
EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA
ANNUAL FINANCIAL AND COMPLIANCE REPORTS
YEAR ENDED JUNE 30, 2019



Postlethwaite & Netterville

A Professional Accounting Corporation

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EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA
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YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board (the School Board), as of and for the year ended June 30, 2019, 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 East Feliciana Parish School Board, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major funds descriptions, the budgetary comparison schedules, the schedule of changes in total other post-employment benefits liability and related ratios, the schedule of proportionate share of the net pension liability for cost sharing defined benefit plans, the schedule of employer contributions to the retirement system of cost sharing defined benefit plans, and the notes to required supplementary information, as listed in the table of contents, 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 inquires 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 East Feliciana Parish School Board's basic financial statements. The accompanying supplemental information consisting of the schedule of compensation, benefits, and other payments to agency head, the non-major governmental fund descriptions, the combining non-major governmental fund financial statements, the fiduciary fund type descriptions, the combining balance sheet – agency funds, and the schedule of compensation paid to board members, as listed in the table of contents, 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 related notes is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head, the non-major governmental fund descriptions, the combining non-major governmental fund financial statements, the fiduciary fund type descriptions, the combining balance sheet – agency funds, the schedule of compensation paid to board members, and the schedule of expenditures of federal awards and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of compensation, benefits, and other payments to agency head, the non-major governmental fund descriptions, the combining non-major governmental fund financial statements, the fiduciary fund type descriptions, the combining balance sheet – agency funds, the schedule of compensation paid to board members, and the schedule of expenditures of federal awards and related notes are fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, on our consideration of the East Feliciana Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the East Feliciana Parish School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Feliciana Parish School Board's internal controls over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 27, 2019

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

The Management's Discussion and Analysis of the East Feliciana Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

FINANCIAL HIGHLIGHTS

- ★ The East Feliciana Parish School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2019 by approximately \$25,800,000 thus indicating a deficit in net position.
- ★ Revenues exceeded expenses by approximately \$393,000 for the year, indicating an overall increase in the financial position of the School Board.
- ★ The General Fund's fund balance decreased from the prior year by approximately \$92,000. The decrease was a result of expenditures remaining consistent year over year while revenues, including ad valorem and sales and use taxes, saw increases as a result of increased economic activity and growth within the parish. The General Fund's fund balance was approximately \$1,160,000 at June 30, 2019, approximately 6% of annual General Fund expenditures. The increase in fund balance is also related to a prior period restatement of approximately \$342,000 associated with the overpayment of retirement contributions to one of the retirement systems (see note 17 in the financial statements).
- ★ The Operations and Maintenance Fund, which accounts for the proceeds of a 1% sales tax, has a fund balance of approximately \$921,000 which can be used for a variety of operating purposes. The School Board has used this fund to provide salary supplements and capital outlay for the past several years.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

These financial statements consist of four sections: (1) management's discussion and analysis (this section), (2) the basic financial statements (including the notes to the financial statements), (3) required supplementary information, and (4) an optional section that presents combining statements for non-major governmental funds.

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

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

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

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

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

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

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

Fund financial statements (continued)

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Condensed Statements of Net Position

	June 30, 2019	June 30, 2018 Restated
Current assets	\$ 3,637,942	\$ 3,876,567
Capital assets, net	10,699,206	11,209,857
Total assets	14,337,148	15,086,424
Deferred outflows of resources	9,207,036	3,670,067
Total assets and deferred outflows of resources	\$ 23,544,184	\$ 18,756,491
Accounts, salaries and other payables	\$ 1,310,544	\$ 1,161,725
Bonds payable	4,242,074	4,607,034
Lease payable	57,487	75,246
Total other post-employment benefit liability	17,977,517	15,033,711
Compensated absences	407,906	288,947
Net pension liability	21,275,503	19,869,262
Total liabilities	45,271,031	41,035,925
Deferred inflows of resources	4,087,661	3,927,639
Net Position:		
Net investment in capital assets	6,457,132	6,602,823
Restricted	2,476,917	2,251,652
Unrestricted	(34,748,557)	(35,061,548)
Total net position	(25,814,508)	(26,207,073)
Total liabilities, deferred inflows of resources, and net position	\$ 23,544,184	\$ 18,756,491

- Cash and cash equivalents decreased by approximately \$102,000 over the prior year. These assets, consisting of cash in local financial institutions comprise approximately 16% of total assets.
- Capital assets, which are reported net of accumulated depreciation, account for approximately 75% of the total assets of the School Board for the most recent year ended.
- During the current fiscal year, the School Board identified an overpayment of approximately \$342,000 to the Teachers Retirement System of Louisiana (TRSL). The overpayment occurred prior to July 1, 2017, and TRSL has confirmed the overpayment. The effect of the overpayment was a reduction to the current payable owed to TRSL and a restatement to the beginning net position on the statement of net position.

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

FINANCIAL ANALYSIS OF THE ENTITY (continued)

- As a result of the differences between expected and actual experience in the actuarial calculation of the total other post-employment benefit liability, the total other post-employment liability and related deferred outflows increased significantly over the prior fiscal year by approximately \$2,944,000 and \$2,601,000, respectively.

	2019	2018
Program revenues		
Charges for services	\$ 876,032	\$ 648,209
Operating grants	2,880,537	3,051,263
General revenues		
Ad valorem taxes	3,683,223	2,953,527
Sales and use taxes	3,912,464	3,746,498
Earnings on investments	27,097	41,736
MFP	10,647,908	10,524,053
Other	765,687	685,489
Total revenues	22,792,948	21,650,775
Expenses		
Instruction:		
Regular education	6,903,208	7,280,708
Special education	709,437	822,762
Vocational education	340,524	199,175
Other education	1,354,673	1,417,792
Support Services:		
Pupil support	669,921	653,642
Instructional staff	2,157,509	1,705,169
General administrative	916,236	814,699
School administrative	1,067,533	1,020,800
Business services	416,323	378,797
Plant operation and maintenance	2,333,070	2,113,163
Transportation	1,219,865	1,176,044
Food service	1,121,218	1,022,015
Central services	160,511	165,765
Community service programs	-	1,501
Interest charged on long-term debt	1,599	105,311
Appropriation to the charter school	3,028,756	2,992,529
Total expenses	22,400,383	21,869,872
Excess (deficiency) of revenues over expenses	392,565	(219,097)
Net position, beginning of year, restated	(26,207,073)	(25,987,976)
Net position, end of year	\$ (25,814,508)	\$ (26,207,073)

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Change in Net Position

- MFP, which accounts for approximately 47% of total revenues for 2019, increased by approximately \$124,000 despite declining enrollment as a result of an increase of \$390 per student in the MFP funding formula for the School Board.
- Ad valorem taxes, which account for approximately 16% of total revenues for 2019, increased by approximately \$730,000 due to an increase in the assessed value of property in the parish.
- Sales and use taxes, which account for approximately 17% of total revenues for 2019, increased by approximately \$166,000 due to the timing when the underlying sales are occurring.
- Operating grant revenues, comprising 13% of total revenues for 2019, decreased by approximately \$171,000 due to a reduction of federal awards in relation to the number of children being served.
- Charges for services, comprising 4% of total revenues for 2019, increased by approximately \$228,000, primarily due to other contractual revenues.
- Expenses increased by approximately \$531,000 or 2% over the previous year, and were primarily related to increases in personnel costs (salaries, benefits, etc.) and operations and maintenance expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the East Feliciana Parish School Board had approximately \$10.7 million (net of \$16,145,621 in accumulated depreciation) invested in a broad range of capital assets, including land, building, and equipment. (See Table below). This amount represents a decrease of \$510,651 (approximately 5%) over the last year, primarily related to continued depreciation on existing assets.

The School Board recorded depreciation expense of approximately \$645,300 and net additions of \$101,049.

**Capital Assets at Year-end
(Net of Accumulated Depreciation)**

	2019	2018
Land	\$ 1,706,878	\$ 1,706,878
Buildings & improvements	8,692,509	9,213,301
Equipment	284,719	289,678
Construction-in-progress	15,100	-
Totals	\$ 10,699,206	\$ 11,209,857

Long-term debt

At June 30, 2019, the School Board had \$4,242,074 in bonds outstanding for the purpose of construction, rehabilitation and renovations. Long-term liabilities also consist of compensated absences payable of \$407,906, total other post-employment benefit obligation of \$17,977,517, a capital lease obligation of \$57,487, and a net pension liability of \$21,275,503.

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2019

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Over the course of the year, the General Fund operating budget was amended. The amendment of the operating budget is a customary practice and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant changes during 2019 were as follows:

Revenues:

The General Fund budget was amended from the original projections to reflect increases in ad valorem taxes (\$505,000) and sales and use taxes (\$265,000) and offset by minor decreases in other revenues. In total, the General Fund revenue budget was amended from the original projections to reflect an increase in total revenues of approximately \$625,000.

Expenditures:

Budgeted expenditures were amended to reflect increased amounts incurred for regular education programs, instructional staff services, school administration service, and plan operation and maintenance. Budget expenditures were also amended to reflect decreased amounts incurred for special education programs, other education programs and pupil support services. In total, the General Fund expenditure budget was amended from the original projections to reflect an increase in total expenditures of approximately \$820,000.

ANALYSIS OF FUND BALANCES

The General Fund's fund balance of approximately \$2,217,000 is restricted for future salary and benefits expenditures. Best practices recommend that governments maintain general fund balances equal to 10% of annual expenditures. The Operations and Maintenance Fund's fund balance of approximately \$921,000 is also available for a broad range of uses, including operating costs paid by the General Fund. On a combined basis, these two funds' fund balance equals approximately 8% of annual expenditures of the two funds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

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

- Sales tax revenues are budgeted to decrease approximately 2% from the 2019 sales tax revenues.
- The General Fund operating budget was adopted to operate at a \$93,000 surplus.
- Health insurance and retirement benefit payments are expected to increase on an individual basis.
- State funding through MFP is expected to increase by 1%.
- Appropriation of funds to the charter school is expected to increase by approximately 2%.

