We understand that the matter reported related to enhancing documentation of review and approval of reimbursement request submissions made on a monthly basis. Although the District currently has a process in place to review reimbursement requests monthly, the recommendation relates to maintaining physical evidence to support this control presently in place. Since the process for review is performed in an automated fashion using systems required by the State of Louisiana, the District does not maintain a signature or checklist showing the process was performed. Moving forward, the District will maintain a physical copy of the reimbursement request along with a signature of the food service manager to support the review process currently in place.

### 2017-002 – Documentation of Suspension and Debarment

Although the School Board presently searches the federal website for vendors receiving federal funds, an annual process to document on-going review of present vendors will be implemented immediately. The search results will be maintained to support this control process.

Sincerely,

*Carlos Sam*

Carlos Sam, Superintendent

---

**EAST FELICIANA PARISH SCHOOL BOARD**  
**STATEWIDE AGREED-UPON PROCEDURES REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---



Postlethwaite & Netterville

A Professional Accounting Corporation

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

## TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures and Observations and Associated Findings	2 - 15
Management's Response and Corrective Action Plan	

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

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

We have performed the procedures enumerated in Schedule A, which were agreed to by the East Feliciana Parish School Board (the Entity or School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The 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 we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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.

*Postlethwaite & Netterville*  
Baton Rouge, LA  
December 30, 2017

**EAST FELICIANA PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**JUNE 30, 2017**

Schedule A

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

***Written Policies and Procedures***

---

1. Obtain the 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.

*No exceptions noted.*

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

*There were no policies in place for how vendors are added to the vendor list or documentation required to be maintained for all bids and price quotes.*

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

*No exceptions noted.*

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

*There was no process to identify the completeness of collections.*

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

*There is no written policy over reviewing and attendance records, including leave and overtime worked*

- 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.

*There were no policies in place for standard terms and conditions, legal review, the approval process, or the monitoring process.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**JUNE 30, 2017**

Schedule A

- 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.

*There were no policies in place for how cards are to be controlled, allowable business use, documentation requirements, required approvers, or monitoring card usage.*

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

*No exceptions noted.*

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

*There were no policies in place for actions to be taken if an ethics violation takes place, a system to monitor possible ethics violations, or requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.*

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

*There were no policies in place for EMMA reporting requirements, debt reserve requirements, or debt service requirements.*

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

---

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*No exceptions noted.*

- b) Report whether the minutes referenced are including 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). 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.

*Minutes referenced monthly budget to actual comparisons of the General Fund but did not reference budget to actual comparisons of prior year major funds which are not prepared.*

**EAST FELICIANA PARISH SCHOOL BOARD  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
JUNE 30, 2017**

Schedule A

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

---

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

*No exceptions noted.*

***Bank Reconciliations***

---

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

*A listing of bank accounts was provided and included a total of 14 bank accounts. No exceptions were noted as a result of performing this procedure.*

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). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

*5 accounts were selected for testing and the bank reconciliations obtained for each of the twelve months ending June 30, 2017. One account was closed in November 2016, resulting in a total of 53 bank reconciliations subjected to the below procedures.*

- a) Bank reconciliations have been prepared;

*No exceptions noted.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*There is no documented evidence of management or board member review of bank reconciliations.*

- 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.

*Out of the 53 months tested, 36 had had reconciling items over 6 months old that had no documentation of being searched or reviewed and 12 of the months identified outstanding items totaling \$124.37 which were not dated and it could not be determined the age of the items on the reconciliation.*

**EAST FELICIANA PARISH SCHOOL BOARD  
 AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
 JUNE 30, 2017**

Schedule A

***Collections***

---

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

*A listing of cash collection locations was provided and included a total of 10 cash collection locations. No exceptions were noted as a result of performing this procedure.*

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). **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.

*For the collection locations selected, P&N noted the individuals responsible for collecting cash and compliance with the criteria listed in procedure 6a) are as follows:*

Person Responsible	Collection Location	Criteria Met (see legend below)				
		6a)1	6a)2.1	6a)2.2	6a)2.3	6a)3
Secretary	Jackson Elementary	Yes	No	No	No	No
Secretary	Slaughter Elementary	Yes	No	No	No	No
Technician Clerk	Clinton Elementary	Yes	No	No	No	No
Technician Clerk	East Feliciana Middle	Yes	No	No	No	No

*(continued)*

**EAST FELICIANA PARISH SCHOOL BOARD  
 AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
 JUNE 30, 2017**

Schedule A

***Collections (continued)***

*Abbreviated criteria labels used for presentation purposes are as follows:*

Label	Description
6a)1	Person responsible for collecting cash is bonded.
6a)2.1	Person responsible for collecting cash is not responsible for depositing cash in the bank.
6a)2.2	Person responsible for collecting cash is not responsible for recording the related transaction.
6a)2.3	Person responsible for collecting cash is not responsible for reconciling the related bank account.
6a)3	Person responsible for collecting cash is not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*No exception noted.*

- 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.

