

2674



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A Professional Accounting Corporation

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Legislative Auditor
Baton Rouge, LA

Re: Revised Report

After our submission of the June 30, 2017 audit report for West Baton Rouge Parish School Board (#2674), we noted that the table of contents and page numbers were not correct in the financial statement report. The page numbers and table of contents were corrected in the revised financial statement report from pages 76 to 102. Please accept this revised reporting package.

Thanks you for your consideration in this matter.

Rodney D. Combs, CPA
Director
Postlethwaite & Netterville

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 04 2018

REISSUE

WEST BATON ROUGE PARISH SCHOOL BOARD

PORT ALLEN, LOUISIANA

JUNE 30, 2017

WEST BATON ROUGE PARISH SCHOOL BOARD

BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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Independent Auditors' Report

The Members of the
West Baton Rouge Parish School Board
Port Allen, 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 West Baton Rouge 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Postlethwaite & Netterville

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 information, the schedules of funding progress and employer contributions for other post-employment benefit plans, the schedule of school board's proportionate share of the net pension liability for the retirement systems, and the schedule of school board's contributions to the retirement systems and related notes, presented on pages 3 through 9, pages 52 through 57, page 58, page 59, and pages 60 through 61, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements as a whole. The combining non-major governmental fund financial statements; the schedule of board members' compensation; and the schedule of compensation, benefits, and other payments to the superintendent; on pages 62 through 69, page 70, and page 71, respectively, 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 and accompanying notes on pages 76 and 77 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.

The combining non-major governmental fund financial statements; the schedule of board members' compensation; the schedule of compensation benefits, and other payments to the superintendent; 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 financial statements. The 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The information included in the performance and statistical data on pages 92 through 102 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. Our report on performance of agreed-upon procedures with respect to such information is dated December 29, 2017.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 School Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville
Baton Rouge, Louisiana
December 29, 2017

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

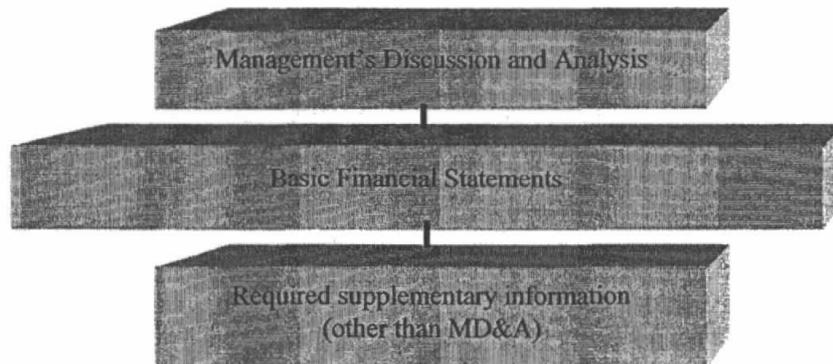
The Management's Discussion and Analysis of the West Baton Rouge Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2017. This document focuses on the current year's activities,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

FINANCIAL HIGHLIGHTS

- ★ The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$40,168,858 at the close of fiscal year 2017.
- ★ During the year, the School Board's expenses exceeded revenues by \$5,333,094.
- ★ State MFP funding decreased by \$694,764 from the prior year.
- ★ Ad valorem tax revenue decreased by \$452,072 over the prior year, which accounted for the majority of the decrease of \$494,740 of total tax revenue. There was also a slight decrease in sales and uses tax of \$42,668.
- ★ The General Fund operated at a deficit of \$634,250, and ended the fiscal year with an accumulated fund balance of \$3,263,141, which is 9.1% of current year total expenditures for the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

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 among them 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 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 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 Capital Projects Fund, Property Tax Fund, and the EFID Sales Tax Fund, all of which are considered major funds.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

Fund financial statements (continued)

Governmental funds (continued)

The remaining funds are combined into a single, aggregated presentation under the label of other non-major governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The School Board adopts annual appropriated budgets for the General Fund, Capital Projects Fund, Property Tax Fund, EFID Sales Tax Fund, the Special Education Fund, Debt Service Fund, and all other Special Revenue Funds.

Fiduciary funds

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

Notes to the financial statements

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

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Net Position
As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Assets			
Cash and cash equivalents	\$ 6,753,210	\$ 7,590,524	\$ (837,314)
Receivables and other assets	3,273,836	4,067,316	(793,480)
Investments	7,873,372	7,863,709	9,663
Capital assets, net	<u>17,432,281</u>	<u>18,341,580</u>	<u>(909,299)</u>
Total assets	<u>35,332,699</u>	<u>37,863,129</u>	<u>(2,530,430)</u>
Total deferred outflows of resources	<u>15,698,979</u>	<u>12,031,875</u>	<u>3,667,104</u>
Liabilities			
Accounts, salaries, and other payables	5,732,652	5,724,054	8,598
Unearned revenues	-	673	(673)
Accrued interest payable	20,958	23,125	(2,167)
Net post-employment benefit obligations	9,614,848	8,233,283	1,381,565
Compensated absences payable	534,167	527,501	6,666
Bonds payable	2,170,000	2,495,000	(325,000)
Net pension liability	<u>71,290,320</u>	<u>65,029,060</u>	<u>6,261,260</u>
Total liabilities	<u>89,362,945</u>	<u>82,032,696</u>	<u>7,330,249</u>
Total deferred inflows of resources	<u>1,837,591</u>	<u>2,698,072</u>	<u>(860,481)</u>
Net Position			
Invested in capital assets	15,262,281	15,846,580	(584,299)
Restricted for state, federal, and donor grants	146,294	108,475	37,819
Restricted for debt service	7	17,575	(17,568)
Restricted for food service	294,994	345,108	(50,114)
Restricted for compensation	1,665,688	2,214,270	(548,582)
Restricted for operations and maintenance	633,442	824,999	(191,557)
Unrestricted (Deficit)	<u>(58,171,564)</u>	<u>(54,192,771)</u>	<u>(3,978,793)</u>
Total net position (deficit)	<u>\$ (40,168,858)</u>	<u>\$ (34,835,764)</u>	<u>\$ (5,333,094)</u>

- Cash and other assets account for approximately 19% of the total assets of the School Board. Capital assets, which are reported net of accumulated depreciation, account for approximately 49% of the total assets of the School Board for the most recent year end.
- Accounts, salaries, and other payables decreased slightly by approximately \$8,600 from the prior year and account for 6% of total liabilities reported. Net post-employment benefit obligations account for 11% of total liabilities and increased by approximately \$1,380,000 or 17% from the prior year.
- Net pension liability accounts for 80% of total liabilities at June 30, 2017.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

- Net position at June 30, 2017 shows a deficit of \$40,168,858 predominantly due to the adoption of the Governmental Accounting Standards Board (GASB) Statement Numbers 68 and 71 in prior years which required the School Board to report a proportionate share of unfunded pension liabilities of the Teachers Retirement System of Louisiana and the Louisiana School Employees' Retirement System.

Changes in Net Position (for fiscal year)

	<u>2017</u>	<u>2016</u>	<u>change</u>
Revenues			
Charges for services	\$ 1,129,070	\$ 978,898	\$ 150,172
Operating grants	7,732,522	8,079,791	(347,269)
General revenues			
Taxes	29,001,142	29,495,882	(494,740)
Earnings on Investments	162,801	96,538	66,263
MFP	13,116,912	13,811,676	(694,764)
Other	388,281	331,554	56,727
	<u>51,530,728</u>	<u>52,794,339</u>	<u>(1,263,611)</u>
Expenses			
Regular education	17,768,426	16,651,679	1,116,747
Special education	8,040,425	7,500,377	540,048
Other education	8,282,420	7,576,880	705,540
Pupil support	3,039,911	2,864,203	175,708
Instructional staff	3,092,930	3,049,609	43,321
General administrative	1,410,400	1,331,870	78,530
School administrative	3,145,254	3,263,609	(118,355)
Business services	416,118	400,874	15,244
Plant operation and maintenance	4,472,311	4,342,229	130,082
Student transportation	2,983,753	3,186,424	(202,671)
Central services	503,828	708,311	(204,483)
Appropriations	660,995	567,277	93,718
Food service	2,979,843	2,814,673	165,170
Interest and bank charges	67,208	73,050	(5,842)
	<u>56,863,822</u>	<u>54,331,065</u>	<u>2,532,757</u>
 Change in net position	 <u>\$ (5,333,094)</u>	 <u>\$ (1,536,726)</u>	 <u>\$ (3,796,368)</u>

- Operating grants decreased by approximately \$347,000 from the prior year as the SRCL fund has steadily decreased since inception, and there were no new major grant programs.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

- Taxes have decreased by approximately \$495,000 or 1.6% from prior year. MFP funds decreased by approximately \$695,000 as there was an adjustment in the School Board's provided MFP funding.
- Total expenses have increased by approximately \$2,533,000 or 4.7% during the fiscal year. Salaries include an estimated 1% step increase earned by employees based on their length of employment with the School Board. Also, additional staff were hired for continued implementation of educational initiatives.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the West Baton Rouge Parish School Board had \$17,432,281 (net of depreciation) invested in a broad range of capital assets, including land, construction in progress, building, and equipment. (See table below)

This amount represents a net decrease (including additions, deductions, and changes in capitalization) of \$909,299, or 5%.

Capital Assets at Year-end
(Net of Depreciation)

	2017	2016	change
Land	\$ 4,261,780	\$ 4,261,780	\$ -
Construction in Progress	286,889	-	286,889
Land improvements	1,019,841	1,161,487	(141,646)
Buildings and improvements	10,576,855	11,241,786	(664,931)
Equipment and fixtures	1,286,916	1,676,527	(389,611)
	\$ 17,432,281	\$ 18,341,580	\$ (909,299)

There was approximately \$663,000 in purchases of capital assets made by the School Board during 2017 and approximately \$1,572,000 in depreciation expense. Additional information on the School Board's capital assets can be found in Note 8 to the basic financial statements.

Long-term debt

The OPEB obligation is a result of an issued accounting standard; Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pensions*. The OPEB obligation increased by approximately \$1,382,000 predominantly due to the cost of post-employment benefits earned for the year exceeding the amount currently funded.

The net pension liability, which is actuarially determined, increased by approximately \$6,261,000 as a result in the increase of annual covered payroll and a decrease in pension plan investments. The bonds payable decreased by \$325,000 due to scheduled principal payments.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

Long-Term Debt at June 30, 2017 and 2016

	2017	2016
Net other postemployment benefit obligation (OPEB)	\$ 9,614,848	\$ 8,233,283
Net pension liability	71,290,320	65,029,060
Compensated absences	534,167	527,501
Bonds payable	2,170,000	2,495,000
	\$ 83,609,335	\$ 76,284,844

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

There were no budget amendments adopted during the year ended June 30, 2017 as the original budgets accurately reflected actual operations through the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The financial stability that is necessary to fund services provided by the School Board is achieved through federal and state funding. These revenue sources represent 13%, or \$19.9 million, of total projected 2018 proceeds. Local revenues (primarily sales and use and ad valorem taxes) represent 26%, or \$39.6 million, of total projected proceeds. Other sources of funds (primarily the 2017 Series Construction Bonds) represent 60%, or \$91.9 million.

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

- Ad valorem (property) tax revenue is budgeted to have a slight increase as compared to 2016-17 collections. Sales and use tax revenue is expected to generate a 2% increase in the amount of revenues compared to the prior year. This is mainly due to the expansions of businesses throughout West Baton Rouge Parish. The Louisiana Department of Education released its Minimum Foundation Program (MFP) funding schedule for the 2017-2018 fiscal year which indicates that the West Baton Rouge Parish School Board will receive a total of \$13.32 million dollars in State Aid. Federal revenues are projected at \$7.6 million dollars, the amount of approved grant applications.
- Total salaries budgeted include the step increase earned by all employees, which is projected at a 1.1% increase, due to their length of employment with the School Board. This increase has been factored in across all major funds of the West Baton Rouge Parish School Board. Retirement costs will increase by approximately \$350,000 this year due to rate increases for 2017-2018. In addition, the 2017-18 budget anticipates minor increases in commercial insurance and property insurance.