CONTACTING THE EAST FELICIANA PARISH SCHOOL BOARD'S MANAGEMENT

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

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$	2,327,133
Sales tax receivable		716,242
Due from other governments		409,224
Inventory		47,667
Other assets		137,676
Capital assets:		
Land and construction in progress		1,721,978
Buildings and equipment, net of accumulated depreciation		8,977,228
TOTAL ASSETS		14,337,148

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts related to net pension liability		6,366,174
Deferred amounts related to total other post-employment benefit liability		2,840,862
TOTAL DEFERRED OUTFLOWS OF RESOURCES		9,207,036

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	23,544,184
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LIABILITIES

Accounts, salaries and other payables	\$	1,209,121
Due to other governments		35,151
Interest payable		65,025
Other current liabilities		1,247
Long-term liabilities:		
Due within one year (other post-employment benefit obligation)		962,000
Due within one year (bonds, compensated absences and lease)		468,090
Due in more than one year (bonds, compensated absences and lease)		4,239,377
Net pension liability		21,275,503
Post-employment benefit obligation		17,015,517
TOTAL LIABILITIES		45,271,031

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability		3,619,028
Deferred amounts related to total other post-employment benefit liability		468,633
TOTAL DEFERRED INFLOWS OF RESOURCES		4,087,661

NET POSITION

Net investment in capital assets		6,457,132
Restricted for:		
School food service		7,729
Facilities improvements		251,926
Salaries and benefits		2,217,262
Unrestricted		(34,748,557)
TOTAL NET POSITION		(25,814,508)

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$	23,544,184
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The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	Governmental Unit
<u>Functions/Programs</u>				
Instruction:				
Regular education programs	\$ 6,903,208	\$ 38,244	\$ 705,441	\$ (6,159,523)
Special education programs	709,437	-	72,497	(636,940)
Vocational education programs	340,524	-	34,798	(305,726)
Other education programs	1,354,673	101,287	138,434	(1,114,952)
Support Services:				
Pupil support services	669,921	-	68,459	(601,462)
Instructional staff services	2,157,509	727,588	220,476	(1,209,445)
General administration services	916,236	-	93,630	(822,606)
School administration services	1,067,533	-	109,091	(958,442)
Business services	416,323	-	42,544	(373,779)
Plant operation and maintenance	2,333,070	-	238,417	(2,094,653)
Transportation	1,219,865	-	124,658	(1,095,207)
Food service	1,121,218	8,913	1,015,689	(96,616)
Central services	160,511	-	16,403	(144,108)
Interest charges on long-term debt	1,599	-	-	(1,599)
Appropriation to charter school	3,028,756	-	-	(3,028,756)
Total Governmental Activities	<u>\$ 22,400,383</u>	<u>\$ 876,032</u>	<u>\$ 2,880,537</u>	<u>\$ (18,643,814)</u>
General Revenues				
Taxes:				
Ad-valorem taxes				3,683,223
Sales and use taxes				3,912,464
State revenue sharing				46,480
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				10,647,908
Interest and investment earnings				27,097
Miscellaneous				719,207
		Total general revenues		<u>19,036,379</u>
Change in Net Position				392,565
Net Position - beginning of year, as restated				<u>(26,207,073)</u>
Net Position - end of year				<u>\$ (25,814,508)</u>

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General	Operations and Maintenance	Capital Projects	School Food Service	Non-major Governmental	Total
<u>ASSETS</u>						
Cash and cash equivalents	\$ 364,069	\$ 1,289,273	\$ -	\$ 673,791	\$ -	\$ 2,327,133
Sales tax receivable	358,121	358,121	-	-	-	716,242
Due from other funds	1,500,658	-	257,376	-	150,081	1,908,115
Due from other governments	-	-	-	6,628	402,596	409,224
Inventory	-	-	-	47,667	-	47,667
Other assets	137,676	-	-	-	-	137,676
TOTAL ASSETS	\$ 2,360,524	\$ 1,647,394	\$ 257,376	\$ 728,086	\$ 552,677	\$ 5,546,057
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 151,602	\$ -	\$ 5,450	\$ 6,798	\$ -	\$ 163,850
Salaries and benefits payable	1,045,271	-	-	-	-	1,045,271
Due to other governments	-	-	-	-	35,151	35,151
Due to other funds	-	725,944	-	665,892	516,279	1,908,115
Unearned revenue	-	-	-	-	1,247	1,247
TOTAL LIABILITIES	1,196,873	725,944	5,450	672,690	552,677	3,153,634
Fund balances:						
Nonspendable	-	-	-	47,667	-	47,667
Restricted for:						
School food services	-	-	-	7,729	-	7,729
Salaries and benefits	2,217,262	-	-	-	-	2,217,262
Facility improvements	-	-	251,926	-	-	251,926
Assigned to operations and maintenance	-	921,450	-	-	-	921,450
Unassigned	(1,053,611)	-	-	-	-	(1,053,611)
TOTAL FUND BALANCES	1,163,651	921,450	251,926	55,396	-	2,392,423
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,360,524	\$ 1,647,394	\$ 257,376	\$ 728,086	\$ 552,677	\$ 5,546,057

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

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

JUNE 30, 2019

Total Fund Balances at June 30, 2019 - Governmental Funds \$ 2,392,423

Amounts reported for governmental activities in the statement of net position
is different due to the following:

Deferred inflows and outflows of resources related to the net pension and
total other post-employment benefit liability are not payable or receivable,
respectively, in the current period and therefore, not reported in the
governmental funds

Deferred outflows of resources - pension related	6,366,174
Deferred outflows of resources - total other post-employment liability benefit related	2,840,862
Deferred inflows of resources - pension related	(3,619,028)
Deferred inflows of resources - total other post-employment benefit liability related	(468,633)

Accrued interest payable (65,025)

Capital assets used in governmental activities are not financial resources
and therefore, are not reported in governmental funds

Cost of capital assets at June 30, 2019	\$ 26,844,827	
Less: Accumulated depreciation as of June 30, 2019:		
Buildings and improvements	(14,940,181)	
Movable property	(1,205,440)	10,699,206

Long-term liabilities at June 30, 2019:

Revenue & QSCB bonds	\$ (712,661)	
Qualified Zone Academy bonds	(3,529,412)	
Lease liability	(57,487)	
Total other post employment benefit liability	(17,977,517)	
Compensated absences payable	(407,907)	
Net pension liability	(21,275,503)	(43,960,487)

Total Net Position at June 30, 2019 - Governmental Activities \$ (25,814,508)

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	General	Operations and Maintenance	Capital Projects	School Food Service	Non-major Governmental	Total
<u>REVENUES</u>						
Local sources:						
Ad valorem taxes	\$ 3,683,223	\$ -	\$ -	\$ -	\$ -	\$ 3,683,223
Sales and use tax	1,999,568	1,912,896	-	-	-	3,912,464
Earnings on investments	15,245	7,317	-	4,535	-	27,097
Other	293,213	-	-	8,913	957,075	1,259,201
State sources:						
Unrestricted grants-in-aid, MFP	10,629,068	-	-	18,840	-	10,647,908
Revenue sharing	46,480	-	-	-	-	46,480
Restricted grants-in-aid	133,477	-	-	-	202,561	336,038
Federal grants	59,127	-	-	1,015,689	1,805,721	2,880,537
TOTAL REVENUES	16,859,401	1,920,213	-	1,047,977	2,965,357	22,792,948
<u>EXPENDITURES</u>						
Current:						
Instruction:						
Regular education programs	7,039,554	10,067	96,540	-	183,619	7,329,780
Special education programs	692,943	-	-	-	148,882	841,825
Vocational education programs	243,827	-	-	-	103,786	347,613
Other education programs	351,437	-	-	-	1,007,452	1,358,889
Support:						
Pupil support services	553,827	-	-	-	158,750	712,577
Instructional staff services	1,065,610	-	-	5,460	1,208,310	2,279,380
General administration services	936,492	-	-	-	-	936,492
School administration services	1,166,963	-	-	-	-	1,166,963
Business services	448,124	-	-	-	436	448,560
Plant operation and maintenance	1,619,604	10,775	28,855	-	-	1,659,234
Transportation	1,207,801	-	-	-	4,334	1,212,135
Food services	25,861	-	-	1,129,192	-	1,155,053
Central services	184,166	-	-	-	-	184,166
Appropriation to charter school	3,028,756	-	-	-	-	3,028,756
Debt service - principal	382,719	-	-	-	-	382,719
Debt service - interest	20,537	-	-	-	-	20,537
Capital outlay	29,900	-	83,800	20,949	-	134,649
TOTAL EXPENDITURES	18,998,121	20,842	209,195	1,155,601	2,815,569	23,199,328
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,138,720)	1,899,371	(209,195)	(107,624)	149,788	(406,380)
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	2,046,626	-	-	-	-	2,046,626
Transfers out	-	(1,896,838)	-	-	(149,788)	(2,046,626)
TOTAL OTHER FINANCING SOURCES (USES)	2,046,626	(1,896,838)	-	-	(149,788)	-
<u>NET CHANGES IN FUND BALANCES</u>	(92,094)	2,533	(209,195)	(107,624)	-	(406,380)
FUND BALANCES - beginning of year, as restated	1,255,745	918,917	461,121	163,020	-	2,798,803
FUND BALANCES - end of year	\$ 1,163,651	\$ 921,450	\$ 251,926	\$ 55,396	\$ -	\$ 2,392,423

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances	\$	(406,380)
<p>Amounts reported for governmental activities in the statement of activities are different due to the following:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay and other expenditures capitalized, net	\$ 134,649	
Depreciation expense for year ended June 30, 2019	<u>(645,300)</u>	(510,651)
Excess of interest accrued over interest paid		18,936
<p>The issuance of long-term debt (e.g. bond, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities.</p>		
Principal payments on debt and capital lease		382,720
<p>Expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p>		
Change in total other post-employment benefit liability	\$ (287,108)	
Change in compensated absences liability	(118,960)	
Change in net pension liability, deferred outflows and inflows of resources related to net pension liability	<u>1,314,008</u>	<u>907,940</u>
Change in Net Position - Governmental Activities	\$	<u><u>392,565</u></u>

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

	Agency Funds
<u>ASSETS</u>	
Cash and cash equivalents	\$ 889,011
Sales tax receivable	555,686
TOTAL ASSETS	\$ 1,444,697
<u>LIABILITIES</u>	
Taxes paid under protest	\$ 299,524
Amounts held for school clubs and activities	191,807
Due to other governments	953,366
TOTAL LIABILITIES	\$ 1,444,697

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

General Information

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of East Feliciana Parish (Parish). The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplements to their salaries. The School Board is currently comprised of 13 members who are elected from 7 districts for a term of four years.