*For one of the cash collection locations a bank statement was not provided for the month selected and therefore a determination of whether the deposit was made within one day of collection could not be made.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*No exception noted.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**JUNE 30, 2017**

Schedule A

***Collections (continued)***

---

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 of receipt number sequences, etc.) by a person who is not responsible for collections.

*There is no written policy for the process to identify completeness of 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.

*No exceptions noted.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the 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:

*P&N randomly selected 25 disbursements and performed the procedures below.*

- 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.

*No exceptions noted.*

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

*No exceptions noted.*

- c) Payments for purchases were not processed without 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.

*Out of 25 disbursements tested, 4 out of the 25 disbursements tested were for goods purchased and did not have a receiving report which was actual receipt of goods.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**JUNE 30, 2017**

Schedule A

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

---

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 person processing the payment are not prohibited to setting up vendors in the 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.

*No exceptions noted.*

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

*No exceptions noted regarding unused checks as they are maintained in a locked location. For the two accounts with blank checks, one of the authorized check signers does have system access to print checks.*

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.

*No exceptions noted.*

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

---

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

*A listing of 9 credit cards was provided by management. No exceptions noted.*

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. 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 perform the procedures below.

**EAST FELICIANA PARISH SCHOOL BOARD  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
JUNE 30, 2017**

Schedule A

***Credit Cards/Debit Cards/Fuel Cards/P-Cards (continued)***

---

- 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.

*Three credit cards were selected for testing. There was no documented evidence of review and approval of the face of the statements.*

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

*No exceptions noted.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 3 cards selected (i.e. each of the 3 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)

*Of the three cards selected for testing, two were Home Depot credit cards and the other an Exxon gas card. Itemized receipts were not provided. The School Board receives a monthly invoice identified by card holder and reviews this based on approved purchase orders. The monthly invoice shows the total of daily transactions.*

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

*Due to no original itemized receipt provided, the business/public purpose could not be determined*

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

*No written policy around credit cards.*

- 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

*It could not be determined due to no original itemized receipt provided.*

**EAST FELICIANA PARISH SCHOOL BOARD  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
JUNE 30, 2017**

Schedule A

***Credit Cards/Debit Cards/Fuel Cards/P-Cards (continued)***

---

- 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.

*It could not be determined due to no original itemized receipt provided.*

***Travel and Expense Reimbursement***

---

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

*No exceptions noted.*

18. Obtain the 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.

*No exceptions noted.*

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

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

*No exceptions noted.*

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased.
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*No exceptions noted.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**JUNE 30, 2017**

Schedule A

***Travel and Expense Reimbursement (continued)***

---

- 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 noted.*

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

*No exceptions noted.*

***Contracts***

---

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

*No exceptions noted*

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

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

*No exceptions noted.*

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

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

*None of the contracts were subject to bid law.*

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

*No exceptions noted.*

**EAST FELICIANA PARISH SCHOOL BOARD  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
JUNE 30, 2017**

Schedule A

***Contracts (continued)***

---

- 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.

*There was an amendment to 1 contract however as noted below this contract wasn't originally mentioned in the board minutes as it was a long standing contract from previous years.*

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

*No exceptions noted.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*There were 2 contracts out of 5 that were not mentioned in the board minutes however both contracts were long standing contracts from previous years.*

***Payroll and Personnel***

---

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:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*There were no pay rate changes during the year for employees tested.*

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:

**EAST FELICIANA PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**JUNE 30, 2017**

Schedule A

*Payroll and Personnel (continued)*

---

- 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.)

*There were 7 of 25 employees for which a time sheet or attendance record was not provided.*

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

*There was no written approval on timesheets by the supervisor.*

- 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.

*No exceptions noted.*

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.