CONTACTING THE WEST BATON ROUGE PARISH SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Jared Gibbs, Supervisor of Business Services, West Baton Rouge Parish School Board, 3761 Rosedale Road, Port Allen, LA 70767.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 6,753,210
Receivables	3,167,831
Investments in certificates of deposit	7,873,372
Inventory	106,005
Capital assets, net of accumulated depreciation	<u>17,432,281</u>
TOTAL ASSETS	<u>35,332,699</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow amounts related to pension liability	<u>15,698,979</u>
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LIABILITIES

Accounts, salaries, and other payables	\$ 5,732,652
Unearned revenues	-
Accrued interest payable	20,958
Long-term liabilities	
Due within one year	
Compensated absences payable	56,821
Bonds payable	335,000
Due in more than one year	
Compensated absences payable	477,346
Bonds payable	1,835,000
Net post-employment benefit obligations	9,614,848
Net pension liability	<u>71,290,320</u>
TOTAL LIABILITIES	<u>89,362,945</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow amounts related to pension liability	<u>1,837,591</u>
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NET POSITION

Invested in capital assets	15,262,281
Restricted for:	
State, federal, and donor grants	146,294
Debt service	7
Food service	294,994
Compensation	1,665,688
Operations and maintenance	633,442
Unrestricted (Deficit)	<u>(58,171,564)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (40,168,858)</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Unit</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>Functions/Programs</u>				
Instruction:				
Regular education programs	\$ 17,768,426	\$ -	\$ 306,476	\$ (17,461,950)
Special education programs	8,040,425	-	509,142	(7,531,283)
Other education programs	8,282,420	-	3,287,752	(4,994,668)
Support Services:				
Pupil support services	3,039,911	1,004,926	381,983	(1,653,002)
Instructional staff services	3,092,930	-	653,796	(2,439,134)
General administration services	1,410,400	-	5,362	(1,405,038)
School administration services	3,145,254	-	58,400	(3,086,854)
Business services	416,118	-	1,016	(415,102)
Plant operation and maintenance	4,472,311	-	9,644	(4,462,667)
Student transportation	2,983,753	-	9,320	(2,974,433)
Central services	503,828	-	986	(502,842)
Appropriations:				
Charter school	660,995	-	-	(660,995)
Non-Instruction Services:				
Food service	2,979,843	124,144	2,508,645	(347,054)
Debt Service:				
Interest and bank charges	67,208	-	-	(67,208)
Total Governmental Activities	56,863,822	1,129,070	7,732,522	(48,002,230)
General Revenues				
Taxes:				
Ad Valorem taxes				12,615,168
Sales and use taxes				16,385,974
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				13,116,912
Interest and investment earnings				162,801
Miscellaneous				388,281
			Total general revenues	42,669,136
				Change in Net Position (5,333,094)
				Net Position - June 30, 2016 (34,835,764)
				Net Position - June 30, 2017 \$ (40,168,858)

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

	General	Capital Projects	Property Tax	EFID Sales Tax	Other Non-major Governmental	Total
ASSETS						
Cash and cash equivalents	\$4,260,586	\$ 723,571	\$1,035,235	\$ 246,793	\$ 487,025	\$ 6,753,210
Receivables	859,021	333	3,056	601,235	1,704,186	3,167,831
Investments in certificates of deposit	776,407	5,359,083	833,333	833,333	71,216	7,873,372
Due from other funds	1,165,783	308,589	-	-	-	1,474,372
Inventory	-	-	-	-	106,005	106,005
TOTAL ASSETS	\$7,061,797	\$ 6,391,576	\$1,871,624	\$1,681,361	\$ 2,368,432	\$19,374,790
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 81,988	\$ -	\$ -	\$ -	\$ 13,976	\$ 95,964
Salaries and benefits payable	3,716,668	-	718,892	525,263	675,865	5,636,688
Due to other funds	-	-	5,314	4,386	1,464,672	1,474,372
TOTAL LIABILITIES	3,798,656	-	724,206	529,649	2,154,513	7,207,024
Fund balances:						
Nonspendable	-	-	-	-	106,005	106,005
Spendable:						
Restricted	-	-	1,147,418	1,151,712	362,040	2,661,170
Committed	-	6,391,576	-	-	54,463	6,446,039
Unassigned	3,263,141	-	-	-	(308,589)	2,954,552
TOTAL FUND BALANCES	3,263,141	6,391,576	1,147,418	1,151,712	213,919	12,167,766
TOTAL LIABILITIES AND FUND BALANCES	\$7,061,797	\$ 6,391,576	\$1,871,624	\$1,681,361	\$ 2,368,432	\$19,374,790

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, 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		\$ 12,167,766
Cost of capital assets at June 30, 2017	\$ 33,261,047	
Less: Accumulated depreciation as of June 30, 2017:	<u>(15,828,766)</u>	17,432,281
Accrued interest on long-term debt		(20,958)
Long-term liabilities at June 30, 2017:		
Bonds payable	\$ (2,170,000)	
Compensated absences payable	(534,167)	
Net other post-employment benefit obligation - unfunded actuarial accrued liability	<u>(9,614,848)</u>	<u>(12,319,015)</u>
Net pension obligation balances in accordance with GASB 68		
Deferred outflow of resources - related to net pension liability	15,698,979	
Net pension liability	(71,290,320)	
Deferred inflow of resources - related to net pension liability	<u>(1,837,591)</u>	<u>(57,428,932)</u>
 Total net position at June 30, 2017 - Governmental Activities		 <u><u>\$ (40,168,858)</u></u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	General	Capital Projects	Property Tax	EFID Sales Tax	Other Non-major Governmental	Total
REVENUES						
Local sources:						
Ad valorem taxes	\$ 7,922,843	\$ -	\$ 4,692,325	\$ -	\$ -	\$ 12,615,168
Sales and use taxes	8,266,601	-	-	8,119,373	-	16,385,974
Earnings on investments	41,210	96,430	12,167	12,167	827	162,801
Food services - paid meals	-	-	-	-	124,144	124,144
Other	1,004,926	50,589	-	-	212,803	1,268,318
State sources:						
Unrestricted grants-in-aid, MFP	12,917,749	-	-	-	199,163	13,116,912
Restricted grants-in-aid	89,358	-	-	-	613,026	702,384
Revenue sharing	124,889	-	-	-	-	124,889
Federal grants	15,637	-	-	-	7,014,501	7,030,138
TOTAL REVENUES	30,383,213	147,019	4,704,492	8,131,540	8,164,464	51,530,728
EXPENDITURES						
Current:						
Instruction:						
Regular education programs	12,488,649	-	2,307,066	1,370,682	337,133	16,503,530
Special education programs	5,144,465	-	914,983	814,082	717,918	7,591,448
Other education programs	3,191,117	-	761,345	549,972	3,289,435	7,791,869
Support:						
Pupil support services	2,084,014	-	259,814	207,060	318,235	2,869,123
Instructional staff services	1,953,426	-	181,505	112,317	583,326	2,830,574
General administration services	1,041,556	-	171,562	128,379	3,707	1,345,204
School administration services	2,505,924	-	242,498	71,215	56,049	2,875,686
Business administration services	339,079	-	28,625	22,032	-	389,736
Plant operation and maintenance	3,218,039	-	186,224	180,466	-	3,584,729
Student transportation	2,739,021	-	19,500	25,902	24,340	2,808,763
Food services	-	-	-	72,674	2,711,980	2,784,654
Central services	328,965	-	23,222	27,858	-	380,045
Appropriations:						
Charter school	660,995	-	-	-	-	660,995
Facility acquisition and construction	-	22,887	-	-	326,166	349,053
Debt service - Principal	-	-	-	-	325,000	325,000
Debt service - Interest	-	-	-	-	69,375	69,375
TOTAL EXPENDITURES	35,695,250	22,887	5,096,344	3,582,639	8,762,664	53,159,784
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (5,312,037)	\$ 124,132	\$ (391,852)	\$ 4,548,901	\$ (598,200)	\$ (1,629,056)

(continued)

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Capital Projects</u>	<u>Property Tax</u>	<u>EFID Sales Tax</u>	<u>Other Non-major Governmental</u>	<u>Total</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	\$ 4,857,631	\$ -	\$ -	\$ -	\$ 631,958	\$ 5,489,589
Transfers out	(179,844)	(45,797)	-	(4,897,188)	(366,760)	(5,489,589)
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,677,787</u>	<u>(45,797)</u>	<u>-</u>	<u>(4,897,188)</u>	<u>265,198</u>	<u>-</u>
<u>NET CHANGES IN FUND BALANCE</u>	<u>(634,250)</u>	<u>78,335</u>	<u>(391,852)</u>	<u>(348,287)</u>	<u>(333,002)</u>	<u>(1,629,056)</u>
Fund balances, June 30, 2016	<u>3,897,391</u>	<u>6,313,241</u>	<u>1,539,270</u>	<u>1,499,999</u>	<u>546,921</u>	<u>13,796,822</u>
FUND BALANCES, JUNE 30, 2017	<u>\$ 3,263,141</u>	<u>\$ 6,391,576</u>	<u>\$ 1,147,418</u>	<u>\$ 1,151,712</u>	<u>\$ 213,919</u>	<u>\$ 12,167,766</u> (concluded)

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, and
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Total Net Changes in Fund Balance - Governmental Funds		\$ (1,629,056)
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 662,968	
Depreciation expense for year ended June 30, 2017	<u>(1,572,267)</u>	(909,299)
Change in accrued interest on long-term debt		2,167
Long Term Debt:		
Principal portion of debt service payments	325,000	
Change in post-employment benefit obligation	(1,381,565)	
Change in compensated absences payable	<u>(6,666)</u>	(1,063,231)
Change in Net pension liability and deferred inflows and outflows of resources in accordance with GASB 68		<u>(1,733,675)</u>
Change in Net Position - Governmental Activities		<u>\$ (5,333,094)</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents - School Activity Accounts	\$ 559,630
Investments	<u>21,265</u>
TOTAL ASSETS	<u>\$ 580,895</u>
<u>LIABILITIES</u>	
Amounts held for others	<u>\$ 580,895</u>
TOTAL LIABILITIES	<u>\$ 580,895</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The West Baton Rouge Parish School Board (School Board) is a corporate body created under Louisiana Revised Statutes 17:51. A board consisting of 10 members (the Board) elected from legally established districts is charged with the management and operation of the school system.

The school system is composed of a central office and 10 schools. Student enrollment as of October, 2016 was approximately 4,000. The regular school term normally begins during the middle of August and runs until the end of May.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School Board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

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, Capital Projects Fund, Property Tax Fund, and the Educational Facilities Improvement District (EFID) Fund.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **Fund Accounting** (continued)

Funds of the School Board are classified into two broad categories: Governmental and Fiduciary, as discussed below.

Governmental Fund Types:

Governmental funds are used to account for all or most of the School Board's general operating activities. These funds focus on the sources, uses and balances of the current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental fund types:

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund 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 is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund:

Fiduciary fund reporting focuses on net position and changes in the net position. The only fund accounted for in this category by the school board is the Agency Fund. Agency Funds are used to account for assets held by the board in a trustee capacity or as an agent for individuals, private organizations or other governmental units and/or other funds. Consequently, the Agency Fund has no measurement focus, but utilizes the accrual basis of accounting.

C. **Basis of Presentation**

The School Board's basic financial statements consist of the government-wide statements and fund financial statements (individual major fund, combined non-major fund, and fiduciary fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the GASB *Codification of Accounting and Financial Reporting Standards*. The government-wide financial statements also employ many private sector standards through the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for those which are fiduciary in nature. Those activities are reported in the statement of fiduciary assets and liabilities at the fund financial statement level.

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

Program Revenues

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

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatments applied to a fund are 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.

Governmental Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Such revenue items are ad valorem taxes, sales taxes and state and federal entitlements. Sales and use taxes and ad valorem taxes are considered "available" when expected to be collected within the next two months. Revenue from state and federal grants is recorded when the reimbursable expenditures have been incurred and is considered available if collected within six months after year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees and general long-term obligations principal and interest payments are recognized only when due.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. **Budget and Budgetary Accounting**

The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

The General Fund and the Special Revenue Funds are the only funds with legally required budgets. All of the Special Revenue Funds have legally required budgets. The General Fund budget and the Special Revenue Funds' budgets are adopted on an annual basis.

Prior to September 15, the Superintendent submits to the Board a proposed annual appropriated budget for the General Fund for the fiscal year commencing the prior July 1.

The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments.

Formal budgetary integration is employed as a management control device during the year for the General Fund Special Revenue Funds, and Capital Projects Fund. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

Unencumbered appropriations in the General Fund lapse at the end of the fiscal year. Budgeted amounts are as originally adopted or as amended by the Board. Legally the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the fund level and management can transfer amounts between line items.

Special Revenue Funds' budgets that are not grant-oriented have annual appropriated budgets adopted prior to September 15 by the Board. Grant funds are included in Special Revenue Funds and their budgets are adopted at the time the grant applications are approved by the grantor. Unencumbered appropriations of grant-oriented Special Revenue Funds are re-appropriated at the beginning of the following fiscal year. Un-encumbered appropriations of certain non-grant-oriented Special Revenue Funds lapse at the end of the fiscal year.

The Capital Projects Fund budget is adopted prior to September 15 by the Board. Although, by statute, the Board is not required to adopt a budget for its Capital Projects Fund.

All budget amounts presented in the combined financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. All budget revisions are approved by the 10-member Board.

F. **Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and certificates of deposits with maturity dates within three months of the dates acquired.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

G. **Investments**

Investments are limited by LSA-R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investment income includes interest earned, realized gains and losses, and unrealized gains and losses.

H. **Inventory**

Inventory is stated at the lower of cost or market based on information provided by the United States Department of Agriculture. Inventory consists of expendable supplies and food items held for consumption. The costs of inventory items are recognized as expenditures when used.