During the fiscal year ended June 30, 2019, the School Board operated 5 schools within the parish with a total enrollment of approximately 1,800 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

1. Summary of Significant Accounting Policies

a. Reporting Entity

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

The School Board's financial statements include all accounts of the School Board's operations. The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for financial statements as a component unit is financial accountability. Financial accountability includes the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity. Based on these criteria, the School Board has no component units.

b. Basis of Presentation

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

Government-wide Financial Statements

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

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

Government-wide Financial Statements (continued)

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

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

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

Fund Financial Statements

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

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

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

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

Governmental Fund Types:

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

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

Governmental Fund Types: (continued)

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds. It also accounts for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

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

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

Fiduciary Fund Type - Agency Funds:

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

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

Government-wide Financial Statements (GWFS)

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

Fund Financial Statements (FFS)

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

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Significant Accounting Policies (continued)

d. Basis of Accounting/Measurement Focus (continued)

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

Revenues

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

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

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

Expenditures

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

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

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

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

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Significant Accounting Policies (continued)

e. Budget Practices

The proposed budgets for fiscal year 2019 were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2019 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, were made available to the public.

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

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

f. Cash and Cash Equivalents

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

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

g. Inventory

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

h. Capital Assets

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Significant Accounting Policies (continued)

g. Capital Assets (continued)

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

h. Government-wide Net Position

Government-wide net position is divided into three components:

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

i. Fund Equity of Fund Financial Statements

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

- Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
- Spendable:
 - Restricted - amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
 - Committed - amounts that can be used only for specific purposes determined by a formal action by School Board ordinance or resolution.
 - Assigned - amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted or committed.
 - Unassigned - all amounts not included in other spendable classifications.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Significant Accounting Policies (continued)

j. Annual, Sick and Sabbatical Leave

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

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

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

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

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

k. Sales Taxes

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

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

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

I. Summary of Significant Accounting Policies (continued)

l. Pension Plans

The East Feliciana Parish School Board is a participating employer in two defined benefit pension plans as described in Note 9. 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.

m. Other Post-employment Benefit Plan

The East Feliciana Parish School Board provides certain continuing healthcare and life insurance benefits for its retired employees through a single-employer defined benefit other post-employment benefits plan as described in Note 10. For purposes of measuring the other post-employment benefits liability, deferred outflows of resources and deferred inflows of resources related to the plan, and plan expense, information about the fiduciary net position of the plan, and additions to and deductions from the plan's fiduciary net position, have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. The post-employment benefit plan had no assets as of June 30, 2019.

n. Estimates

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

o. Current Year Adoption of New Accounting Standard

The School Board adopted GASB Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The statement clarifies the definition of debt for disclosure purposes and expands the required debt disclosures to provide more detail about governmental obligations. GASB 88 defines debt for purposes of disclosures as a liability that arises from a contractual obligation to pay cash (or another financial asset) in one or more payments to settle an amount that is fixed at the date when the contractual obligation is established. GASB 88 requires that direct borrowings and placements be disclosed separately from other types of debt and also provides additional guidance for disclosures related to debt. Additional disclosures are included in Note 7.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

2. Property Taxes

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

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

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

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes			
Constitutional, levied September 2002	5.00	3.34	None
School Board Salary, levied January 2017	17.00	17.00	2026

3. Cash

The School Board's cash and cash equivalents consist entirely of deposits in local financial institutions. At year end, the carrying amount of the School Board's deposits was \$3,216,144 which includes \$889,011 held in an agency capacity for sales tax and school activities. The total bank balance was \$4,259,150.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in event of financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The School Board's deposits were not subject to custodial credit risk at June 30, 2019.

4. Due From/To Other Funds

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

Fund	Due from other funds	Due to other funds
General Fund	\$ 1,500,658	\$ -
Operations and Maintenance	-	725,944
Capital Projects	257,376	-
School Food Service Fund	-	665,892
Non-major Governmental Funds	150,081	516,279
Total	\$ 1,908,115	\$ 1,908,115

Balances are a result of advances made by the general fund for expenditures of the federal grant programs.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

5. Interfund Transfers

Interfund transfers for the year ended June 30, 2019, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 2,046,626	\$ -
Operations and Maintenance	-	1,896,838
Capital Projects	-	-
School Food Service Fund	-	-
Non-Major Governmental Funds	-	149,788
Total	<u>\$ 2,046,626</u>	<u>\$ 2,046,626</u>

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

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2019, are as follows:

	<u>Balance as of June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance as of June 30, 2019</u>
Cost of capital assets				
Land	\$ 1,706,878	\$ -	\$ -	\$ 1,706,878
Building & improvements	23,534,090	98,600	-	23,632,690
Furniture & equipment	1,502,810	20,949	(33,600)	1,490,159
Construction in progress	-	15,100	-	15,100
Total cost of capital assets	<u>26,743,778</u>	<u>134,649</u>	<u>(33,600)</u>	<u>26,844,827</u>
Accumulated depreciation				
Building & improvements	14,320,789	619,392	-	14,940,181
Furniture & equipment	1,213,132	25,908	(33,600)	1,205,440
Total accumulated depreciation	<u>15,533,921</u>	<u>645,300</u>	<u>(33,600)</u>	<u>16,145,621</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 11,209,857</u>	<u>\$ (510,651)</u>	<u>\$ -</u>	<u>\$ 10,699,206</u>

Depreciation expense of \$645,300 was a charge to plant operation and maintenance function in the statement of activities. The school board had equipment disposals of \$33,600, which were fully depreciated.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

7. General Long-term Debt

The following is a summary of the changes in general long-term debt for the year ended June 30, 2019:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019	Amount due within one year
Compensated absences Qualified School	\$ 288,947	\$ 613,181	\$ (494,222)	\$ 407,906	\$ 84,687
Construction Bonds Qualified Zone	437,328	-	(54,666)	382,662	54,666
Academy Bond	3,764,706	-	(235,294)	3,529,412	235,294
Revenue Bonds	405,000	-	(75,000)	330,000	75,000
Alio Lease	75,246	-	(17,759)	57,487	18,443
	<u>\$ 4,971,227</u>	<u>\$ 613,181</u>	<u>\$ (876,941)</u>	<u>\$ 4,707,467</u>	<u>\$ 468,090</u>

The table above includes a capital lease that is considered a financed purchase in accordance with GASB No. 88.

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

For the purpose of construction, rehabilitation, and renovations, the School Board issued \$820,000 of bonds payable through the federally sponsored Qualified School Construction Bond Program during the year ended June 30, 2011. The bond bears interest at 0.80% (coupon rate) and interest is to be paid on March 15, June 15, September 15, and December 15 each year commencing September 15, 2011, and ending June 15, 2026. Principal payments are to be paid on June 15 of each year. The bond is paid from the levy and collection of constitutional property tax of three and thirty-four hundredths (3.34) mills. Events of default are outlined in the official statements of the Series 2011 bond and include failure to remit payments timely. In addition, failure to observe or perform any other agreement contained in the official statement that is not remedied within 30 days of receiving written notice will be considered a default. The remedies in the event of default are also outlined in the official bond statement and include steps for the issuers to pursue until the default is remedied. Such remedies include, but are not limited to, declaring all payments immediately due and payable.

On July 19, 2013, the School Board issued a \$750,000 bond for various capital expenditures planned for 2014. The series 2013 bonds bear interest at 2.34% and is secured by a pledge of property taxes. Interest payments are made semi-annually on March 15, and September 15, while principal payments are made on March 15, annually. The bonds mature on March 15, 2023. The bond is paid from the levy and collection of constitutional property tax of three and thirty-four hundredths (3.34) mills. No default provision is provided for in the bond agreement. The bonds do include an early redemption provision at the option of the Issuer, in whole or in part, on or after June 15, 2018, without a prepayment penalty.

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

7. General Long-term Debt (continued)

On November 10, 2016, the School Board signed a lease with Government Capital Corporation for the Alio accounting and payroll system software. The lease represents a direct borrowing financed purchase and is secured by the leased assets which had a value of \$113,004. The payments are made yearly on November 10th and has an interest rate of 3.853%. In the event of default or termination, the Lessor may declare all amounts due and payable and request that the software be returned to the Lessor.

The terms of the individual debt issues outstanding at June 30, 2019, are as follows:

Direct Placements and Borrowings

	Original Issue	Interest Rate	Final Due Date	Interest to Maturity	Principal Outstanding
Bond Issue					
Qualified School Construction Bonds, Series 2011, dated June 22, 2011	\$ 820,000	0.800%	June 15, 2026	\$ 41,000	\$ 382,662
Revenue Bonds, Series 2013, dated July 2013	750,000	2.340%	March 15, 2023	19,539	330,000
Qualified Zone Academy Bonds, Series 2016, dated December 2016	4,000,000	0.000%	December 15, 2033	-	3,529,412
Capital lease – Alio lease, dated November 2016	113,004	3.853%	November 10, 2021	4,487	57,487
	<u>\$ 5,683,004</u>			<u>\$ 65,026</u>	<u>\$ 4,299,561</u>

Principal and interest payments are due as follows:

Years Ending June 30,	Direct Placement Debt		
	Principal	Interest	Total
2020	\$ 369,960	\$ 14,282	\$ 384,242
2021	369,960	12,410	382,370
2022	374,960	10,538	385,498
2023	374,960	8,549	383,509
2024	289,960	6,560	296,520
2024 - 2028	1,285,803	8,200	1,294,003
2029 - 2033	1,176,471	-	1,176,471
	<u>\$ 4,242,074</u>	<u>\$ 60,539</u>	<u>\$ 4,302,613</u>

The School Board is legally restricted from incurring long-term bonded debt in excess of thirty-five percent of the net assessed value of taxable property. At June 30, 2019, the net assessed value of taxable property for the parish was \$185,076,439, which would result in a \$64,776,754 bonded debt limit.