*No exceptions noted.*

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

*The School Board did not provide any support for payroll taxes and did not provide one month of Retirement payments related to fiscal year 2017. The remaining months of retirement payments had no exceptions.*

(continued)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**JUNE 30, 2017**

Schedule A

***Ethics (excluding nonprofits)***

---

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.

*No exceptions noted.*

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.

*No exceptions noted.*

***Debt Service***

---

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

*No exceptions noted for new debt that was issued during the year.*

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.

*No exceptions noted.*

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.

*No exceptions noted.*

***Other***

---

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.

*No exceptions noted.*

**EAST FELICIANA PARISH SCHOOL BOARD  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
JUNE 30, 2017**

Schedule A

*Other (continued)*

---

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.

*No exceptions noted.*

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

*No exceptions noted.*

**RICHARD TERRELL**  
President

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



**MITCHELL HARRELL**  
Vice President

FAX  
225-683-3320

December 30, 2017

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

In connection with your audit of the financial statements for the East Feliciana Parish School Board, we have the following corrective action plan for the matters reported relating to the state-wide agreed upon procedures report issued by your firm.

**State-wide Agreed Upon Procedures**

Written policies, Step 1

The School Board will review the suggested policies relating to purchasing, completeness of cash collections, personnel, contracting, credit cards, ethics and debt service. The School Board will review each area listed and develop a policy considered relevant. Such policies will be introduced to the policy review committee and School Board members for adoption consideration.

Board/Finance Committee, Step 2

The School Board is currently finalizing implementation of a new accounting system that will allow for more robust financial reporting. The School Board will begin reporting grant related funds (such as Title 1 and school food service) with the monthly packet provided at the finance committee.

The primary focus of finance committee discussion revolves around financial performance in the general fund where funding can be challenging. However, the additional data will be provided as recommended.

Bank reconciliations, Step 4

Currently, the School Board's staff prepares bank reconciliations monthly for all bank accounts, excluding school activity funds. The School Board's contracted CPA firm reviews the prepared reconciliations monthly. However, the School Board acknowledges that a physical signature validating the process is not currently made. Prospectively, the School Board will have the contracted CPA firm physically initial bank reconciliations to support this control practice currently in place.

Additionally, the School Board will resolve old outstanding checks during fiscal year end 2018.

#### Collections, Step 6

Due to the small staff at each school, the School Board does not plan to implement any additional procedures relative to these comments.

#### Disbursements, Step 9

The School Board will review these individual disbursements for further clarity. Additionally, the School Board will implement record retention procedures to enhance documents retained to support the disbursement process.

With regard to Steps 10 and 12, the School Board will review this matter with its software provider to implement additional security steps and access to enhance segregation in the disbursement process.

#### Credit Cards, Step 15

The School Board will initiate a process whereby a senior manager will review credit card statements monthly to ensure documentation is made for this process that is currently in place.

Secondly, we understand that certain itemized receipts were not kept for credit card charges. We understand that majority of these related to fuel purchases. Prospectively, the School Board will retain individual purchases made relating to credit card transactions.

#### Payroll and Personnel, Step 23

Although the School Board presently uses emails from supervisors to approve attendance at the school sites, retention practices will be enhanced so that this current practice is documented with records that are readily available.

Sincerely,

*Carlos Sam*

Carlos Sam, Superintendent

EAST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

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

December 30, 2017

Members of Management of the  
East Feliciana Parish School Board

In planning and performing our audit of the financial statements of the East Feliciana Parish School Board (the School Board) for the year ended June 30, 2017, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

However, during our audit, we became aware of the following matters that are opportunities for improving financial reporting, refining policies and procedures and enhancing compliance with laws and regulations. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 30, 2017 on the financial statements of the School Board.

**2017-A Student Activity Funds –Reconciliations of Account Activity**

**Condition:**

Internal controls over school activity funds have been established by the School Board. These controls include monthly reconciliations of deposits and disbursements of school activities to the monthly bank statements and a review by a person not responsible for the preparation of the reconciliation. During audit procedures, it was noted that the school activity account reconciliation to the checking account was performed and reviewed; however, the ending balance shown on the reconciliation did not agree to the year-end bank statement amount.

**Recommendation:**

We recommend a more detail review of the reconciliations to ensure agreement with the year end balances to the bank statements.

**Management's Response:**

*The School Board will implement monitoring procedures to enhance this monthly reporting process moving forward.*



Postlethwaite & Netterville

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

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

Sincerely,

*Postlethwaite & Netterville*