I. **Capital Assets**

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

Capital assets are recorded in the GWFS, but are not recorded in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 40 years for buildings and 5 to 20 years for equipment.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2002 were considered to be part of the cost of buildings or other immovable property such as stadiums. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

J. **Interfund Transactions**

During the course of normal operations, the School Board has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. For purposes of the statement of activities, all interfund transactions between individual government funds have been eliminated.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

K. **Sales and Use Tax**

The School Board levies two separate sales taxes on taxable sales within the Parish. The sales tax is collected by West Baton Rouge Parish Department of Revenue and remitted to the School Board in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax in the month after collection by vendors.

In October 1965, the voters of the parish approved a permanent one percent sales and use tax. The net proceeds (after deduction for the cost of collection) are dedicated for salaries of teachers and for the general operations of the schools. Proceeds from this tax are included as revenue in the General Fund.

In May 1999, the voters of the parish approved an additional one percent sales and use tax. The net proceeds (after deduction for cost of collection) are dedicated as follows: 1) 45% to be used for teachers' and support staff salaries; 2) 55% to eliminate operating deficits of the General Fund by providing monies to pay the cost of operation and maintenance of the school system. Proceeds from this tax are included as revenues in the Educational Facilities Improvement District Special Revenue Fund.

L. **Compensated Absences**

Teachers and other school employees accrue from 10 to 13 days of sick leave per year depending upon the number of months worked. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 25 days is paid to employees or their heirs at the employee's current rate of pay. The accrual computation for earned sick leave is calculated on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, accumulated sick leave beyond 25 days is used in the retirement benefit computation as earned service.

All 12-month employees earn from 10 to 20 days of annual vacation leave per year depending on length of service with the School Board. Vacation leave can be accumulated and up to 50 days can be carried forward. Upon separation, all unused vacation is paid to the employee.

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

The School Board's recognition and measurement criteria for compensated absences follows:

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

L. **Compensated Absences** (continued)

Liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach.

M. **Pension Plans**

The School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 5. 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.

N. **Government-wide Net Position**

The School Board has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the School Board's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

N. **Government-wide Net Position** (continued)

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

The School Board has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources, required by GASB Statement No. 63, as applied to the governmental fund statements. In addition to identifying which items should be reported in these new categories in proprietary fund, fiduciary fund, government-wide statements of net position and governmental fund balance sheets, GASB Statement No. 65 also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues, expenses, or expenditures when incurred and not reported in statements of net position/balance sheets.

O. **Fund Equity of Fund Financial Statements**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Nonspendable – Represents nonspendable balances that are not expected to be converted to cash.

Spendable:

Restricted – Represents balances where constraints have been established by parties outside the School Board or by enabling legislation.

Committed – Represents balances where constraints have been established by formal action of the School Board. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Assigned – Represents balances where informal constraints have been established by the School Board or committee or delegate thereof, but are not restricted nor committed.

Unassigned – Represents balances for which there are no constraints.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

O. **Fund Equity of Fund Financial Statements** (continued)

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

P. **Use of Estimates**

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

3. **EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS**

A. **Equity in Pooled Cash**

Cash and investments consist of demand deposit accounts and certificates of deposit at a local bank. The School Board maintains a cash pool that is available for use by all funds. Positive book cash balances are displayed on the combined balance sheet as "Cash." Negative book cash balances are included in "Due to Other Funds" on the combined balance sheet.

B. **Deposits**

The carrying amount of the School Board's deposits with financial institutions was \$15,186,212 and the bank balances were \$16,368,038. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2017, the School Board's deposits were not exposed to custodial credit risk. Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and political subdivisions.

C. **Investments**

Interest Rate Risk- The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments consist of certificates of deposit with original maturities of greater than 90 days.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

4. **AD VALOREM TAXES**

Ad valorem (property) taxes were levied for the fiscal year 2017 by the School Board on July 15, 2016 based on the assessed valuation of property as of January 1, 2016. These taxes become due and payable on November 15 of each year and become delinquent after December 31 of the year levied.

Total assessed value was \$437,606,095 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$44,993,812 of the assessed value in calendar year 2016.

A summary of the various taxes levied for 2016 is as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund:			
Constitutional School Tax	4.39	4.39	N/A
Salaries	15.00	15.00	2023
Special - Salaries	12.00	12.00	2026

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed. All property taxes are recorded in the General Fund and the Property Tax Fund on the basis explained in Note 2D. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

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

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLANS

The School Board 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	Baton Rouge, LA	Baton Rouge, Louisiana 70804-
70804-9123	70804	4213
(225) 925-6446	(225) 925-6484	(225) 925-0185
www.trsl.org	www.lasers.net	www.lasersonline.org

The School Board applies 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 Board to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

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 Board 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).

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

Plan Descriptions: (continued)

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

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.

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.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

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

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 members salary are available for surviving spouses and minor children of members with at least five years of service.

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 Board has participants in this plan who began service under the LASER plan and later transferred to employment with the School Board. 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.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

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

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.

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.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

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 Board and covered employees were as follows:

	<u>School Board</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	\$ 6,548,405	\$ 7,012,713	\$ 7,264,531
School Employees' Retirement System	260,377	279,340	218,329
State Employees' Retirement System	-	-	23,189

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **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 Board'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 Board 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 Board'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.

	<u>Net Pension Liability at June 30, 2016</u>	<u>Rate at June 30, 2016</u>	<u>Increase (Decrease) to June 30, 2015 Rate</u>
Teachers' Retirement System	\$ 69,501,272	0.5922%	0.0030%
School Employees' Retirement System	1,789,048	0.2372%	0.0034%
State Employees' Retirement System	-	0.0000%	(0.0029)%
	<u>\$ 71,290,320</u>		

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

	<u>Pension Expense</u>
Teachers' Retirement System	\$ 8,444,027
School Employees' Retirement System	155,269
State Employees' Retirement System	(56,839)
	<u>\$ 8,542,457</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,420,971)
Changes of assumptions	42,383	(47,286)
Net difference between projected and actual earnings on pension plan investments	5,286,173	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	3,561,641	(369,334)
Employer contributions subsequent to the measurement date	6,808,782	-
Total	<u>\$ 15,698,979</u>	<u>\$ (1,837,591)</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	\$ 15,100,951	\$ (1,592,833)
School Employees' Retirement System (LSERS)	595,199	(114,070)
State Employees' Retirement System (LASERS)	2,829	(130,688)
	<u>\$ 15,698,979</u>	<u>\$ (1,837,591)</u>

The School Board reported a total of \$6,808,782 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, 2017. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 6,548,405
School Employees' Retirement System (LSERS)	260,377
State Employees' Retirement System (LASERS)	-
	<u>\$ 6,808,782</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

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

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	\$ 1,493,113	\$ 15,048	\$ (62,514)	\$ 1,445,647
2019	1,493,112	38,057	(65,345)	1,465,824
2020	2,729,207	102,425	-	2,831,632
2021	1,244,281	65,222	-	1,309,503
	<u>\$ 6,959,713</u>	<u>\$ 220,752</u>	<u>\$ (127,859)</u>	<u>\$ 7,052,606</u>

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:

	TRSL	LSERS	LASERS
Valuation Date	June 30, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.75% net of investment expenses	7.125% per annum	7.75% per annum.
Inflation Rate	2.5% per annum	2.625% per annum	pendable: Inven
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Combined Healthy Sex Distinct Mortality Table.	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

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

Salary Increases 3.50% - 10.0% varies depending on duration of service

Salary increases were projected based on the 2008-2012 experience study, 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:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
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%

Cost of Living Adjustments None

The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

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

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

TRSL	LSERS	LASERS
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 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 longterm 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 of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.72% for 2016.

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					<u>2.00%</u>	
Expected Arithmetic Nominal Return					<u>8.07%</u>	

n/a - amount not provided by Retirement System

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLANS** (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.75%, 7.125% and 7.75%, respectively for the year ended June 30, 2016.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.75%	7.75%	8.75%
WBRPSB Share of NPL	\$ 86,689,359	\$ 69,501,272	\$ 54,875,371
LSERS			
Rates	6.125%	7.125%	8.125%
WBRPSB Share of NPL	\$ 2,348,521	\$ 1,789,048	\$ 1,309,724
LASERS			
Rates	6.75%	7.75%	8.75%
WBRPSB Share of NPL	\$ -	\$ -	\$ -

Payables to the Pension Plan

The 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, 2017</u>
TRSL	\$ 1,194,876
LSERS	46,893
LASERS	-
	<u>\$ 1,241,769</u>

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PORT ALLEN, LOUISIANA
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6. OTHER POST-EMPLOYMENT BENEFITS

The School Board, in accordance with State statutes provides certain postretirement health care and life insurance benefits to its former employees. Substantially all of the School Board's employees may become eligible for such benefits upon reaching retirement age.

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

The 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 45) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement from either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS). The 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; age 60 and 5 years of service. For membership after January 1, 2011, the earliest allowable retirement age is age 60.

Life insurance coverage under the OGB program is available to retirees by election and the rate used is a blended rate (active and retired). The employer pays 50% of the cost (at the blended rate) of the retiree life insurance. Since GASB 45 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 School Board recognized the cost of providing post-employment medical and life insurance benefits (the School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the School Board's portion of health care and life insurance funding cost for retired employees totaled \$1,410,102 and \$1,430,036, respectively.

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

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (continued)

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

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 1,041,949	\$ 927,378
30-year UAL amortization amount	<u>1,896,519</u>	<u>1,769,508</u>
Annual required contribution (ARC)	<u>\$ 2,938,468</u>	<u>\$ 2,696,886</u>

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

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 8,233,283	\$ 7,092,900
Annual required contribution	2,938,468	2,696,886
Interest on Net OPEB Obligation	329,331	283,716
ARC Adjustment	<u>(476,132)</u>	<u>(410,183)</u>
OPEB Cost	2,791,667	2,570,419
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(1,410,102)</u>	<u>(1,430,036)</u>
Change in Net OPEB Obligation	<u>1,381,565</u>	<u>1,140,383</u>
Ending NET OPEB Obligation	<u>\$ 9,614,848</u>	<u>\$ 8,233,283</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2017	\$2,791,667	50.51%	\$9,614,848
June 30, 2016	\$2,570,419	55.63%	\$8,233,283
June 30, 2015	\$2,487,435	55.23%	\$7,092,900

Funded Status and Funding Progress – In 2017 and 2016, the School Board made no contributions to its post-employment benefits plan other than retiree premiums. 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 \$34,106,676 which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

6. **OTHER POST-EMPLOYMENT BENEFITS** (continued)

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 34,106,676	\$ 31,822,390
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 34,106,676</u>	<u>\$ 31,822,390</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 27,969,060	\$ 28,494,593
UAAL as a percentage of covered payroll	121.94%	111.68%

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

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

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

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.

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 three years after earliest eligibility to enter the D.R.O.P. as described above under the heading "Plan Description". The delay consists of the three year D.R.O.P. period. 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.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

6. **OTHER POST-EMPLOYMENT BENEFITS** (continued)

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 45 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.

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	\$ 2,487,435	\$ 2,570,419	\$ 2,791,667
Contribution	-	-	-
Retiree premium	<u>1,324,108</u>	<u>1,430,036</u>	<u>1,410,102</u>
Total contribution and premium	<u>1,324,108</u>	<u>1,430,036</u>	<u>1,410,102</u>
Change in net OPEB obligation	<u>\$ 1,163,327</u>	<u>\$ 1,140,383</u>	<u>\$ 1,381,565</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	53.23%	55.63%	50.51%

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7. **GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2017</u>	<u>Due Within One Year</u>
Net Pension Liability	\$65,029,060	\$6,261,260	\$ -	\$71,290,320	\$ -
Net Post-Employment Benefit Obligation	8,233,283	2,791,667	(1,410,102)	9,614,848	-
Compensated Absences	527,501	45,718	(39,052)	534,167	56,821
Bonds Payable	<u>2,495,000</u>	<u>-</u>	<u>(325,000)</u>	<u>2,170,000</u>	<u>335,000</u>
Total	<u>\$76,284,844</u>	<u>\$9,098,645</u>	<u>\$(1,774,154)</u>	<u>\$83,609,335</u>	<u>\$ 391,821</u>

General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds issued included the following:

\$3,400,000 General Obligation Limited Tax
Revenue Bonds, Series 2013, issued August 14, 2013
for the purpose of construction, rehabilitation, or
repair of public school facilities due in annual
installments of \$285,000 to \$390,000 through
March 31, 2023 with interest at 1.1% to 3.5% secured by
an annual ad valorem tax levy. \$ 2,170,000

At June 30, 2017, the School Board has accumulated \$7 in the debt service fund for future debt retirement. The annual requirements to amortize all bonds at June 30, 2017, including interest of \$241,526 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 397,875
2019	400,338
2020	401,713
2021	401,950
2022	406,000
2023	<u>403,650</u>
	<u>\$ 2,411,526</u>

In accordance with LSA – R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property within the parish. At June 30, 2017, the total assessed value of taxable property for the parish was \$437,606,095, which resulted in a statutory limit of \$218,803,047.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

7. **GENERAL LONG-TERM OBLIGATIONS** (continued)

Compensated absences payable consist of the portion of accumulated sick and annual leave of the governmental funds that is not of Homestead expected to require current resources. These liabilities will be liquidated through the general and special revenue funds.