The Alio lease principal and interest payouts as of June 30, 2019, is as follows:

Years Ending June 30,	Direct Borrowing Debt		
	Principal	Interest	Total
2020	\$ 18,443	\$ 2,215	\$ 20,658
2021	19,153	1,505	20,658
2022	19,891	767	20,658
	<u>\$ 57,487</u>	<u>\$ 4,487</u>	<u>\$ 61,974</u>

All long-term liabilities will be funded by either the School Board's General Fund or Operations and Maintenance Fund and will be appropriated in the year payment is necessary.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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8. Operating Leases

The School Board contracts with individual bus owners on an annual basis for a period of one school year. The School Board had 26 operating lease agreements for the use of privately owned buses with various individual bus owners for the year ended June 30, 2019. Lease payments vary between \$10,000 and \$18,500 per year for each operating lease agreement. Total payments under the agreements were approximately \$384,500 for the school year ended June 30, 2019.

9. Defined Benefit Pension Plans

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

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

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

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

Plan Descriptions:

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

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

9. Defined Benefit Pension Plans (continued)

Plan Descriptions (continued):

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

	<u>TRSL</u>	<u>LSERS</u>
Final average salary	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹
Years of service required and/or age eligible for benefits	30 years any age ⁵ 25 years age 55 20 years any age ² 5 years age 60 ⁷	30 years any age 25 years age 55 20 years any age ² 5-10 years age 60 ^{6,7}
Benefit percent per years of service	2% to 3.0% ⁴	2.5% to 3.33% ⁴

¹ Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

² With actuarial reduced benefits

⁴ Benefit percent varies depending on when hired

⁵ For school food service workers, hired on or before 6-30-15, 30 years at age 55

⁶ Five to ten years of creditable service at age 60 depending upon the plan or when hired

⁷ Hired on or after 7/1/15, age eligibility is 5 years at age 62

Cost of Living Adjustments

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

Contributions

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

Contributions are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2019, for the School Board and covered employees were as follows:

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

9. Defined Benefit Pension Plans (continued)

Contributions (continued)

	<u>School Board</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	26.70%	8.00%
Plan A	26.70%	9.10%
School Employees' Retirement System	28.00%	7.50% - 8.00%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Teachers' Retirement System	\$ 2,347,282	\$ 1,967,106	\$ 2,026,792
School Employees' Retirement System	216,243	174,279	212,124

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, 2018, measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2019, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2018, along with the change compared to the June 30, 2017, rate. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2019 (measured as of June 30, 2018)	Rate at June 30, 2018	Increase (Decrease) on June 30, 2017 Rate
Teachers' Retirement System	\$ 19,690,340	0.2004%	0.021%
School Employees' Retirement System	1,585,163	0.2373%	0.006%
	<u>\$ 21,275,503</u>		

The following schedule list each pension plan's proportionate share of recognized pension expense for the School Board for the year ended June 30, 2019:

	<u>Total Expenses</u>
Teachers' Retirement System	\$ 1,163,937
School Employees' Retirement System	85,579
	<u>\$ 1,249,516</u>

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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9. 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, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to each pension plan and total from the following sources:

Deferred Outflows:

	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	1,265,169	66,780	1,331,949
Net difference between projected and actual earnings on pension plan investments	-	31,478	31,478
Changes in proportion	2,330,056	27,859	2,357,915
Differences between contributions and proportionate share of contributions	57,765	23,542	81,307
Employer contributions subsequent to the measurement date	2,347,282	216,243	2,563,525
Total	\$ 6,000,272	\$ 365,902	\$ 6,366,174

Deferred Inflows:

	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ (648,640)	\$ (43,743)	\$ (692,383)
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	(1,269,005)	-	(1,269,005)
Changes in proportion	(1,165,972)	(37,164)	(1,203,136)
Differences between contributions and proportionate share of contributions	(443,748)	(10,756)	(454,504)
Total	\$ (3,527,365)	\$ (91,663)	\$ (3,619,028)

The amount reported in the above table totaling \$2,563,525 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018, will be recognized as a reduction in net pension liability in the year ended June 30, 2020.

EAST FELICIANA PARISH SCHOOL BOARD
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9. 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	Total
2020	\$ (62,709)	\$ 60,222	\$ (2,487)
2021	272,506	38,269	310,775
2022	(389,607)	(47,867)	(437,474)
2023	305,435	7,372	312,807
	<u>\$ 125,625</u>	<u>\$ 57,996</u>	<u>\$ 183,621</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, 2019, are as follows:

	TRSL	LSERS
Valuation Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining		
Service Lives	5 years	3 years
Investment Rate of Return	7.65% net of investment expenses (increased from 7.70% in 2017)	7.0625% per annum
Inflation Rate	2.5% per annum	2.50% per annum
Mortality	Active Members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females	Mortality rates based on the RP-2014 Health Annuitant Tables. RP-2014 Sex Distinct Mortality Table. RP-2014 Disabled Lives Mortality Table
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012-June 30, 2017) experience study of the System's members.	
Salary Increases	3.3% - 4.8% varies depending on duration of service	Salary increases were projected based on the 2013-2017 experience study 3.25%
Cost of Living Adjustments	1.5% (2017)	Substantively automatic - 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.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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9. Defined Benefit Pension Plans (continued)

Actuarial Assumptions (continued)

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

<u>TRSL</u>	<u>LSERS</u>
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing / diversification. The resulting expected long-term rate of return was 8.07% for 2018.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/ diversification. The resulting long-term arithmetic nominal expected return is 7.76%.</p>

EAST FELICIANA PARISH SCHOOL BOARD
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9. Defined Benefit Pension Plans (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the retirement systems target asset allocations as of June 30, 2018:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Cash	-	-	-	-
Domestic equity	27.00%	-	4.01%	-
International equity	19.00%	-	4.90%	-
US equity	-	20.00%	-	6.15%
Developed equity	-	18.00%	-	7.11%
Emerging markets equity	-	10.00%	-	9.41%
Global REITs	-	3.00%	-	5.77%
Domestic fixed income	13.00%	-	1.36%	-
International fixed income	5.50%	-	2.35%	-
Core fixed income	-	8.00%	-	1.68%
High yield fixed income	-	5.00%	-	4.13%
Emerging markets debt fixed income	-	7.00%	-	4.42%
Global fixed income	-	10.00%	-	1.63%
Alternatives	-	-	-	-
Alternative - private equity	35.50%	5.00%	11.96%	10.28%
Alternative - hedge fund or funds	-	3.00%	-	3.94%
Alternative - real estate	-	5.00%	-	4.90%
Real assets - timber	-	2.00%	-	5.67%
Real assets - oil and gas	-	2.00%	-	10.57%
Real assets - infrastructure	-	2.00%	-	6.25%
Total	<u>100.00%</u>	<u>100.00%</u>		

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 and LSERS was 7.65% and 7.625%, respectively for the year ended June 30, 2018.

EAST FELICIANA PARISH SCHOOL BOARD
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9. Defined Benefit Pension Plans (continued)

Discount Rate (continued)

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	6.650%	7.650%	8.650%
Share of NPL	\$ 26,084,933	\$ 19,690,340	\$ 14,296,167
LSERS			
Rates	6.063%	7.063%	8.063%
Share of NPL	\$ 2,176,053	\$ 1,585,163	\$ 1,080,070

Payables to the Pension Plan

The School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2019, 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, 2019 is as follows:

	<u>June 30, 2019</u>
TRSL	\$ 249,615
LSERS	387
	<u>\$ 250,002</u>

10. Other Post-employment Health Care and Life Insurance Benefits (OPEB)

General Information about the OPEB Plan

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

EAST FELICIANA PARISH SCHOOL BOARD
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10. Other Post-employment Health Care and Life Insurance Benefits (OPEB) (continued)

General Information about the OPEB Plan (continued)

Benefits Provided – Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Most employees are covered by TRSL whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who entered one of the four state systems on or after January 1, 2011, may not retire until age 60 without actuarial reduction in their pension benefits.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Employees covered by benefit terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	135
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	191
	326

Total OPEB Liability

The School Board's total OPEB liability of \$17,977,517 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and other inputs – The following actuarial assumptions and other inputs were applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5%, annually
Salary increases	3.0%, including inflation
Prior discount rate	3.87%, annually
Discount rate	3.50%, annually
Healthcare cost trend rates	Flat 5.5%, annually

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

10. Other Post-employment Health Care and Life Insurance Benefits (OPEB) (continued)

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 15,033,711
Changes for the year:	
Service cost	396,713
Interest cost	589,481
Differences between expected and actual experience	2,177,130
Changes in assumptions / inputs	742,970
Benefit payments- <i>Employer Retiree Premiums paid</i>	(962,488)
Net changes	<u>2,943,806</u>
Balance at June 30, 2019	<u>\$ 17,977,517</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1.0% Decrease (2.50%)	Current Discount Rate (3.50%)	1.0% Increase (4.50%)
<u>Total OPEB liability</u>	<u>\$ 20,507,142</u>	<u>\$ 17,977,517</u>	<u>\$ 15,921,523</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.50%)	Current Healthcare Cost Trend (5.50%)	1.0% Increase (6.50%)
<u>Total OPEB liability</u>	<u>\$ 16,020,192</u>	<u>\$ 17,977,517</u>	<u>\$ 20,341,934</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Total OPEB Liability

For the year ended June 30, 2019, the School Board recognized OPEB expense of \$1,246,596. At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to total OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 668,673	\$ (468,633)
Differences between expected and actual experience	2,172,189	-
Total	<u>\$ 2,840,862</u>	<u>\$ (468,633)</u>

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

10. Other Postemployment Health Care and Life Insurance Benefits (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Total OPEB Liability (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to total OPEB liability will be recognized in OPEB expense as follows:

Years ending June 30:	Amortization of Deferred Outflows
2020	\$ 260,402
2021	260,402
2022	260,402
2023	260,402
2024	260,403
Thereafter	1,070,218
	<u>\$ 2,372,229</u>

11. Receivables

Receivables as of June 30, 2019, for the School Board's governmental activities are as follows:

	General Fund	Operations and Maintenance	School Food	Non-Major Governmental	Total
Sales Tax	\$ 358,121	\$ 358,121	\$ -	\$ -	\$ 716,242
Grants	-	-	6,628	402,596	409,224
Totals	<u>\$ 358,121</u>	<u>\$ 358,121</u>	<u>\$ 6,628</u>	<u>\$ 402,596</u>	<u>\$ 1,125,466</u>

12. Litigation, Claims and Contingencies

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

On February 7, 2019, two search and seizure warrants were issued by the 20th Judicial District for several computers and memory storage devices of the East Feliciana Parish School Board. This is an ongoing investigation. The School Board is unable to predict the duration, scope, or financial impact of this investigation.