The net other post-employment benefit obligation and net pension liability consists of actuarial liabilities for future payments of promised retirement benefits. These liabilities will be liquidated through the general and special revenue funds.

8. **CAPITAL ASSETS**

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

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment and Fixtures</u>	<u>Construction in Progress</u>	<u>Total</u>
Cost at June 30, 2016	\$ 4,261,780	\$ 2,019,966	\$ 23,231,452	\$ 3,084,881	\$ -	\$ 32,598,079
Additions	-	9,829	112,149	254,101	286,889	662,968
Cost at June 30, 2017	<u>\$ 4,261,780</u>	<u>\$ 2,029,795</u>	<u>\$ 23,343,601</u>	<u>\$ 3,338,982</u>	<u>\$ 286,889</u>	<u>\$ 33,261,047</u>
Accumulated depreciation at June 30, 2016	\$ -	\$ 858,479	\$ 11,989,666	\$ 1,408,354	\$ -	\$ 14,256,499
Additions (* see below)	-	151,475	777,080	643,712	-	1,572,267
Accumulated depreciation at June 30, 2017	<u>\$ -</u>	<u>\$ 1,009,954</u>	<u>\$ 12,766,746</u>	<u>\$ 2,052,066</u>	<u>\$ -</u>	<u>\$ 15,828,766</u>
Capital assets, net of depreciation at June 30, 2017	<u>\$ 4,261,780</u>	<u>\$ 1,019,841</u>	<u>\$ 10,576,855</u>	<u>\$ 1,286,916</u>	<u>\$ 286,889</u>	<u>\$ 17,432,281</u>

* Depreciation expense of \$1,572,267 for the year ended June 30, 2017 was charged to the following governmental functions:

Regular education programs	\$ 201,541
Special education programs	91,879
Other education programs	92,519
Pupil support services	35,031
Instructional staff services	36,616
General administrative services	16,431
School administration services	38,904
Business and central services	4,878
Plant operation and maintenance	983,524
Student transportation services	37,424
Food services	33,520
	<u>\$1,572,267</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

9. CONTINGENCIES

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

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

10. RECEIVABLES

Receivables as of June 30, 2017 for the School Board are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Property Tax</u>	<u>EFID Sales Tax</u>	<u>Non-Major Governmental</u>	<u>Total</u>
<u>Receivables:</u>						
Sales taxes	\$ 613,510	\$ -	\$ -	\$ 601,235	\$ -	\$ 1,214,745
Property taxes	-	-	3,056	-	-	3,056
Due from other governments	245,511	333	-	-	1,704,186	1,950,030
Gross receivables	<u>\$ 859,021</u>	<u>\$ 333</u>	<u>\$ 3,056</u>	<u>\$ 601,235</u>	<u>\$ 1,704,186</u>	<u>\$ 3,167,831</u>

11. CHANGES IN AGENCY DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others for the year ended June 30, 2017 are as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
School Activity Agency Fund	<u>\$ 531,036</u>	<u>\$ 1,339,631</u>	<u>\$ (1,289,772)</u>	<u>\$ 580,895</u>

12. INTERFUND TRANSACTIONS

Interfund Receivable/Payable:

<u>Interfund Receivable</u>		<u>Interfund Payable</u>	
General	\$ 1,165,783	General	\$ -
Capital Projects	308,589	Capital Projects	-
Property Tax	-	Property Tax	5,314
EFID Sales Tax		EFID Sales Tax	4,386
Non-Major		Non-Major	
Governmental	-	Governmental	1,464,672
Total	<u>\$ 1,474,372</u>	Total	<u>\$ 1,474,372</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

12. **INTERFUND TRANSACTIONS** (continued)

The primary purpose of interfund advances is to cover expenditures on cost reimbursement grant programs until reimbursements are received from the granting agencies.

Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 4,857,631	\$ 179,844
Capital Projects	-	45,797
EFID Sales Tax	-	4,897,188
Non-major Governmental	631,958	366,760
	<u>\$ 5,489,589</u>	<u>\$ 5,489,589</u>

The purpose of interfund transfers is to cover operating expenditures of the General Fund through indirect cost recoveries charged to grant programs and through transfers from the Capital Project Fund and the EFID Sales Tax Fund to cover eligible costs paid for by the general fund.

13. **OPERATING LEASE**

The School Board leases school buses through a lease arrangement which qualifies as an operating lease. The pricing for the agreement is based on the quantity of buses needed, special accessories needed on the bus, and frequency of use per day. The lease payments are to be made on a monthly basis. The lease is scheduled over a five year period ending June 30, 2020.

The School Board leases three copier/printers through a lease agreement that qualifies as an operating lease which began on April 1, 2017. The payments in the amount of \$916 are scheduled in advance monthly over a three year period ending May 31, 2020.

Management has estimated that the minimum future lease payments under these lease agreements to be as follows:

<u>Year ended June 30,</u>	<u>Total</u>
2018	2,510,992
2019	2,510,992
2020	2,508,244
	<u>\$ 7,530,228</u>

Payments made during June 30, 2017 totaled approximately \$2,500,000 for the school bus lease arrangement and \$3,000 for the copier/printer lease agreement.

14. **COMMITMENTS**

The School Board has entered into a maintenance agreement for air conditioning services. The payments in the amount of \$26,750 are scheduled in advance monthly over a 5 year period ending September 30, 2018.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

14. **COMMITMENTS** (continued)

Minimum future payments under the non-cancellable agreement in effect at the date of financial statements were available to be issued are as follows:

<u>Year ended June 30,</u>	<u>Total</u>
2018	\$ 321,000
2019	80,250
	<u>\$ 401,250</u>

Payments made during June 30, 2017 related to the maintenance agreement totaled approximately \$361,000 including additional services not included in the agreement.

15. **EDUCATION EXCELLENCE FUND**

Pursuant to Act #161 of the 2002 First Extraordinary Session of the Legislature, the State of Louisiana established the Education Excellence Fund (EEF) for the oversight, appropriation, and disposition of proceeds from the tobacco settlements. These funds are dedicated for use in educational programs, and are available to local school districts, subject to the approval of an expenditure plan by the Louisiana Department of Education. The funds are held and invested by the Treasurer of the State of Louisiana on behalf of local school districts and are disbursed in accordance with approved expenditure plans. At June 30, 2017, the School Board's EEF funds invested through the Treasurer totaled approximately \$887,000. These funds are recognized as revenue to the School Board upon submission and subsequent approval of an annual expenditure plan. The School System expended approximately \$58,000 during the 2016-2017 fiscal year in accordance with its respective expenditure plan.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

16. DETAILED RESTRICTED NET POSITION AND FUND BALANCES

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

	<u>Governmental Activities</u>
Net Position Restricted For:	
Debt service:	
Debt service for general obligation bonds	\$ <u> 7</u>
Specific programs:	
State, federal, and donor grants	\$ 146,294
Food service	<u>294,994</u>
Total Net Position restricted for specific programs	<u>441,288</u>
External legal constraints:	
Dedicated property and sales taxes authorized by the electorate to specific special revenue funds – salaries and benefits	1,665,688
Dedicated sales taxes authorized by the electorate for specific revenue funds – operations and maintenance	<u>633,442</u>
Total Net Position restricted for external legal constraints	<u>2,299,130</u>
Total Restricted Net Position	<u>\$ 2,740,425</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

16. DETAILED RESTRICTED NET POSITION AND FUND BALANCES (continued)

b. Details of nonspendable, restricted, committed, and unassigned fund balances at year-end are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Property Tax</u>	<u>FFID Sales Tax</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 106,005	\$ 106,005
Restricted for:						
Food service	-	-	-	-	188,989	188,989
State, federal, and donor grants	-	-	-	-	173,044	173,044
Dedicated property taxes:						
Debt service	-	-	-	-	7	7
Salaries and benefits	-	-	1,147,418	-	-	1,147,418
Dedicated sales taxes:						
Salaries and benefits	-	-	-	518,270	-	518,270
Operations and maintenance	-	-	-	633,442	-	633,442
Total Restricted	<u>-</u>	<u>-</u>	<u>1,147,418</u>	<u>1,151,712</u>	<u>362,040</u>	<u>2,661,170</u>
Committed to:						
General capital improvements	-	6,391,576	-	-	54,463	6,446,039
Unassigned (deficit)	3,263,141	-	-	-	(308,589)	2,954,552
Total fund balances	<u>\$ 3,263,141</u>	<u>\$ 6,391,576</u>	<u>\$ 1,147,418</u>	<u>\$ 1,151,712</u>	<u>\$ 213,919</u>	<u>\$ 12,167,766</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
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17. 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.

18. Disaggregation of Accounts Payable and Accrued Liabilities

Accounts, salaries and other payables as of June 30, 2017, were as follows:

Vendors	\$ 95,364
Salaries and Benefits	<u>5,637,288</u>
Total governmental fund encumbrances	<u>\$ 5,732,652</u>

19. 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, \$2,188,413 in West Baton Rouge Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

20. Appropriations to Charter Schools

Appropriations to Type 2 Charter Schools during the year ended June 30, 2017 were as follows

	<u>General Fund</u>
Type 2 Charter Schools	
Madison Prep	\$ 19,603
Louisiana Key Academy	94,092
Baton Rouge Charter Academy	31,364
Advantage Charter Academy	19,603
Iberville Charter Academy	297,958
GEO Academies EBR	7,840
Louisiana Virtual Charter Academy	63,512
University View Academy	119,967
Subtotal - Type 2 Charter Schools	<u>653,939</u>
Office of Juvenile Justice (OJJ)	<u>7,056</u>
Grand Total	<u><u>\$ 660,995</u></u>

Charter schools are entitled to receive an apportionment of local tax revenue. That amount, determined by the Louisiana Department of Education, is withheld from the School Board's MFP funding and remitted to the charter schools. An appropriation of \$660,995 has been recorded for the School Board's apportionment of local taxes to the charter schools.

21. DEFICIT FUND BALANCE

A deficit fund balance of \$308,589 was incurred in the Bond Building Fund as of June 30, 2017. The School Board issued bonds in July of 2017 to absorb this deficit.

22. SUBSEQUENT EVENTS

In July 2017, the School Board issued General Obligation Bonds of \$74,745,000 for the purpose of acquiring and/or improving lands, school buildings and facilities, and the acquiring of necessary equipment and furnishings. The bonds are to be payable from ad valorem taxes to be levied with an estimated 8 mills in the first year.

WEST BATON ROUGE PARISH SCHOOL BOARD

MAJOR FUND DESCRIPTIONS

GENERAL FUND

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

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources to be used for the renovation of major capital facilities.

PROPERTY TAX FUND

This fund accounts for the 10 year, 12 mills property tax. The purpose of this tax is to give additional support to the public elementary and secondary schools in the district by providing funds for improving and maintaining salaries and benefits of teachers and other public school personnel employed by the School Board.

EDUCATIONAL FACILITIES IMPROVEMENT DISTRICT FUND

The Educational Facilities Improvement District (EFID) Special Revenue Fund accounts for the collection of a 1 percent sales and use tax; 45% of which is dedicated to salaries and 55% of which is available for general operations.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	\$ 8,182,558	\$ 8,182,558	\$ 7,922,843	\$ (259,715)
Sales and use	7,968,742	7,968,742	8,266,601	297,859
Earnings on investments	9,750	9,750	41,210	31,460
Other	883,000	883,000	1,004,926	121,926
State sources:				
Unrestricted grants-in-aid	12,715,128	12,715,128	12,917,749	202,621
Restricted grants-in-aid	15,750	15,750	89,358	73,608
Revenue sharing	114,975	114,975	124,889	9,914
Federal sources:				
Grants-in-aid - subgrants and other	-	-	15,637	15,637
Total revenues	29,889,903	29,889,903	30,383,213	493,310
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	12,155,029	12,155,029	12,488,649	(333,620)
Special education programs	4,381,815	4,381,815	5,144,465	(762,650)
Other education programs	3,149,990	3,149,990	3,191,117	(41,127)
Support services:		-		
Pupil support services	2,058,095	2,058,095	2,084,014	(25,919)
Instructional staff services	1,675,033	1,675,033	1,953,426	(278,393)
General administration services	1,078,023	1,078,023	1,041,556	36,467
School administration services	2,611,904	2,611,904	2,505,924	105,980
Business administration services	337,851	337,851	339,079	(1,228)
Plant operation and maintenance	3,237,184	3,237,184	3,218,039	19,145
Transportation	2,742,007	2,742,007	2,739,021	2,986
Central services	483,788	483,788	328,965	154,823
Appropriations:		-		
Charter school	527,969	527,969	660,995	(133,026)
Total expenditures	34,438,688	34,438,688	35,695,250	(1,256,562)
Excess (deficiency) of revenues over expenditures	\$ (4,548,785)	\$ (4,548,785)	\$ (5,312,037)	\$ (763,252)

(continued)