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

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

13. Changes in Agency Funds

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

	School Activity	Sales Tax	Total
Balance at June 30, 2018	\$ 201,972	\$ 1,222,035	\$ 1,424,007
Additions	320,199	9,542,543	9,862,742
Reductions	(330,364)	(9,511,688)	(9,842,052)
Balance at June 30, 2019	<u>\$ 191,807</u>	<u>\$ 1,252,890</u>	<u>\$ 1,444,697</u>

14. Detailed Restricted Net Position

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

Facility improvements:

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

\$ 251,926

External legal constraints:

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

2,217,262

School food services:

Dedicated to school food services

7,729

Total Restricted Net Position

\$ 2,476,917

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

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required note disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2019, the School Board withheld \$48,000 for administrative fees. This resulted in a distribution of \$5,573,060 of sales tax collections to the Police Jury during the year ended June 30, 2019.

16. Tax Revenues Abated

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2019, \$290,662 in East Feliciana Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

17. Restatement of Prior Year Net Position and Fund Balance

The net position as of June 30, 2018, was restated due to an overpayment of retirement contributions to the TRSL. The overpayment resulted in amounts due to the School Board as of June 30, 2018, that are being used to offset future contributions to TRSL as of June 30, 2019.

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

	<u>Government- wide</u>	<u>General Fund</u>
Net position / fund balance, beginning of year, as previously stated	\$ (26,549,315)	\$ 913,503
Amount owed from TRSL	<u>342,242</u>	<u>342,242</u>
Net position / fund balance, beginning of year, as restated	<u>\$ (26,207,073)</u>	<u>\$ 1,255,745</u>

REQUIRED SUPPLEMENTAL INFORMATION – PART II

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULES
MAJOR FUND DESCRIPTIONS
JUNE 30, 2019

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

General Fund

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

Operations and Maintenance Fund

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

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

School Food Service Fund

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

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad-valorem	\$ 3,035,000	\$ 3,540,000	\$ 3,683,223	\$ 143,223
Sales and use	1,635,000	1,900,000	1,999,568	99,568
Earnings on investments	21,500	21,500	15,245	(6,255)
Other	347,750	312,750	293,213	(19,537)
State sources:				
Unrestricted grants-in-aid	10,753,000	10,658,000	10,629,068	(28,932)
Revenue sharing	75,000	75,000	46,480	(28,520)
Restricted grants-in-aid	23,000	83,000	133,477	50,477
Federal sources:				
Grants-in-aid	150,000	75,000	59,127	(15,873)
Total revenues	<u>16,040,250</u>	<u>16,665,250</u>	<u>16,859,401</u>	<u>194,151</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	6,200,880	6,892,880	7,039,554	(146,674)
Special education programs	883,400	730,900	692,943	37,957
Vocational education programs	188,291	145,611	243,827	(98,216)
Other education programs	465,097	319,010	351,437	(32,427)
Support services:				
Pupil support services	537,443	467,545	553,827	(86,282)
Instructional staff services	788,978	946,260	1,065,610	(119,350)
General administration services	898,440	897,540	936,492	(38,952)
School administration services	991,500	1,157,500	1,166,963	(9,463)
Business administration services	365,760	469,760	448,124	21,636
Plant operation and maintenance	1,408,260	1,588,360	1,619,604	(31,244)
Transportation	1,099,222	1,148,922	1,207,801	(58,879)
Food services	83,684	26,684	25,861	823
Central services	219,600	179,100	184,166	(5,066)
Community services	1,500	1,500	-	1,500
Appropriation to charter school	3,180,174	3,130,174	3,028,756	101,418
Debt service - principal	372,000	402,000	382,719	19,281
Debt service - interest	-	-	20,537	(20,537)
Facility Acquisition & construction	-	-	29,900	(29,900)
Total expenditures	<u>17,684,229</u>	<u>18,503,746</u>	<u>18,998,121</u>	<u>(494,375)</u>
Deficiency of revenues under expenditures	<u>\$ (1,643,979)</u>	<u>\$ (1,838,496)</u>	<u>\$ (2,138,720)</u>	<u>\$ (300,224)</u>

(continued)

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Other financing sources (uses):</u>				
Transfers of indirect costs	\$ 132,873	\$ 137,873	\$ -	\$ (137,873)
Operating transfers in	<u>1,562,500</u>	<u>1,827,500</u>	<u>2,046,626</u>	<u>219,126</u>
Total other financing sources	<u>1,695,373</u>	<u>1,965,373</u>	<u>2,046,626</u>	<u>81,253</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	51,394	126,877	(92,094)	(218,971)
FUND BALANCES - beginning of year, as restated	<u>913,503</u>	<u>913,503</u>	<u>1,255,745</u>	<u>342,242</u>
FUND BALANCES - end of year	<u>\$ 964,897</u>	<u>\$ 1,040,380</u>	<u>\$ 1,163,651</u>	<u>\$ 123,271</u> (concluded)

See the accompanying notes to the required supplementary information.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

OPERATIONS AND MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:				
Taxes:				
Sales and use	\$ 1,635,000	\$ 1,900,000	\$ 1,912,896	\$ 12,896
Earnings on investments	2,500	6,500	7,317	817
Total revenues	<u>1,637,500</u>	<u>1,906,500</u>	<u>1,920,213</u>	<u>13,713</u>
<u>Expenditures:</u>				
Current:				
Support services:				
Regular education programs	-	-	10,067	(10,067)
Plant operation and maintenance	75,000	75,000	10,775	64,225
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>20,842</u>	<u>54,158</u>
Excess of revenues over expenditures	<u>1,562,500</u>	<u>1,831,500</u>	<u>1,899,371</u>	<u>67,871</u>
<u>Other financing uses:</u>				
Operating transfers out	<u>(1,562,500)</u>	<u>(1,827,500)</u>	<u>(1,896,838)</u>	<u>(69,338)</u>
Total other financing uses	<u>(1,562,500)</u>	<u>(1,827,500)</u>	<u>(1,896,838)</u>	<u>(69,338)</u>
Net Changes in Fund Balances	-	4,000	2,533	(1,467)
FUND BALANCES - beginning of year	<u>918,917</u>	<u>918,917</u>	<u>918,917</u>	<u>-</u>
FUND BALANCES - end of year	<u>\$ 918,917</u>	<u>\$ 922,917</u>	<u>\$ 921,450</u>	<u>\$ (1,467)</u>

See the accompanying notes to the required supplementary information.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

SCHOOL FOOD SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:				
Earnings on investments	\$ 324	\$ 324	\$ 4,535	\$ 4,211
Other	-	-	8,913	8,913
State sources:				
Unrestricted grants-in-aid	18,000	18,000	18,840	840
Federal sources:				
Grants-in-aid - subgrants	1,002,800	1,002,800	1,015,689	12,889
Total revenues	<u>1,021,124</u>	<u>1,021,124</u>	<u>1,047,977</u>	<u>26,853</u>
<u>Expenditures:</u>				
Current:				
Support services:				
Instructional staff services	800	800	5,460	(4,660)
Food services	995,000	995,000	1,129,192	(134,192)
Capital outlay	-	-	20,949	(20,949)
Total expenditures	<u>995,800</u>	<u>995,800</u>	<u>1,155,601</u>	<u>(159,801)</u>
Excess (deficiency) of revenues over expenditures	<u>25,324</u>	<u>25,324</u>	<u>(107,624)</u>	<u>(132,948)</u>
<u>Other financing uses:</u>				
Operating transfers out	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	25,324	25,324	(107,624)	(132,948)
FUND BALANCES - beginning of year	<u>113,851</u>	<u>115,972</u>	<u>163,020</u>	<u>47,048</u>
FUND BALANCES - end of year	<u>\$ 139,175</u>	<u>\$ 141,296</u>	<u>\$ 55,396</u>	<u>\$ (85,900)</u>

See the accompanying notes to the required supplementary information.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS
LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

Financial statement reporting date	Measurement date	Service cost	Interest	Differences between expected and actual experience	Changes in assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
6/30/2019	6/30/2019	\$ 396,713	\$ 589,481	\$ 2,177,130	\$ 742,970	\$ (962,488)	\$ 2,943,806	\$ 15,033,711	\$ 17,977,517	\$ 8,790,441	204.51%
6/30/2018	6/30/2018	458,410	564,182	265,964	(582,041)	(973,664)	(267,149)	15,300,860	15,033,711	8,534,409	176.15%

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

There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR COST SHARING DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2019 (*)

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 Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System of Louisiana						
	2019	0.2004%	\$ 19,690,340	\$ 7,688,813	256.0908%	68.20%
	2018	0.1794%	18,391,458	7,929,508	231.9369%	65.60%
	2017	0.1858%	21,807,087	7,988,631	272.9765%	59.90%
	2016	0.1739%	18,698,318	7,689,440	243.1688%	62.50%
	2015	0.2057%	21,024,672	8,999,354	233.6242%	63.70%
Louisiana School Employees Retirement System						
	2019	0.2373%	\$ 1,585,163	\$ 558,407	283.8723%	74.44%
	2018	0.2309%	1,477,804	758,745	194.7695%	75.03%
	2017	0.2473%	1,865,456	734,381	254.0175%	70.09%
	2016	0.2829%	1,794,028	818,965	219.0604%	74.49%
	2015	0.3000%	1,739,552	951,374	182.8463%	76.18%

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

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

EAST FELICIANA PARISH SCHOOL SYSTEM
CLINTON, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEM
OF COST SHARING DEFINED BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2019

Pension Plan	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³	Contributions as a % of Covered Payroll
Teachers Retirement System of Louisiana						
	2019	\$ 2,347,282	\$ 2,347,282	\$ -	\$ 7,989,442	29.38%
	2018	1,967,106	1,967,106	-	7,688,813	25.58%
	2017	2,026,792	2,026,792	-	7,929,508	25.56%
	2016	2,101,010	2,101,010	-	7,988,631	26.30%
	2015	2,471,094	2,471,094	-	7,689,440	32.14%
Louisiana School Employees Retirement System						
	2019	\$ 216,243	\$ 216,243	\$ -	\$ 642,943	33.63%
	2018	174,279	174,279	-	558,407	31.21%
	2017	212,124	212,124	-	758,745	27.96%
	2016	229,141	229,141	-	734,381	31.20%
	2015	322,963	322,963	-	818,965	39.44%

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

For reference only:

¹ Employer contribution rate multiplied by employer's covered payroll

² Actual employer contributions remitted to Retirement Systems

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

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

GENERAL BUDGET POLICIES

The School Board follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules.

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

Each year prior to September 15, the Superintendent submits to the School Board proposed annual budgets for the general fund and special revenue funds' budgets. Public hearings are conducted, prior to the School Board's approval, to obtain citizens comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the School Board. All budget revisions are approved by the School Board.

The budgets are prepared under the modified accrual basis of accounting. The level of budgetary control is established by function within each fund.

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO OTHER POST-EMPLOYMENT BENEFIT PLAN

Changes in benefit terms -

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

Changes of Assumptions -

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

<u>Discount Rate:</u>		
<u>Measurement</u>		
<u>Date</u>	<u>Rate</u>	<u>Change</u>
6/30/2019	3.500%	-0.370%
6/30/2018	3.870%	0.290%
6/30/2017	3.580%	

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED BENEFIT PENSION PLANS

Changes in benefit terms -

Teachers Retirement System of Louisiana

2015 - A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session

2016 - Act 93 of the 2016 Legislature provides for a 1.5% permanent benefit increase on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16 for those retired on or before 6/30/15 who are at least the age of 60.

2017 - A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session

Louisiana School Employees Retirement System

2016 - Act 93 of the 2016 Legislature provides for an up to 2.0% COLA on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16.

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED BENEFIT PENSION PLANS (continued)

Changes of Assumptions -

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

Discount Rate:			Inflation Rate:		
Year (*)	Rate	Change	Year (*)	Rate	Change
<u>TRSL</u>			<u>TRSL</u>		
6/30/2019	7.650%	-0.050%	6/30/2019	2.500%	0.000%
6/30/2018	7.700%	-0.050%	6/30/2018	2.500%	0.000%
6/30/2017	7.750%	0.000%	6/30/2017	2.500%	0.000%
6/30/2016	7.750%	0.000%	6/30/2016	2.500%	0.000%
6/30/2015	7.750%		6/30/2015	2.500%	
<u>LSERS</u>			<u>LSERS</u>		
6/30/2019	7.063%	-0.063%	6/30/2019	2.500%	-0.125%
6/30/2018	7.125%	0.000%	6/30/2018	2.625%	0.000%
6/30/2017	7.125%	0.125%	6/30/2017	2.625%	-0.125%
6/30/2016	7.000%	-0.250%	6/30/2016	2.750%	0.000%
6/30/2015	7.250%		6/30/2015	2.750%	

Salary Increase:

Year (*)	Rate
<u>TRSL</u>	
6/30/2019	3.300% to 4.800% varies depending on duration of service
6/30/2018	3.500% to 10.000% varies depending on duration of service
6/30/2017	3.500% to 10.000% varies depending on duration of service
6/30/2016	3.500% to 10.000% varies depending on duration of service
6/30/2015	3.500% to 10.000% varies depending on duration of service
<u>LSERS</u>	
6/30/2019	3.250%, based on 2013 - 2018 experience study
6/30/2018	3.075% to 5.375%, based on 2008 - 2012 experience study
6/30/2017	3.200% to 5.000%
6/30/2016	annual salary growth rates based upon members years of service, based on 2008 - 2012 experience study
6/30/2015	annual salary growth rates based upon members years of service, based on 2008 - 2012 experience study

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

SUPPLEMENTAL INFORMATION

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2019**

Purpose	<i>Agency Head Carlos Sam July 1, 2018 - May 31, 2019 Amount</i>	<i>Agency Head Keisha L. Netterville June 1, 2019 - June 30, 2019 Amount</i>
Salary	\$ 141,259	\$ 9,379
Benefits - insurance	6,971	-
Benefits - retirement	39,599	2,504
Membership Dues	100	-
Car allowance	6,000	-
Mileage	312	48
Registration fees	985	-
Conference travel (mileage, parking, taxi, and airfare)	1,425	-
Special meals	233	-
	<u>\$ 196,884</u>	<u>\$ 11,931</u>

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
JUNE 30, 2019

Title II

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

Title I

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

Individuals with Disabilities Education Act (IDEA) Funds

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

Temporary Assistance to Needy Families (TANF) Funds

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

Other Funds

This Special Revenue Fund accounts for the miscellaneous federal awards, state awards, and other contractual revenue not included in the funds described above.

State Grants

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

SRCL

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

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

	Special Revenue						Total Non-Major Governmental	
	Title II	Title I	IDEA	TANF	Other Funds	State Grants		SRCL
<u>ASSETS</u>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due from other governments	22,266	-	82,411	103,120	150,228	44,571	402,596	
Deferred Revenue	-	-	-	-	-	-	-	
Due from other funds	-	150,081	-	-	-	-	150,081	
Other	-	-	-	-	-	-	-	
TOTAL ASSETS	<u>\$ 22,266</u>	<u>\$ 150,081</u>	<u>\$ 82,411</u>	<u>\$ 103,120</u>	<u>\$ 150,228</u>	<u>\$ 44,571</u>	<u>\$ -</u>	<u>\$ 552,677</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due to other funds	22,266	114,930	82,411	103,120	150,228	43,324	516,279	
Due to other governments	-	35,151	-	-	-	-	35,151	
Unearned revenue	-	-	-	-	-	1,247	1,247	
TOTAL LIABILITIES	<u>22,266</u>	<u>150,081</u>	<u>82,411</u>	<u>103,120</u>	<u>150,228</u>	<u>44,571</u>	<u>-</u>	<u>552,677</u>
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	
Spendable:								
Restricted for:								
Federal and state grant programs	-	-	-	-	-	-	-	
School food services	-	-	-	-	-	-	-	
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,266</u>	<u>\$ 150,081</u>	<u>\$ 82,411</u>	<u>\$ 103,120</u>	<u>\$ 150,228</u>	<u>\$ 44,571</u>	<u>\$ -</u>	<u>\$ 552,677</u>

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue						Total Non-Major Governmental
	Title II	Title I	IDEA	TANF	Other Funds	State Grants	
<u>REVENUES</u>							
Local sources:							
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	-	-	-	-	911,811	45,264	957,075
State sources:							
Unrestricted grants-in-aid, MFP	-	-	-	-	-	-	-
Restricted grants-in-aid	-	-	-	123,506	6,698	72,357	202,561
Federal grants	69,701	984,971	492,133	149,867	84,666	-	1,805,721
TOTAL REVENUES	69,701	984,971	492,133	273,373	1,003,175	117,621	2,965,357
<u>EXPENDITURES</u>							
Current:							
Instruction:							
Regular education programs	-	48,166	-	-	40,017	95,436	183,619
Special education programs	-	-	148,882	-	-	-	148,882
Vocational education programs	-	71,308	-	-	23,740	8,738	103,786
Other education programs	39,529	528,390	1,498	261,062	152,590	-	1,007,452
Support:							
Pupil support services	-	-	158,750	-	-	-	158,750
Instructional staff services	24,366	255,344	143,038	-	772,115	13,447	1,208,310
General administration services	-	-	-	-	-	-	-
School administration services	-	-	-	-	-	-	-
Business and central services	-	-	436	-	-	-	436
Plant operation and maintenance	-	-	-	-	-	-	-
Transportation	-	-	-	-	4,334	-	4,334
Food services	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Facilities acquisition and maintenance	-	-	-	-	-	-	-
Debt service - Principal	-	-	-	-	-	-	-
Debt service - Interest	-	-	-	-	-	-	-
TOTAL EXPENDITURES	63,895	903,208	452,604	261,062	992,796	117,621	2,815,569
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 5,806	\$ 81,763	\$ 39,529	\$ 12,311	\$ 10,379	\$ -	\$ 149,788

(continued)

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue						Total Non-Major Governmental	
	Title II	Title I	IDEA	TANF	Other Federal Funds	State Grants	SRCL	
<u>OTHER FINANCING SOURCES (USES)</u>								
Operating transfers in	-		-	-	-	-	-	-
Operating transfers (out)	(5,806)	(81,763)	(39,529)	(12,311)	(10,379)	-	-	(149,788)
TOTAL OTHER FINANCING SOURCES (USES)	(5,806)	(81,763)	(39,529)	(12,311)	(10,379)	-	-	(149,788)
<u>NET CHANGE IN FUND BALANCES</u>	-	-	-	-	-	-	-	-
FUND BALANCES - beginning of year	-	-	-	-	-	-	-	-
FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(concluded)

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

FIDUCIARY FUND TYPE – DESCRIPTIONS
JUNE 30, 2019

AGENCY FUNDS

School Activity Funds

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

Sales Tax Fund

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

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

COMBINING BALANCE SHEET - AGENCY FUNDS
JUNE 30, 2019

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 191,807	\$ 697,204	\$ 889,011
Sales tax receivable	-	555,686	555,686
	<u>\$ 191,807</u>	<u>\$ 1,252,890</u>	<u>\$ 1,444,697</u>
<u>LIABILITIES</u>			
Taxes paid under protest	\$ -	\$ 299,524	\$ 299,524
Amounts held for school clubs and activities	191,807	-	191,807
Due to other governments	-	953,366	953,366
	<u>\$ 191,807</u>	<u>\$ 1,252,890</u>	<u>\$ 1,444,697</u>

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2019

Richard Terrell	\$	7,200
Paul Kent		6,600
Beth Dawson		3,300
J.D. Danzler		3,300
Joyce Kent		6,600
Melvin Hollins		6,500
Micheal Bradford		6,600
Rufus Nesbitt		6,550
Mitch Harrell		6,500
Timothy Corcoran		3,300
Emily Hurst		2,750
Derald Spears		6,350
Edward Brooks, Jr.		6,250
Lillian Drake		6,600
		<hr/>
	\$	<u>78,400</u>

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

To the East Feliciana Parish School Board
Clinton, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board (the School Board), as of and for the year ended June 30, 2019, 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 27, 2019.

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 may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described as item 2019-001, in the accompany schedule of findings and questioned costs that we consider to be a significant deficiency.