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, 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>
<u>Other financing sources (uses):</u>				
Operating transfers in	\$ <u>4,259,850</u>	\$ <u>4,259,850</u>	\$ <u>4,857,631</u>	\$ <u>597,781</u>
Total other financing sources (uses)	<u>4,259,850</u>	<u>4,259,850</u>	<u>4,677,787</u>	<u>417,937</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	<u>(288,935)</u>	<u>(288,935)</u>	<u>(634,250)</u>	<u>(345,315)</u>
Fund balances, June 30, 2016	<u>3,884,735</u>	<u>3,884,735</u>	<u>3,897,391</u>	<u>12,656</u>
FUND BALANCES, JUNE 30, 2017	<u>\$ 3,595,800</u>	<u>\$ 3,595,800</u>	<u>\$ 3,263,141</u>	<u>\$ (332,659)</u> (concluded)

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

CAPITAL PROJECTS 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>
<u>Revenues:</u>				
Local sources:				
Earnings on investments	\$ 81,500	\$ 81,500	\$ 96,430	\$ 14,930
Other	46,875	46,875	50,589	3,714
Total revenues	<u>128,375</u>	<u>128,375</u>	<u>147,019</u>	<u>18,644</u>
<u>Expenditures:</u>				
Facilities acquisition and construction	16,950	16,950	22,887	(5,937)
Total expenditures	<u>16,950</u>	<u>16,950</u>	<u>22,887</u>	<u>(5,937)</u>
Excess (deficiency) of revenues over expenditures	111,425	111,425	124,132	12,707
<u>Other financing sources (uses):</u>				
Operating transfers out	<u>(34,688)</u>	<u>(34,688)</u>	<u>(45,797)</u>	<u>(11,109)</u>
Total other financing sources (uses)	<u>(34,688)</u>	<u>(34,688)</u>	<u>(45,797)</u>	<u>(11,109)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	76,737	76,737	78,335	1,598
Fund balances, June 30, 2016	<u>6,313,241</u>	<u>6,313,241</u>	<u>6,313,241</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2017	<u>\$ 6,389,978</u>	<u>\$ 6,389,978</u>	<u>\$ 6,391,576</u>	<u>\$ 1,598</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

PROPERTY TAX 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>
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	\$ 4,860,686	\$ 4,860,686	\$ 4,692,325	\$ (168,361)
Earnings on investments	4,000	4,000	12,167	8,167
Total revenues	<u>4,864,686</u>	<u>4,864,686</u>	<u>4,704,492</u>	<u>(160,194)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	1,736,318	1,736,318	2,307,066	(570,748)
Special education programs	872,461	872,461	914,983	(42,522)
Other education programs	783,666	783,666	761,345	22,321
Support services:		-		
Pupil support services	296,085	296,085	259,814	36,271
Instructional staff services	176,384	176,384	181,505	(5,121)
General administration services	170,140	170,140	171,562	(1,422)
School administration services	245,080	245,080	242,498	2,582
Business administration services	29,329	29,329	28,625	704
Plant operation and maintenance	189,781	189,781	186,224	3,557
Transportation	28,262	28,262	19,500	8,762
Food services	172,275	172,275	-	172,275
Central services	23,315	23,315	23,222	93
Total expenditures	<u>4,723,096</u>	<u>4,723,096</u>	<u>5,096,344</u>	<u>(373,248)</u>
Excess (deficiency) of revenues over expenditures	<u>141,590</u>	<u>141,590</u>	<u>(391,852)</u>	<u>(533,442)</u>
Fund balances, June 30, 2016	<u>1,539,270</u>	<u>1,539,270</u>	<u>1,539,270</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2017	<u>\$ 1,680,860</u>	<u>\$ 1,680,860</u>	<u>\$ 1,147,418</u>	<u>\$ (533,442)</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

**EFID SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources:				
Taxes:				
Sales and use	\$ 7,813,963	\$ 7,813,963	\$ 8,119,373	\$ 305,410
Earnings on investments	4,000	4,000	12,167	8,167
Total revenues	<u>7,817,963</u>	<u>7,817,963</u>	<u>8,131,540</u>	<u>313,577</u>
Expenditures:				
Current:				
Instruction:				
Regular education programs	1,330,000	1,330,000	1,370,682	(40,682)
Special education programs	765,850	765,850	814,082	(48,232)
Other education programs	568,500	568,500	549,972	18,528
Support services:				
Pupil support services	205,000	205,000	207,060	(2,060)
Instructional staff services	115,000	115,000	112,317	2,683
General administration services	118,000	118,000	128,379	(10,379)
School administration services	72,500	72,500	71,215	1,285
Business administration services	20,250	20,250	22,032	(1,782)
Plant operation and maintenance	184,000	184,000	180,466	3,534
Transportation	37,500	37,500	25,902	11,598
Food services	176,800	176,800	72,674	104,126
Central services	22,750	22,750	27,858	(5,108)
Total expenditures	<u>3,616,150</u>	<u>3,616,150</u>	<u>3,582,639</u>	<u>33,511</u>
Excess (deficiency) of revenues over expenditures	<u>4,201,813</u>	<u>4,201,813</u>	<u>4,548,901</u>	<u>347,088</u>
Other financing sources (uses):				
Operating transfers out	<u>(4,126,000)</u>	<u>(4,126,000)</u>	<u>(4,897,188)</u>	<u>(771,188)</u>
Total other financing sources (uses)	<u>(4,126,000)</u>	<u>(4,126,000)</u>	<u>(4,897,188)</u>	<u>(771,188)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	<u>75,813</u>	<u>75,813</u>	<u>(348,287)</u>	<u>(424,100)</u>
Fund balances, June 30, 2016	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,499,999</u>	<u>(1)</u>
FUND BALANCES, JUNE 30, 2017	\$ <u>1,575,813</u>	\$ <u>1,575,813</u>	\$ <u>1,151,712</u>	\$ <u>(424,101)</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

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

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>		<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2016	\$ -	\$ 34,106,676	\$ 34,106,676		0.00%	\$ 27,969,060	121.94%
7/1/2014	-	31,822,390	31,822,390		0.00%	28,494,593	111.68%
7/1/2014	-	30,598,452	30,598,452		0.00%	27,861,174	109.82%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Increase (Decrease) to Net OPEB Obligation</u>	<u>Net OPEB Obligation</u>
6/30/2017	\$ 2,791,667	\$ 1,410,102	50.51%	\$ 1,381,565	\$ 9,614,848
6/30/2016	2,570,419	1,430,036	55.63%	1,140,383	8,233,283
6/30/2015	2,487,435	1,324,108	53.23%	1,163,327	7,092,900

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY FOR THE RETIREMENT SYSTEMS
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
Teachers Retirement System of Louisiana						
	2017	0.5922%	\$ 69,501,272	\$ 26,664,308	260.6528%	59.90%
	2016	0.5892%	63,352,310	25,944,754	244.1816%	62.50%
	2015	0.5682%	58,079,211	22,578,785	257.2291%	63.70%
Louisiana School Employees Retirement System						
	2017	0.2372%	\$ 1,789,048	\$ 924,968	193.4173%	70.09%
	2016	0.2337%	1,482,227	661,606	224.0347%	74.49%
	2015	0.2417%	1,400,959	683,611	204.9351%	76.18%
Louisiana State Employees Retirement System						
	2017	0.0000%	\$ -	\$ -	0.0000%	57.70%
	2016	0.0029%	194,523	62,673	310.3777%	62.70%
	2015	0.0028%	173,518	58,895	294.6226%	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.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2017

Pension Plan:	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll ³	Contributions as a % of Covered Employee Payroll
Teachers Retirement System of Louisiana						
	2017	\$ 6,548,405	\$ 6,548,405	-	\$ 25,680,031	25.5000%
	2016	7,012,713	7,012,713	-	26,664,308	26.3000%
	2015	7,264,531	7,264,531	-	25,944,754	28.0000%
Louisiana School Employees Retirement System						
	2017	\$ 260,377	\$ 260,377	-	\$ 953,762	27.3000%
	2016	279,340	279,340	-	924,968	30.2000%
	2015	218,330	218,330	-	661,606	33.0000%
Louisiana State Employees Retirement System						
	2017	\$ -	\$ -	\$ -	-	0.0000%
	2016	-	-	-	-	0.0000%
	2015	23,189	23,189	-	62,673	37.0000%

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

For reference only:

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

² *Actual employer contributions remitted to Retirement Systems*

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

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

Changes in benefit terms:

There were no changes in benefit terms for the three pension plans listed above for the years presented.

Changes in assumptions:

TRSL and LASERS did not have any changes in actuarial assumptions for the years presented.

LSERS had the following changes in actuarial assumptions for each year as follows:

Dicount 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.

WEST BATON ROUGE PARISH SCHOOL BOARD

NON-MAJOR FUND DESCRIPTIONS

TITLE I FUNDS

The Title I fund accounts for the Title I grants. This is a program for economically and educationally deprived children which are federally financed, state-administered, and locally operated by the School Board. The Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

TITLE II FUNDS

This fund accounts for the federal grants which combine the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training, and recruiting high-quality teachers.

SCHOOL LUNCH

This fund includes lunch and breakfast operations and accounts for the financial activities of the food service program in the school system during the regular school term. The basic goals of this program are to serve nutritionally, attractive, and moderately priced meals, to help children grow both socially and emotionally, to extend educational influence to the home of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

SPECIAL EDUCATION FUNDS

Public Law 101-476 is a federally financed program providing free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.

Public Law 89-313 is a federally financed program providing "per child" funding that follows the child as he leaves his facility and enters public schools or day developmental training programs.

HEAD START

The objectives of the Head Start Program are to provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children so that the children will attain overall social competence. Parents also participate in various decision-making processes related to the operation of the program.

STRIVING READERS

The purpose of this program is to improve the school readiness and success for disadvantaged youth, birth through grade 12, by advancing their literacy skills; to establish a comprehensive approach to literacy development based on Louisiana's Comprehensive Literacy Plan; and to address established LDOE priorities related to common core implementation, birth to 5 systems, and teacher effectiveness.

PRE-K STATE

The objective of this program is to provide high quality early childhood educational experiences to four-year old children who are considered to be "at risk" of achieving later academic success.

WEST BATON ROUGE PARISH SCHOOL BOARD

NON-MAJOR FUND DESCRIPTIONS

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) FUNDS

The objective of this program is to provide high quality early childhood educational experiences to four-year old children who are considered to be “at risk” of achieving later academic success.

DEBT SERVICE FUND

This fund accumulates funds for the payment of the 2013 general obligation limited tax revenue bonds.

BOND BUILDING FUND

This fund accounts for projects to be funded by the July 2017 General Obligation Bonds.

TECHNOLOGY FUND

This fund was established by the School Board to improve the use and maintenance of technology throughout the school district.

OTHER FUNDS

Other funds consist primarily of certain smaller programs funded through state grants and federal grants approved by the State Board of Elementary and Secondary Education and which are to be used for local initiatives. Also, included in other funds are funds containing contributions from the general public for specific education programs within the school district.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

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

	Title I	Title II	School Lunch	Special Education
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,697	\$ 435	\$ 321,335	\$ 1,524
Receivables	438,565	62,503	58,125	281,566
Investments in certificates of deposit	-	-	-	-
Inventory	-	-	106,005	-
TOTAL ASSETS	\$ 440,262	\$ 62,938	\$ 485,465	\$ 283,090
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 13,378	\$ -
Salaries and benefits payable	113,200	25,441	177,093	72,453
Due to other funds	327,062	37,497	-	210,637
TOTAL LIABILITIES	440,262	62,938	190,471	283,090
Fund balances:				
Nonspendable	-	-	106,005	-
Spendable:				
Restricted	-	-	188,989	-
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	-	294,994	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 440,262	\$ 62,938	\$ 485,465	\$ 283,090

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

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

	<u>Head Start</u>	<u>Pre-K State</u>	<u>Striving Readers</u>	<u>TANF</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 954	\$ 28,744	\$ 387	\$ 1,198
Receivables	234,664	227,824	98,628	211,151
Investments in certificates of deposit	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 235,618</u>	<u>\$ 256,568</u>	<u>\$ 99,015</u>	<u>\$ 212,349</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	91,321	62,612	28,609	89,679
Due to other funds	144,297	167,206	70,406	122,670
TOTAL LIABILITIES	<u>235,618</u>	<u>229,818</u>	<u>99,015</u>	<u>212,349</u>
Fund balances:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	26,750	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>26,750</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 235,618</u>	<u>\$ 256,568</u>	<u>\$ 99,015</u>	<u>\$ 212,349</u>

(continued)

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

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

	<u>Debt</u> <u>Service</u>	<u>Bond</u> <u>Building</u>	<u>Technology</u>	<u>Other</u> <u>Funds</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 7	\$ -	\$ 54,463	\$ 76,281	\$ 487,025
Receivables			-	91,160	1,704,186
Investments in certificates of deposit	-	-	-	71,216	71,216
Inventory	-	-	-	-	106,005
TOTAL ASSETS	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 54,463</u>	<u>\$ 238,657</u>	<u>\$ 2,368,432</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 598	\$ 13,976
Salaries and benefits payable	-	-	-	15,457	675,865
Due to other funds	-	308,589	-	76,308	1,464,672
TOTAL LIABILITIES	<u>-</u>	<u>308,589</u>	<u>-</u>	<u>92,363</u>	<u>2,154,513</u>
Fund balances:					
Nonspendable	-	-	-	-	106,005
Spendable:					
Restricted	7	-	-	146,294	362,040
Committed	-	-	54,463	-	54,463
Unassigned	-	(308,589)	-	-	(308,589)
TOTAL FUND BALANCES	<u>7</u>	<u>(308,589)</u>	<u>54,463</u>	<u>146,294</u>	<u>213,919</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 54,463</u>	<u>\$ 238,657</u>	<u>\$ 2,368,432</u>