Compliance and Other Matters

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



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 response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 27, 2019

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

East Feliciana Parish School Board
Clinton, Louisiana

Report on Compliance for Each Major Federal Program

We have audited East Feliciana Parish School Board (the School Board)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of School Board's major federal programs for the year ended June 30, 2019. The School Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the East Feliciana Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

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 2019-002. 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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

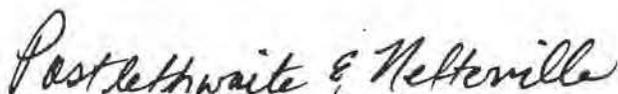
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies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

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

We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-002, to be a significant deficiency.

The School Board's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questions costs. The School Board's response was not subjected to the auditing procedure 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.



Baton Rouge, Louisiana
December 27, 2019

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Pass-through program from Louisiana Department of Education:			
National School Lunch Program	N/A	10.555 ¹	\$ 664,417
School Breakfast Program	N/A	10.553 ¹	269,242
School Supper Program	N/A	10.558	7,715
Summer Food Service Program for Children	N/A	10.559 ¹	6,628
Commodity Supplemental Food Program	N/A	10.565 ²	67,687
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>1,015,689</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Pass-through program from Louisiana Department of Education:			
Title I Grants to Local Education Agencies	10-T1-19	84.010A	843,581
Title I - School Improvement	10-T1-SI	84.388	141,390
Striving Readers Comprehensive Literacy	28-12-SN-19C	84.371C	24,383
Title II - Improving Teacher Quality	10-50-19	84.367	69,701
Special Education - Grant to States	10-B1-19	84.027 ³	470,524
Special Education - Preschool Grants	10-P1-19	84.173 ³	21,609
Vocational Education - Basic Secondary	10-02-19	84.048	21,143
Rural Education Achievement Program	28-11-RE-19	84.358	36,367
E Education for Homeless Children and Youth	28-16-H1-19	84.196A	22,175
Lead Agency 2017-18 Grant	LA2017-18G	84.173 ³	973
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>1,651,846</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-through program from Louisiana Department of Health and Human Services:			
Temporary Assistance for Needy Families (TANF)		93.558 ⁴	149,867
Pass-through program from Louisiana Department of Education:			
Early Childhood Community Network Lead Agencies		93.575 ⁵	4,008
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>153,875</u>
<u>UNITED STATES DEPARTMENT OF DEFENSE</u>			
Junior Reserve Officer Training Corps	N/A	12.UKN	59,127
TOTAL UNITED STATES DEPARTMENT OF DEFENSE			<u>59,127</u>
Total Expenditures of Federal Awards			<u>\$ 2,880,537</u>

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

¹ Child Nutrition Cluster	\$ 940,287
² Food Distribution Cluster	\$ 67,687
³ Special Education Cluster:	\$ 493,106
⁴ TANF Cluster	\$ 149,867
⁵ CCDF (Child Care and Development Fund) Cluster	\$ 4,008

EAST FELICIANA PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A – BASIS OF PRESENTATION

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

NOTE B – NON-MONETARY ASSISTANCE

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2019, the organization had food commodities totaling \$37,889 in inventory. The value of commodities received and used during the period ended June 30, 2019, totaled \$67,687.

NOTE C - RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

The expenditures listed in the accompanying schedule are reported in the following funds in the East Feliciana Parish School Board's June 30, 2019, basic financial statements and combining schedules. Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with the revenue reported.

Title I and Title I School Improvement	\$	984,971
Title II		69,701
IDEA Special Education Funds		492,133
Striving Readers Comprehensive Literacy (SCRL)		24,383
Other Federal Funds		84,666
TANF		149,867
General Fund		59,127
School Food Service		<u>1,015,689</u>
Balance at June 30, 2019	\$	<u>2,880,537</u>

NOTE D – DE MINIMUS INDIRECT COST RATE

East Feliciana Parish School Board did not elect to use the 10% de minimus indirect cost rate for the year ended June 30, 2019.

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

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

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?

_____ x yes _____ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555; 10.559	Child Nutrition Cluster
84.010A	Title I Grants to Local Education Agencies

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

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2019 – 001) Documentation of Internal Controls over Open Purchase Orders

Criteria: Internal controls authorizing the payment of supply invoices on open purchase orders should be enhanced.

Condition: The Superintendent authorizes all purchase orders. Certain purchases are approved with an open purchase order for some vendors. This is done to allow for personnel to buy items as deemed necessary for school board use, specifically the child nutrition program. Payments are made by obtaining invoices from employees and follow the normal procedures for processing payments by accounting personnel. Currently, a supervisor of the department purchasing the item does not document review of these purchases. Final review of the invoice and open purchase order is made by accounting personnel.

Cause: Under the accounting system, supervisors do not document review of actual invoices used to match with open purchase orders.
This is a repeat finding from the prior year.

Effect: While our audit procedures did not identify any unsupported or unusual transactions, the lack of documented approval of supplies from retailers on open purchase orders could result in unauthorized transactions and use of school board assets.

Recommendation: The School Board should establish written policies and/or procedures to ensure documentation is evidenced to authorize the approval of these purchases prior to payment and reconciliation of amounts authorized to approved invoices mentioned.

View of Responsible Official:

The District has initiated additional documentation procedures in February 2019 to address this matter in the maintenance department. However, such procedures will be implemented District-wide immediately. In particular, prior to a check being prepared by accounting personnel, each departmental supervisor will document review of actual invoices being matched to open purchase orders for reasonableness and accuracy.

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

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

2019 – 002) Preparation of Schedule of Expenditure and Federal Awards (SEFA) and Timely Filing of Federal Data Collection Form

Questioned Costs: N/A

Criteria: The Uniform Guidance Subpart F section 200.510 and section 200.512, respectively, require the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to include an accurate reporting of federal awards expended based on the terms and conditions of the grants and submission of data collection form within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period. In order for the SEFA to be prepared accurately, properly report the amounts expended for federal awards, as well as, ensuring timely filing of the data collection form, a system of controls should be in existence that includes the review of the amounts reported on the SEFA, documentation of the consideration of whether federal funding meets the definition of a federal award, and establishment of procedures to ensure timely filing of the data collection form.

Condition: The SEFA prepared by the School Board's personnel included as federal awards, expended amounts related to Teacher Incentive Federal grant funding for which the School Board was deemed a vendor and not a sub-recipient of the federal award. In addition, the federal data collection form was not filed within the established timeline under Uniform Guidance.

Cause: The School Board received Teacher Incentive Fund federal funding for services under a memorandum of understanding (MOU) with a California not-for-profit organization, the National Institute for Excellence in Teaching (NIET). The School Board has previously received Teacher Incentive grant funds through the state of Louisiana as a sub recipient in previous years. The School Board incorrectly assumed this funding was a continuation of this previous grant award and did not determine whether a vendor or sub-recipient relationship existed. With respect to the timing filing of the federal data collection form, the prior year audit was significantly delayed and the Superintendent retired who was responsible for completing the federal data collection form submission retired.

Effect: Under the terms of the MOU, the School Board is considered a vendor and therefore the funding should not have been considered a federal award and therefore should not have been reported on the SEFA. The SEFA provided to us did not contain the correct amounts of federal awards, which is the basis used to determine the major federal programs to be audited in a fiscal year. Under the terms of your federal awards, you are not in compliance with Uniform Guidance regulations and this results in additional coverage requirements to be utilized by the auditors in determining the dollar amount of federal awards to be audited for the fiscal period.

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

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

2019 – 002) Preparation of Schedule of Expenditure and Federal Awards (SEFA) and Timely Filing of Federal Data Collection Form (continued)

Recommendation: The School Board should strengthen its controls including its review processes over the information and balances that is accumulated and reported on the SEFA to make sure the expenditures reported are an accurate representation of federal costs. A determination of whether a vendor or sub-recipient relationship exists with the funding agency should be made with every new federal grant award received. The School Board should implement a procedure to ensure the timing of the federal data collection form is done in accordance with regulations.

View of Responsible Official:

The NIET award appeared to be a flow-through award from federal sources. The schedule was prepared on that basis which was a conservative approach by the District. However, the arrangement with NIET is not consistent with current or historical grant funding which has normally been governmentally funded. As a result, the amount was placed on the SEFA schedule for auditor review. On the other hand, the District will review grant funding more carefully moving forward to properly identify sub-recipient awards that are federal and non-federally funded. Secondly, the Data Collection Form submission was an inadvertent oversight since the electronic submission email was sent to the District's former superintendent. This matter is considered isolated and has been addressed.

EAST FELICIANA PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2018 -001 Non-compliance with State Audit Law

Questioned Costs: None

Condition:

The School Board was required to have an audit completed by the filing of December 31, 2018 (six months after its fiscal year end) and the School Board did not meet this filing deadline.

Recommendation:

The School Board should ensure year-end close out procedures are done timely to allow sufficient time for the auditor to complete their procedures in accordance with *Government Auditing Standards* and meet future deadlines.

Current Status: *Resolved*

2018 -002 Documentation of Internal Controls over Open Purchase Orders

Questioned Costs: None

Condition:

Internal controls authorizing the payment of supply invoices on open purchase orders should be enhanced.

Recommendation:

The School Board should establish written policies and/or procedures to ensure documentation is evidenced to authorize the approval of these purchases prior to payment.

Current Status: *Repeat finding in the current year. See 2019-001.*

B. FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None noted

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

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

We have performed the procedures enumerated below, which were agreed to by the East Feliciana Parish School Board (the School Board), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School Board for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the East Feliciana Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

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

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2018 roll books for those classes and observed that the class was properly classified on the schedule.

It was noted that 3 of the 10 class roll counts tested were not consistent with the LEADS class summary report. The difference variations were equal or less than 2 students.

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

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 teachers' personnel files and observed that each teachers' education level and experience was properly classified on the PEP data (or equivalent listing prepared by management).

No exceptions were noted.

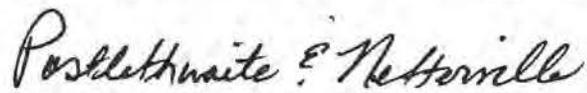
Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 teachers, traced to each teachers' personnel file, and observed that each teachers' salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

No exceptions were noted.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the East Feliciana Parish 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.