(concluded)

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
FISCAL YEAR ENDED JUNE 30, 2017**

	Title I	Title II	School Lunch	Special Education
<u>REVENUES</u>				
Local sources:				
Earnings on investments	-	-	-	\$ -
Food services - paid meals	-	-	124,144	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid, MFP	-	-	29,077	170,086
Restricted grants-in-aid	-	-	13,605	673
Federal grants	1,256,099	193,779	2,495,040	1,237,843
TOTAL REVENUES	1,256,099	193,779	2,661,866	1,408,602
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular education programs	-	145,899	-	-
Special education programs	-	-	-	710,706
Other education programs	1,046,708	40,473	-	-
Support:				
Pupil support services	-	-	-	318,235
Instructional staff services	122,615	-	-	316,347
General administration services	-	-	-	(43)
School administration services	38,840	-	-	-
Student transportation	-	-	-	23,229
Food services	-	-	2,711,980	-
Facility Acquisition and Construction	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
TOTAL EXPENDITURES	1,208,163	186,372	2,711,980	1,368,474
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	47,936	7,407	(50,114)	40,128
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from issuance of bonds	-	-	-	-
Transfers in	-	-	237,583	-
Transfers out	(47,936)	(7,407)	(237,583)	(40,128)
TOTAL OTHER FINANCING SOURCES (USES)	(47,936)	(7,407)	-	(40,128)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>	-	-	(50,114)	-
Fund balances, June 30, 2016	-	-	345,108	-
FUND BALANCES, JUNE 30, 2017	\$ -	\$ -	\$ 294,994	-

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
FISCAL YEAR ENDED JUNE 30, 2017**

	Head Start	Pre-K State	Striving Readers	TANF
<u>REVENUES</u>				
Local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Food Services - paid meals	-	-	-	-
Other	-	26,750	-	-
State sources:				
Unrestricted grants-in-aid, MFP	-	-	-	-
Restricted grants-in-aid	-	420,730	-	-
Federal grants	905,234	-	321,231	549,850
TOTAL REVENUES	905,234	447,480	321,231	549,850
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular education programs	-	-	100,015	48,077
Special education programs	-	-	-	-
Other education programs	820,739	406,424	200,566	448,376
Support:				
Pupil support services	-	-	-	-
Instructional staff services	83,384	14,306	8,295	32,249
General administration services	-	-	-	-
School administration services	-	-	-	-
Student transportation	1,111	-	-	-
Food services	-	-	-	-
Facility Acquisition and Construction	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
TOTAL EXPENDITURES	905,234	420,730	308,876	528,702
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	26,750	12,355	21,148
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from issuance of long-term debt				
Transfers in	-	-	-	-
Transfers out	-	-	(12,355)	(21,148)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(12,355)	(21,148)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>				
	-	26,750	-	-
Fund balances, June 30, 2016	-	-	-	-
FUND BALANCES, JUNE 30, 2017	\$ -	\$ 26,750	-	\$ -

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
FISCAL YEAR ENDED JUNE 30, 2017**

	Debt Service	Bond Building	Technology	Other Funds	Total
<u>REVENUES</u>					
Local sources:					
Earnings on investments	\$ 9		\$ -	\$ 818	\$ 827
Food Services - paid meals	-	-	-	-	124,144
Other	-	-	-	186,053	212,803
State sources:					
Unrestricted grants-in-aid, MFP	-	-	-	-	199,163
Restricted grants-in-aid	-	-	-	178,018	613,026
Federal grants	-	-	-	55,425	7,014,501
TOTAL REVENUES	9	-	-	420,314	8,164,464
<u>EXPENDITURES</u>					
Current:					
Instruction:					
Regular education programs	-	-	21,300	21,842	337,133
Special education programs	-	-	-	7,212	717,918
Other education programs	-	-	-	326,149	3,289,435
Support:					
Pupil support services	-	-	-	-	318,235
Instructional staff services	-	-	-	6,130	583,326
General administration services	-	-	-	3,750	3,707
School administration services	-	-	-	17,209	56,049
Student transportation	-	-	-	-	24,340
Food services	-	-	-	-	2,711,980
Facility Acquisition and Construction	17,577	308,589	-	-	326,166
Debt service - Principal	325,000	-	-	-	325,000
Debt service - Interest	69,375	-	-	-	69,375
TOTAL EXPENDITURES	411,952	308,589	21,300	382,292	8,762,664
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(411,943)	(308,589)	(21,300)	38,022	(598,200)
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from issuance of long-term debt	-	-	-	-	-
Transfers in	394,375	-	-	-	631,958
Transfers out	-	-	-	(203)	(366,760)
TOTAL OTHER FINANCING SOURCES (USES)	394,375	-	-	(203)	265,198
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(17,568)	(308,589)	(21,300)	37,819	(333,002)
Fund balances, June 30, 2016	17,575	-	75,763	108,475	546,921
FUND BALANCES, JUNE 30, 2017	\$ 7	\$ (308,589)	\$ 54,463	\$ 146,294	\$ 213,919

(concluded)

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

SCHEDULE OF BOARD MEMBERS' COMPENSATION

FOR THE YEAR ENDED JUNE 30, 2017

Teri Bergeron	\$ 9,600
George A. Chustz, Jr.	9,600
Leon Goudeau	9,600
Ronald P. LeBlanc	9,600
Jason Manola	9,600
Michael Maranto	9,600
Rose A. Roche	9,600
Craig Sarradet	9,600
Toby Sarradet	9,600
Dr. Atley D. Walker, Sr.	9,600
	<hr/>
	<u>\$ 96,000</u>

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE SUPERINTENDENT

FOR THE YEAR ENDED JUNE 30, 2017

Superintendent Name: Wesley S. Watts (July 1, 2016 to June 30, 2017)

Salary, including incentive and bonus	\$ 124,000
Benefits-insurance	10,785
Benefits-retirement	33,749
Benefits-other	1,798
Car allowance	8,350
Dues	2,114
Per diem	273
Registration fees	1,040
Conference travel	<u>382</u>
	<u><u>\$ 182,491</u></u>

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

The Members of the West Baton Rouge
Parish School Board
Port Allen, 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 West Baton Rouge 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 29, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2017-001.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

The School Board's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board'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 School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

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

The Members of the West Baton Rouge
Parish School Board
Port Allen, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-002 and 2017-003. Our opinion on each major federal program is not modified with respect to these matters.

The School Board's response to the noncompliance 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.

Report on Internal Control over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Board's 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 a 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-002 and 2017-003 that we consider to be 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.

Postlethwaite & Netterville

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, 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 Year</u>	<u>Grantor Project Number</u>	<u>CFDA Number</u>	<u>Expenditures 2017</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>				
Pass-through program from Louisiana Department of Agriculture and Forestry:				
Food Distribution - Commodities	16-17	N/A	10.555	\$ 199,945
Pass-through program from Louisiana Department of Education:				
School Lunch Program	16-17	05-SFS-084	10.555	1,480,050
School Breakfast Program	16-17	05-SFS-084	10.553	518,232
Summer Feeding	16-17	05-SFS-084	10.559	88,508
Child Nutrition Cluster Total				<u>\$ 2,286,735</u>
Dinner Feeding	16-17	05-SFS-084	10.558	208,305
Total United States Department of Agriculture				<u>2,495,040</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>				
Passed through Louisiana Department of Education:				
Title I Grants to Local Educational Agencies-Part A Basic	16-17	28-17-T1-61-396	84.010A	1,216,096
Title I SI Professional Development	16-17	28-16-TA-61	84.010A	40,003
Title I Total				<u>1,256,099</u>
Special Education Regular Project-PartB	16-17	28-17-B1-61-396	84.027A	989,477
High Cost Services	16-17	28-17-RH-61-396	84.027A	149,415
Special Education Preschool	16-17	28-17-P1-61-396	84.173A	13,021
Early Childhood Community Network Pilots - IDEA	16-17	28-17-CY-61-396	84.173A	536
IDEA - Opportunity Grant	16-17	28-15-OG-61-396	84.027A	45,145
Special Education Cluster (IDEA) Total				<u>1,197,594</u>
State Personnel Development Grant	16-17	28-12-P6-61-396	84.323A	40,785
Carl Perkins Grant	16-17	28-17-02-61-396	84.048A	45,878
Title II Regular Project	16-17	28-17-50-61-396	84.367A	193,779
Title III - Immigrant	16-17	28-17-S3-61	84.365A	1,916
Striving Readers Comprehensive Literacy Program	16-17	28-16-(U1-U4)-61-396	84.371C	321,231
Project SERV	16-17	28-17-PV-61-396	84.184S	3,500
Homeless - Louisiana Flood Victim Fund	16-17	28-17-HI-61	84.196A	3,337
Advanced Placement Low Income Test Fee Program	16-17	28-17-26-61-396	84.330B	12,137
Total United States Department of Education				<u>3,076,256</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-through program from Louisiana Department of Education:				
Jobs For America's Graduates	16-17	28-17-JS-61-396	93.558	50,000
The Cecil J. Picard LA 4 Early Childhood Program TANF	16-17	28-17-36-61-396	93.558	499,850
Temporary Assistance for Needy Families Cluster Total				<u>549,850</u>
Early Childhood Community Network Pilots - Block Grant Lead Agencies	16-17	28-16-CO-61-396	93.575	3,758
CCDF (Child Care and Development Fund) Cluster Total				<u>3,758</u>
Direct grant:				
Administration for Children, Youth, and Families - Head Start	16-17	06CH7180/03	93.600	497,460
Administration for Children, Youth, and Families - Head Start	16-17	06CH7180/04	93.600	407,774
Head Start Total				<u>905,234</u>
Total United States Department of Health and Human Services				<u>1,458,842</u>
 Total Expenditures of Federal Awards				 <u>\$ 7,030,138</u>

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

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
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 deficiencies identified that are not considered to be material weaknesses? _____ x yes _____ none reported

Noncompliance material to financial statements noted? _____ x yes _____ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies 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>
84.027, 84.173	Special Education Cluster (IDEA)
93.600	Head Start

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.
- The West Baton Rouge Parish School Board did qualify as a low-risk auditee.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

B. Findings – Financial Statement Audit

2016-001

School Activity Accounts

Criteria: LSA RS 17:414.3 establishes the accounting rules and fiscal procedures for school activity accounts as well as the responsibility and authority for centralized oversight. One bank account is to be used for deposit and disbursement of all groups funding and an accounting of each group's receipts, disbursements and balances to be made. Each group's expenditures are to be made only with available funds of that group or activity. The Superintendent of the School Board or his designee is to review all accounts annually.

Condition: School activity accounts are reconciled at the school and the reconciliations are reviewed at the Central Office. However, the Central Office does not perform any internal audit function on the school activity accounts to determine if the schools are adhering to School Board policies.

Cause: The School Board has not provided adequate oversight over the School activity accounts.

Effect: The School Board is not providing the proper oversight of the school activity accounts. The lack of adequate oversight provides the opportunity for the misappropriation of cash and the funds designated for a particular club to be expended by another group.

Recommendation: With regard to its oversight of the accounts, the School Board should enhance its oversight of these accounts through on-site audits, including transactional testing and detailed review of club\group account balances.

View of Responsible Official:

The School Board plans to hire an outside CPA firm to provide on-site audits of the school activity accounts during the 2016-2017 school year.

Current status:

The School Board has implemented a process of completing the on-site audits of the school activity accounts over a two year period. Thus, the finding is considered resolved.

2016-002

Public Bid Law

Criteria: According to LA R.S. 38:2212.(A), the School Board is required to advertise for bid and let contract with the lowest responsible and responsive bidder for all contracts for public works exceeding the current contract threshold of \$152,400.

Condition: The School Board did not advertise for bid the public works project of \$159,241 for the Pupil Appraisal Services Annex Building.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

B. Findings – Financial Statement Audit (continued)

2016-002

Public Bid Law (continued)

Cause: The School Board initially determined that contracting the work internally that the project costs would be below the bid law threshold.

Effect: The School Board is out of compliance with the statute referenced above. As a result, the School Board may not have received the lowest price for the public works project.

Recommendation: All public works projects in in excess of the stipulated limit should be bid in accordance with the above statute.

View of Responsible Official:

The School Board will strengthen its policies and procedures to ensure compliance with the public bid law.

Current status:

There were no issues noted related to Public Bid Law during the current year audit. Therefore, this matter is considered resolved.

C. Findings and Questioned Costs – Major Federal Award Programs

2016-003

Equipment and Real Property Management

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-084

Criteria: Property and equipment purchased with federal awards in an amount equal to or exceeding the School Board's capitalization policy of \$5,000 must be identified with the federal award identification number (FAIN) within the accounting records.

Condition: The School Board did not identify an equipment purchase of \$15,800 with program funding by the FAIN within its property control (accounting) records.

Cause: The School Board depreciation software has not been updated by the provider to track the FAIN within the new accounting software.

Effect: The School Board is not in compliance with the requirement to identify property and equipment purchased with federal awards with the FAIN in the accounting records.

Questioned Costs: None

Universe/

Population Size: The School Board purchased four equipment items totaling \$29,509 with child nutrition federal funding during the current year.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

C. Findings and Questioned Costs – Major Federal Award Programs (continued)

2016-003 Equipment and Real Property Management (continued)

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-084 (continued)

Sample Size: There was a sample size of one selected for testing from a population size of four.

Recommendation: The process for recording property and equipment should be enhanced by ensuring that all assets purchased with federal awards are identified with the FAIN.

View of Responsible Official:
For purchases of equipment with federal awards, our schedules for recording of assets and property will be enhanced to reflect the federal he Chief Financial Officer and his staff will work with the software company to ensure the software is updated so the School Board can add the federal award identification number (FAIN).

Current status: *The School Board has implemented the above corrective action. Therefore, this matter is considered resolved.*

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

To the Members of the
West Baton Rouge Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of West Baton Rouge Parish School Board (School Board) and the Louisiana Legislative Auditor (the specified parties) on the performance and statistical data accompanying the annual financial statements of the School Board for the fiscal year ended June 30, 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 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.

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

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

Procedure #1:

We selected a random sample of 25 transactions and review supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among each of the following amounts reported on the schedule:

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

Results of Procedure # 1:

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

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.

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.

Results of Procedure # 3

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2.

Procedure # 4

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

Results of Procedure # 4:

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

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 School Food Services application.

Results of Procedure # 5:

We noted no discrepancies between the total number of schools as listed in the School Food Services application and the list supporting the schools represented in the schedule.

Experience of Public Principals, Assistant 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 1st as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file to determine if the individual's experience was properly classified on the schedule.

Results of Procedure # 6:

In our sample of 25 employees, we noted no discrepancies existed between the aforementioned listing and the schedule. No discrepancies between experience levels per the listing and the individual personnel files were noted.

Public School Staff Data (Schedule 5)

Procedure # 7

The procedure is to obtain a list of all classroom teachers including their base salary, extra compensation, as well as full-time equivalency as reported on the schedule and trace a random sample of 25 teachers to the individuals' personnel file to determine if the individuals' salary, extra compensation, and full-time equivalency were properly included on the schedule.

Results of Procedure # 7:

We were unable to obtain a complete listing of all classroom teachers that agreed to the schedule provided by the Louisiana Department of Education. Therefore, we were unable to perform this procedure.

Procedure # 8

The procedure is to recalculate the average salaries and full-time equivalents reported in the schedule.

Results of Procedure # 8:

We were unable to perform the procedure due to an incomplete listing being provided.



Class Size Characteristics (Schedule 6)

Procedure # 9

We obtained a "class size data report" which was obtained from the same data source for which schedule 6 was prepared. From this "class size data report", we selected a random sample of 10 classes and traced those classes to the October 1st roll books and determined if the class was properly classified on the schedule.

Results of Procedure # 9

In our sample of 10 classes, we noted no classes with discrepancies.

Louisiana Educational Assessment Program (LEAP) (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 West Baton Rouge Parish School Board.

Results of Procedure # 10:

No differences were noted.

The Graduation Exit Exam (Schedule 8)

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

The iLEAP Tests (Schedule 9)

Procedure # 11

We will obtain test scores as provided by the testing authority and reconcile scores as reported by the testing authority to scores reported in the schedule by West Baton Rouge Parish School System.

Results of Procedure #11

No differences were noted.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statute 24:514 I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana

December 29, 2017

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

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

As of and for the Year Ended 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 Teachers 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

This schedule includes average classroom teachers 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 (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

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

Schedule 8 - The Graduation Exit Exam

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

Schedule 9 - The i-LEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score 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.

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA
PERFORMANCE AND STATISTICAL DATA

WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	15,641,761	
Other Instructional Staff Activities		2,338,271	
Instructional Staff Employee Benefits		8,214,235	
Purchased Professional and Technical Services		366,516	
Instructional Materials and Supplies		709,278	
Instructional Equipment		9,819	
Total Teacher and Student Interaction Activities			\$ 27,279,880

Other Instructional Activities \$ 242,687

Pupil Support Activities	\$	2,550,888	
Less: Equipment for Pupil Support Activities		-	
Net Pupil Support Activities			\$ 2,550,888

Instructional Staff Services	\$	2,247,248	
Less: Equipment for Instructional Staff Services		-	
Net Instructional Staff Services			\$ 2,247,248

School Administration	\$	2,819,637	
Less: Equipment for Instructional Staff Services		(4,728)	
Net School Administration			\$ 2,814,909

Total General Fund Instructional Expenditures \$ 35,135,612

Total General Fund Equipment Expenditures \$ 16,306

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$	1,716,609	
Renewable Ad Valorem Tax		10,557,731	
Debt Service Ad Valorem Tax		-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		340,828	
Sales and Use Taxes		16,385,974	
Total Local Taxation Revenue			\$ 29,001,142

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$	50,589	
Earnings from Other Real Property		-	
Total Local Earnings on Investment in Real Property			\$ 50,589

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	52,116	
Revenue Sharing - Other Taxes		72,773	
Revenue Sharing - Excess Portion		-	
Other Revenue in Lieu of Taxes		-	
Total State Revenue in Lieu of Taxes			\$ 124,889

Nonpublic Textbook Revenue \$ 9,388

Nonpublic Transportation Revenue -

Total State Revenue for Non-public Education \$ 9,388

WEST BATON ROUGE PARISH SCHOOL BOARD
 PORT ALLEN, 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%	2	8.0%	-	0.0%	-	0.0%
Bachelor's Degree	241	76.3%	17	68.0%	-	0.0%	-	0.0%
Master's Degree	62	19.6%	6	24.0%	17	85.0%	-	0.0%
Master's Degree + 30	8	2.5%	-	0.0%	3	15.0%	-	0.0%
Specialist in Education	2	0.6%	-	0.0%	-	0.0%	-	0.0%
Ph. D. or Ed. D.	3	0.9%	-	0.0%	-	0.0%	-	0.0%
Total	316	100%	25	100%	20	100%	-	0%

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

Schedule 3

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

Type	Number
Elementary	5
Middle/Jr. High	3
Secondary	2
Combination	0
Total	10

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

Schedule 4

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	3	1	3	2	10
Principals	0	0	0	2	1	1	6	10
Classroom Teachers	29	43	87	62	61	21	38	341
Total	29	43	88	67	63	25	46	361

**WEST BATON ROUGE PARISH SCHOOL BOARD
PORT ALLEN, LOUISIANA**

**Schedule 5
Public School Staff Data
For the Year Ended June 30, 2017**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 48,795	\$ 48,795
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 47,823	\$ 47,823
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	385	385

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

Class Size Characteristics
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number		Number	Percent	Number	Percent	Number
Elementary	67%	300	33%	148	0%	2	0%	-
Elementary Activity Classes	58%	36	42%	26	0%	-	0%	-
Middle/Jr. High	61%	225	28%	101	11%	41	0%	-
Middle/Jr. High Activity Classes	100%	101	0%	-	0%	-	0%	-
High	68%	290	27%	114	5%	25	0%	-
High Activity Classes	94%	132	4%	5	1%	2	1%	1
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

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

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

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	4%	2%	1%	3%	6%	5%
Mastery	42%	38%	37%	30%	41%	28%
Basic	29%	34%	30%	37%	34%	34%
Approaching Basic	17%	16%	21%	21%	12%	24%
Unsatisfactory	8%	10%	11%	9%	7%	9%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	5%	4%	1%	2%	3%	1%
Mastery	40%	36%	35%	26%	31%	31%
Basic	35%	36%	40%	33%	35%	33%
Approaching Basic	16%	21%	19%	30%	26%	28%
Unsatisfactory	4%	3%	5%	9%	5%	7%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	1%	3%	1%	3%	4%	1%
Mastery	38%	36%	26%	20%	25%	19%
Basic	39%	33%	32%	30%	31%	30%
Approaching Basic	16%	22%	33%	35%	27%	36%
Unsatisfactory	6%	6%	8%	12%	13%	14%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	3%	6%	3%	2%	1%	1%
Mastery	30%	30%	36%	20%	21%	18%
Basic	32%	42%	36%	30%	40%	33%
Approaching Basic	28%	20%	20%	40%	27%	39%
Unsatisfactory	7%	2%	5%	8%	11%	9%
Total	100%	100%	100%	100%	100%	100%

WEST BATON ROUGE PARISH SCHOOL BOARD
 PORT ALLEN, LOUISIANA

Schedule 7
 2 of 2

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

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 7						
Advanced	9%	14%	3%	1%	2%	1%
Mastery	36%	31%	33%	27%	25%	11%
Basic	30%	32%	39%	41%	37%	48%
Approaching Basic	19%	15%	16%	23%	30%	30%
Unsatisfactory	6%	8%	9%	8%	6%	10%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 8						
Advanced	7%	6%	3%	3%	1%	1%
Mastery	40%	48%	33%	29%	27%	27%
Basic	31%	31%	37%	27%	26%	26%
Approaching Basic	13%	14%	18%	28%	34%	31%
Unsatisfactory	9%	1%	9%	13%	12%	15%
Total	100%	100%	100%	100%	100%	100%

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2017

**Schedule 8 is The Graduation Exit Examination and is no longer administered. This schedule
is no longer applicable.**

iLEAP Tests
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	4%	3%	4%	1%	N/A	1%
Mastery	22%	18%	21%	14%	N/A	17%
Basic	45%	51%	46%	34%	N/A	55%
Approaching Basic	21%	21%	25%	34%	N/A	18%
Unsatisfactory	8%	7%	4%	17%	N/A	9%
Total	100%	100%	100%	100%	0%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	2%	2%	2%	3%	N/A	1%
Mastery	14%	11%	11%	17%	N/A	13%
Basic	56%	57%	54%	33%	N/A	58%
Approaching Basic	25%	27%	27%	32%	N/A	18%
Unsatisfactory	3%	3%	6%	15%	N/A	10%
Total	100%	100%	100%	100%	0%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	2%	1%	1%	1%	N/A	2%
Mastery	16%	7%	9%	18%	N/A	9%
Basic	46%	45%	41%	27%	N/A	47%
Approaching Basic	26%	30%	31%	32%	N/A	26%
Unsatisfactory	10%	17%	18%	22%	N/A	16%
Total	100%	100%	100%	100%	0%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	2%	3%	3%	4%	N/A	12%
Mastery	17%	12%	18%	17%	N/A	13%
Basic	46%	49%	46%	25%	N/A	46%
Approaching Basic	28%	27%	27%	37%	N/A	21%
Unsatisfactory	7%	9%	6%	17%	N/A	8%
Total	100%	100%	100%	100%	0%	100%

WEST BATON ROUGE PARISH SCHOOL BOARD
 PORT ALLEN, LOUISIANA

Schedule 9
 2 of 2

iLEAP Tests
 For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 7						
Advanced	5%	6%	1%	13%	N/A	3%
Mastery	28%	23%	21%	20%	N/A	18%
Basic	37%	40%	47%	23%	N/A	55%
Approaching Basic	20%	20%	19%	21%	N/A	15%
Unsatisfactory	10%	11%	12%	23%	N/A	9%
Total	100%	100%	100%	100%	0%	100%

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
Grade 8						
Advanced	2%	2%	2%	15%	N/A	1%
Mastery	20%	17%	21%	30%	N/A	14%
Basic	46%	49%	43%	24%	N/A	52%
Approaching Basic	22%	23%	23%	19%	N/A	22%
Unsatisfactory	10%	9%	11%	12%	N/A	11%
Total	100%	100%	100%	100%	0%	100%

N/A- In 2016-2017 a Social Studies filed test was administered in place of the operational Social Studies test.



West Baton Rouge Parish Schools

CORRECTIVE ACTION PLAN December 29, 2017

West Baton Rouge Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2017.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

Audit Period: July 1, 2016 to June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2017-001

Violation of State Budget Law

Condition:

The Property Tax Fund's actual expenditures exceeded budgeted expenditures by 9%.

Recommendation:

The School Board should amend the budget in accordance with the statute.

Planned Corrective Action:

Management will continuously monitor the actual revenue and expenditures of funds throughout the year to comply with the State Budget Law.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Jared Gibbs, Supervisor of Business Services

2017-002

Internal Controls over Maintenance of Effort

Condition: The School Board does not have written evidence to support the review of prepared and submitted Maintenance of Effort verification report.

Recommendation: The School Board should develop and implement policies and procedures that provide for the review and approval of the Maintenance of Effort report before submission.

Planned Corrective Action: We concur with the recommendation above and will develop policies and procedures that provide for the review of the Maintenance of Effort report.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Jared Gibbs, Supervisor of Business Services

2017-003

Documentation of Suspension and Debarment

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

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

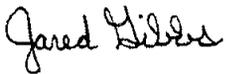
Planned Corrective Action: We concur with the recommendation above and will develop policies and procedures that provide for the documentation of the federal requirement.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Jared Gibbs, Supervisor of Business Services

If there are questions regarding this plan, please call Jared Gibbs at (225) 343-8309.

Sincerely,



Jared Gibbs,
Supervisor of Business Services

WEST BATON ROUGE PARISH SCHOOL BOARD

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
West Baton Rouge Parish School Board and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A, which were agreed to by West Baton Rouge Parish School Board (the 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 School Board's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached Schedule A 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, Louisiana
December 29, 2017

**WEST BATON ROUGE PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
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.

The policy does not specifically address criteria (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

No exceptions noted.

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

The frequency of deposits is not specifically stated in the policy..

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

No exceptions noted.

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

The School Board does not have written policies for contracts other than those related to public bid law.

- 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.

No exceptions noted.

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

No exceptions noted.

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

The policy does not specifically address criteria (2) actions to be taken if an ethics violation takes place, criteria (3) a system to monitor possible ethic violations, actions to be taken if violations occur, or criteria (4) requirement of all employees to annual attest via signature that they have read the ethics policy..

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

The policy does not specifically address criteria (2) EMMA reporting requirements, criteria (3) debt reserve requirements, and criteria (4) 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.

Budget to actual comparisons for all major funds were not included in monthly board meetings from July 2016 to June 2017.

- 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.

**WEST BATON ROUGE PARISH SCHOOL BOARD
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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 36 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:

From the listing provided, P&N selected 12 accounts and obtained the bank reconciliations for each of the twelve months ending June 30, 2017, resulting in 144 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations have been prepared;

The bank reconciliations for 36 of the 144 in the sample were not provided.

- 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

Of the 144 bank reconciliations sampled, 36 did not have a reviewers initials or any other documentation evidencing the review.

- 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.

Of the 144 bank accounts selected, 84 bank reconciliations had reconciling items that have been outstanding for more than 6 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

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 19 cash collection locations. No exceptions were noted as a result of performing this procedure.

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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:**

We selected 7 locations and performed the procedures noted below.

- 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 three locations selected for our procedures, the person collecting the cash also has the ability to deposit the cash, the person collecting the cash can also be the same person recording the related transaction, the person collecting the cash can also be the same person reconciling the bank account and the collecting the cash may use the same 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 exceptions noted.

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

Using the collection data, we determined the highest collection week during the year ending June 30, 2017 for each respective collection location and performed the procedures noted below.

- 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.

There were 3 locations with 7 instances where the cash was deposited and recorded in excess of one day after the cash collection.

- 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 exceptions noted

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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.

No exceptions noted.

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.

The listing of beginning and ending check ranges for all bank accounts was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

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:

25 disbursements were selected and the procedures below were performed.

- 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.

Of the 25 disbursements selected, there were four requisitions that were initiated and approved by the same person who approved the requisition.

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

Of the 25 disbursements selected, there were four purchase orders that were approved by the person who initiated the purchase.

- 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.

No exceptions noted.

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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.

No exceptions noted.

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.

One of the persons responsible for authorization for disbursements also has the authority for initiating and recording purchases.

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

No exceptions noted.

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 cards was provided and included a total of 1 credit card, no exception 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.

The School Board's 1 credit card was selected and the below procedures were performed.

- 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.

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For the population of 1 credit card, there is no evidence of review and approval of someone than the authorized card holder.

- 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 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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

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

There were 4 of 104 transactions that were not supported by documentation.

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

57 of 104 transactions did not have documentation of the business/public purpose.

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

No exceptions noted.

- 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.

No exception noted.

- 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.

For the 1 card tested for the largest month of activity, there were 104 transactions which took place during the month and were tested. 57 of those did have documentation related to the expense to allow knowledge on the nature of the purchase and its business/public purposes for comparison to the requirements of Article 7, Section 14 of the Louisiana Constitution.

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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.

A listing of general ledger activity for all travel and related expense reimbursements, by person, during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

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) 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.

- 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.

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- 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.

A listing of general ledger activity for all in effect during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

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)

No exceptions noted.

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

The School Board did not obtain supporting quotes for 3 of the 5 contracts as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

- 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.

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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).

No exceptions noted.

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:

5 employees were selected and subjected to the procedures below.

- 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.

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

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- 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.

No exceptions noted.

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.

None noted.

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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.

Not debt issued during the fiscal period.

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

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.

The School Board collected ad valorem taxes more than 10% in excess of debt payments.

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 such instances occurred.

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) 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.

Corrective Action

34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See attached Corrective Action Plan.



West Baton Rouge Parish Schools

CORRECTIVE ACTION PLAN STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES

December 29, 2017

West Baton Rouge Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2017 correct actions implemented.

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

Period: July 1, 2016 to June 30, 2017

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.

The policy does not specifically address criteria (4) controls to ensure compliance with the public bid law; and criteria (5) documentation required to be maintained for all bids and price quotes.

Planned Corrective Action: The School Boards Policies will be modified to incorporate controls to ensure compliance with bid law and documentation required to be maintained for all bids.

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

No exceptions noted.

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

The frequency of deposits is not specifically stated in the policy..

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

No exceptions noted.

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

The School Board does not have written policies for contracts other than those related to public bid law.

Planned Corrective Action: The School Boards Policies will develop policies for contracting.

- 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.

No exceptions noted.

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

No exceptions noted.

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

The policy does not specifically address criteria (2) actions to be taken if an ethics violation takes place, criteria (3) a system to monitor possible ethic violations, actions to be taken if violations occur, or criteria (4) requirement of all employees to annual attest via signature that they have read the ethics policy.

Planned Corrective Action: The School Boards will develop policies for Ethics to be compliant with Louisiana Law.

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

The policy does not specifically address criteria (2) EMMA reporting requirements, criteria (3) debt reserve requirements, and criteria (4) debt service requirements.

Planned Corrective Action: The School Boards Policies will be modified to address EMMA reporting requirements, debt reserve requirements, and 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.

Budget to actual comparisons for all major funds were not included in monthly board meetings from July 2016 to June 2017.

Planned Corrective Action: The School Boards Policies will be modified to include a monthly budget to actual report to be included in each Board members packet

- 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 36 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:

From the listing provided, P&N selected 12 accounts and obtained the bank reconciliations for each of the twelve months ending June 30, 2017, resulting in 144 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations have been prepared;

The bank reconciliations for 36 of the 144 in the sample were not provided.

Planned Corrective Action: The School Boards Policies will be modified to ensure that bank reconciliations are performed for all bank accounts.

- 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

Of the 144 bank reconciliations sampled, 36 did not have a reviewers initials or any other documentation evidencing the review.

Planned Corrective Action: The School Boards Policies will be modified to ensure that bank reconciliations are evidenced as reviewed by signing and dating the document.

- 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.

Of the 144 bank accounts selected, 84 bank reconciliations had reconciling items that have been outstanding for more than 6 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

Planned Corrective Action: The School Board will review with all applicable employees the need to research and document such research for any outstanding items more than 6 months old.

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 19 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:**

We selected 7 locations and performed the procedures noted below.

- 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 three locations selected for our procedures, the person collecting the cash also has the ability to deposit the cash, the person collecting the cash can also be the same person recording the related transaction, the person collecting the cash can also be the same person reconciling the bank account and the collecting the cash may use the same register or drawer with another employee.

Planned Corrective Action: The School Board will reiterate to employees that cash should not be collected by the same person who is responsible for recording the transaction, depositing the cash and reconciling the account. Exceptions may be made for school closures where only one or two staff may be present at the time of collection.

- 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 exceptions noted.

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

Using the collection data, we determined the highest collection week during the year ending June 30, 2017 for each respective collection location and performed the procedures noted below.

- 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.

There were 3 locations with 7 instances where the cash was deposited and recorded in excess of one day after the cash collection.

Planned Corrective Action: The School Board will remind all employees that cash must be deposited daily.

- 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 exceptions noted

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.

No exceptions noted.

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.

The listing of beginning and ending check ranges for all bank accounts was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

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:

25 disbursements were selected and the procedures below were performed.

- 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.

Of the 25 disbursements selected, there were four requisitions that were initiated and approved by the same person who approved the requisition.

Planned Corrective Action: As requisitions are not final approval to purchase, the School Board will continue to allow requisitions to be approved by the same person who initiates the requisition. Final purchasing approval will continue to be the Purchase order approval.

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

Of the 25 disbursements selected, there were four purchase orders that were approved by the person who initiated the purchase.

Planned Corrective Action: The School Board will not have persons initiate and approve purchase orders.

- 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.

No exceptions noted.

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.

No exceptions noted.

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.

One of the persons responsible for authorization for disbursements also has the authority for initiating and recording purchases.

Planned Corrective Action: The School Board has one user who is responsible for printing checks who also has authority for initiating and recording purchases in case of emergencies or absence of Accounts Payable personnel. This will remain in place and only used in rare cases.

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.

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 cards was provided and included a total of 1 credit card, no exception 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.

The School Board's 1 credit card was selected and the below procedures were performed.

- 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.

For the population of 1 credit card, there is no evidence of review and approval of someone other than the authorized card holder.

Planned Corrective Action: The School Board will ensure that charge purchases are signed for approval by someone other than the card holder.

- 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 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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

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

There were 4 of 104 transactions that were not supported by documentation.

Planned Corrective Action: The School Board will communicate the requirement of documentation to be provided for evidence of the transaction.

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

57 of 104 transactions did not have documentation of the business/public purpose.

Planned Corrective Action: The School Board will communicate the requirement of documentation of business/public purpose on all transactions.

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

No exceptions noted.

- 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.

No exception noted.

- 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.

For the 1 card tested for the largest month of activity, there were 104 transactions which took place during the month and were tested. 57 of those did have documentation related to the expense to allow knowledge on the nature of the purchase and its business/public purposes for comparison to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Planned Corrective Action: The School Board will communicate the requirement of documentation of business/public purpose on all transactions.

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.

A listing of general ledger activity for all travel and related expense reimbursements, by person, during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

- 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) 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.

- 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.

A listing of general ledger activity for all in effect during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

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)

No exceptions noted.

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

The School Board did not obtain supporting quotes for 3 of the 5 contracts as a best practice.

Planned Corrective Action: The School Board will modify its policies to obtain quotes for contracts as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

- 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).

No exceptions noted.

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:

5 employees were selected and subjected to the procedures below.

- 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.

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

- 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.

No exceptions noted.

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.

None 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.

Not debt issued during the fiscal period.

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

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.

The School Board collected ad valorem taxes more than 10% in excess of debt payments.

Planned Corrective Action: *The School Board will investigate this matter and levy and collect on taxable property sufficient to pay principal and interest and redemption premiums, on such bonds as they mature.*

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 such instances occurred.

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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

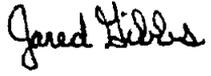
No exceptions noted.

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.

If there are questions regarding this plan, please call Jared Gibbs at (225) 343-8309.

Sincerely,

A handwritten signature in cursive script that reads "Jared Gibbs".

Jared Gibbs,
Supervisor of Business Services

WEST BATON ROUGE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

WEST BATON ROUGE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2017

December 29, 2017

Members of the Board and Management
West Baton Rouge Parish School Board
New Roads, Louisiana

In planning and performing our audit of the financial statements of the West Baton Rouge Parish School Board (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 29, 2017, on the financial statements of the School Board.

2017-1 **Enhancement of Policies and Procedures**

Condition: During the performance of our statewide agreed-upon procedures engagement, we reviewed several control and compliance areas including those pertaining to maintenance of written policies and procedures. Certain of these areas were identified as having opportunities for improvement.

Recommendation: While the School Board maintains written policies and procedures over most transactions and significant areas, it was noted that these written policies and procedures could be strengthened to reflect certain best practices as recommended by the legislative auditor, particularly those regarding purchasing, contracting, ethics, and debt service.

Management's Response: *The School Board's policies will be modified to address the recommendation above.*

2017-2 **Documentation of Process Reviews**

Condition: School Board Management has communicated to us that there are controls in place for the review of certain federal program reports and journal entries. We corroborated that the controls were in place during our audit procedures. However, we noted that these reviews are not evidenced by the signing or initialing the documents or utilizing any form of documentation of review.

Recommendation: We recommend that the review of federal program reports and journal entries be evidenced on the documents themselves or the use of an end of month/quarter checklist indicating the date of the review and the person that performed the review.

*Management's
Response:*

We concur with the recommendation above.

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 Board staff for their cooperation with us during the performance of the audit.

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

Postlethwaite & Netterville

STATUS OF PRIOR YEAR REPORT TO MANAGEMENT

Documentation of Process Reviews

Condition:

Management of the School Board communicated to us that there are control processes for the review of payroll registers and review of grant reimbursement requests. We corroborated the controls during our audit procedures. However, we noted that these reviews were not evidenced by the signing or initialing the documents or utilizing any other form of documentation of the review.

Recommendation:

We recommend that the review of payroll registers and grant reimbursement requests be evidenced either on the documents themselves or the use of a check list indicating the date of the review and the person that performed the review.

Management's Response:

Management will implement the recommendation as indicated above.

Current status:

This matter was noted during the current year audit. Therefore, the matter is included in the current year management letter as 2017-2.