Baton Rouge, Louisiana
December 27, 2019

PERFORMANCE MEASUREMENT DATA

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2019

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019**

Schedule I

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:	
Teacher and Student Interaction Activities:	
Classroom Teacher Salaries	\$ 4,248,219
Other Instructional Staff Activities	406,646
Instructional Staff Employee Benefits	3,005,917
Purchased Professional and Technical Services	427,834
Instructional Materials and Supplies	79,505
Instructional Equipment	-
Total Teacher and Student Interaction Activities	\$ 8,168,121
Other Instructional Activities	147,553
Pupil Support Activities	553,827
Less: Equipment for Pupil Support Activities	-
Net Pupil Support Activities	553,827
Instructional Staff Services	1,065,610
Less: Equipment for Instructional Staff Services	-
Net Instructional Staff Services	1,065,610
School Administration	1,166,963
Less: Equipment for School Administration	-
Net School Administration	1,166,963
Total General Fund Instructional Expenditures	\$ 11,102,074
Total General Fund Equipment Expenditures	\$ -

Certain Local Revenue Sources

Local Taxation Revenue:	
Constitutional Ad Valorem Taxes	\$ 605,173
Renewable Ad Valorem Tax	3,078,050
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	89,562
Sales and Use Taxes	3,825,792
Total Local Taxation Revenue	\$ 7,598,577

Local Earnings on Investment in Real Property:	
Earnings from 16th Section Property	\$ 752
Earnings from Other Real Property	6,168
Total Local Earnings on Investment in Real Property	\$ 6,920

State Revenue in Lieu of Taxes:	
Revenue Sharing - Constitutional Tax	\$ 46,480
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 46,480

Nonpublic Textbook Revenue	\$ 11,738
Nonpublic Transportation Revenue	\$ -

EAST FELICIANA PARISH SCHOOL BOARD
 Clinton, Louisiana

Class Size Characteristics
 As of October 1, 2018

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	44.02%	81	40.76%	75	4.35%	8	10.87%	20
Elementary Activity Classes	34.38%	11	56.25%	18	0.00%	0	9.38%	3
Middle/Jr. High	81.61%	71	14.94%	13	3.45%	3	0.00%	0
Middle/Jr. High Activity Classes	57.14%	8	28.57%	4	0.00%	0	14.29%	2
High	73.74%	264	25.70%	92	0.56%	2	0.00%	0
High Activity Classes	53.13%	17	28.13%	9	18.75%	6	0.00%	0
Combination	100.00%	9	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	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 34 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.

EAST FELICIANA PARISH SCHOOL BOARD

12732 Silliman Street
Clinton, LA 70722

December 20, 2019

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

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

2019-001 Documentation of internal controls over open purchase orders

The District has initiated additional documentation procedures in February 2019 to address this matter in the maintenance department. However, such procedures will be implemented District-wide immediately. In particular, prior to a check being prepared by accounting personnel, each departmental supervisor will document review of actual invoices being matched to open purchase orders for reasonableness and accuracy.

This matter will be resolved in fiscal year ending June 30, 2020.

2019-002 Preparation of Schedule of Expenditures of Federal Awards (SEFA) and Timely Filing of Federal Data Collection Form

The NIET award appeared to be a flow-through award from federal sources. The schedule was prepared on that basis which was a conservative approach by the District. However, the arrangement with NIET is not consistent with current or historical grant funding which has normally been governmentally funded. As a result, the amount was placed on the SEFA schedule for auditor review. On the other hand, the District will review grant funding more carefully moving forward to properly identify sub-recipient awards that are federal and non-federally funded. This matter is considered resolved.

Secondly, the Data Collection Form submission was an inadvertent oversight since the electronic submission email was sent to the District's former superintendent. This matter is considered isolated and has been addressed.

Sincerely,

Keisha Netterville

Keisha Netterville, Superintendent

EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2019



Postlethwaite & Netterville

A Professional Accounting Corporation

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EAST FELICIANA PARISH SCHOOL BOARD
CLINTON, LOUISIANA

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2019

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the East Feliciana Parish School Board (Entity/School Board) and the Louisiana Legislative Auditor (LLA) (the specified parties) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The School Board's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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.

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. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year, the existence of mitigating internal controls as asserted by the entity" in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

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.

No exceptions noted.

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

No exceptions noted.

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The School Board did not have a policy in effect during the fiscal year under audit that addressed how completeness of all collections for each type of revenue is identified.

- 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.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics

violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

No exceptions noted.

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

No exceptions noted.

- k) **Disaster Recovery/ Business Continuity**, including (1) identification of critical data and frequent backups, (2) Storage of backups, (3) Periodic testing, (4) antivirus software systems, (5) available software patches/updates, and (6) tools needed to recover operations after a critical event.

The School Board Disaster Recovery Policy in effect during the fiscal year under audit did not address certain topics, such as: Periodic testing/ verification that backup can be restored, use of antivirus software systems, timely applications of all software patches/updates, or tools to recover operations after a critical event.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

For all of the 14 monthly board minutes reviewed, no evidence existed that a monthly budget-to-actual comparison report for all the major special revenue funds (excluded Title I Fund) were included or referenced in those minutes.

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

No exceptions noted.

Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 13 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending November 30, 2018, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

It was noted that 2 (November 2018 General Fund Account and East Feliciana Middle School Account) out of 5 bank reconciliations tested was not signed or dated by the preparer. Therefore, it was undeterminable if the bank reconciliation was prepared within the 2-month requirement. It was also noted that the client was unable to provide 1 (November 2018 Clinton Elementary Account) out of 5 bank reconciliations selected, and therefore, was undeterminable if one was prepared (all other attributes for this sample was undeterminable and considered exceptions as well).

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

It was noted that 3 (November 2018 General Fund Account, East Feliciana Middle School Account, and Slaughter Elementary Account,) out of 5 bank reconciliations tested did not properly include evidence that a member of management reviewed the reconciliation. It was also noted that the client was unable to provide 1 (November 2018 Clinton Elementary Account) out of 5 bank reconciliations selected. Therefore, in both instances it was undeterminable if the bank reconciliation was reviewed by someone other than a person who handles cash, post ledgers or issues checks.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

It was noted that 2 (November 2018 East Feliciana High and Slaughter Elementary School Accounts) out of 5 bank reconciliations tested did not properly include documentation for outstanding items greater than 12 months. It was also noted that the client was unable to provide 1 (November 2018 Clinton Elementary Account) out of 5 bank reconciliations selected as discussed in item 3b. Therefore, for 3 out of 5 reconciliations selected, it was undeterminable if the bank reconciliation had outstanding items that exceeded 12 months.

Collections

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

A listing of deposit sites was provided and included a total of 13 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 deposit sites and performed the procedures below.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that.

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 5 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

For 4 out of 5 locations selected for testing, the person responsible for collecting cash was also responsible for preparing/ making bank deposits. The 4 locations included Jackson Elementary, East Feliciana Middle School, Slaughter Elementary, and East Feliciana High School.

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

No exceptions noted.

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

No exceptions noted.

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

Per inquiries with the client, all main office secretaries are bonded. No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

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

No exceptions noted.

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

For 1 out of 10 deposits selected for testing, the related collection documentation was not provided. Therefore, we were unable to trace collection documentation to the deposit slip.

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

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

For 1 out of 10 deposits selected for testing, the related collection documentation was not provided. Therefore, we were unable to determine that the deposit was made within one business day of receipt.

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

No exceptions noted.

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

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

The listing of locations that process payments for the fiscal period was provided and included 6 locations. No exceptions were noted as a result of performing this procedure. From the listing provided, we randomly selected 5 locations and performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the School Board's written policies and procedures or inquiry with employee(s) regarding job duties were performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

For 1 out of the 5 locations selected for testing, the employee responsible for processing payments also had the ability to add/modify vendors and there was another employee noted as being responsible for periodically reviewing changes to vendor files. No exception noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted

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

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe that the disbursement matched the related original invoice/billing statement.

For 1 out of 25 disbursements tested, the purchase did not match the related original invoice/billing statement. These were related to school administered accounts.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For 5 out of 25 disbursements tested, there was no documented evidence on the purchase order and/or requisition request of the person whom initiated the purchase. Therefore, it was undeterminable if the requisition was initiated by someone other than who approved the requisition or purchase order (or similar document).

For 3 out of 25 disbursements tested, the purchase was initiated and approved by the same individual. These were related to school administered accounts.

For 5 out of 25 disbursements tested, the payment processors were not prohibited from adding or modifying vendor files.

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

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we randomly selected 1 card (1 purchase card linked to 4 accounts and) used in the fiscal period. We randomly selected one monthly statement for the card selected and performed the procedures noted below.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

For the 1 credit card selected for testing, there was no evidence the monthly statements were reviewed and approved, in writing, by someone other than the authorized card holder. However, the accountant reviews invoices with statements as payments are processed.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions noted.

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

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

Contracts

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

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

No exceptions noted.

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

For all 5 employees selected for testing, the supervisor approval of the employees' daily attendance record was not noted electronically or in writing.

For 1 out of the 5 employees selected for testing, the supervisor approval of the employees' leave documentation was not noted electronically or in writing.

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

For 1 out of 5 employees selected for testing, the cumulative leave record did not reflect accrued and/or taken leave during the pay period.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure. From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

Other

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.

Corrective Action

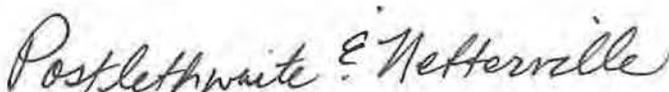
25. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See the attached Corrective Action Plan.

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

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

Sincerely,



December 27, 2019

EAST FELICIANA PARISH SCHOOL BOARD

12732 Silliman Street
Clinton, LA 70722

December 20, 2019

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

In connection with your statewide agreed upon procedures engagement for the East Feliciana Parish School Board (District), we have the following corrective action plan for the matters reported relating to the internal control and compliance report issued by your firm.

Written policies and procedures, Steps 1 d and k

The District will develop written procedures for current practices in place related to receipts and disaster recovery/business continuity practices.

Board/Finance Committee, Step 2 b

The District will begin adding financial reports relating to federal and state grant funds separately reported from the General Fund. Although the District prepares annual budgets for the Special Revenue Funds, an on-going report will be added to the financial packet shared with the Finance Committee.

Bank Reconciliations, Steps 3 a through c, Collections, Step 7, Non-payroll disbursements Steps 9 d, 10

The District will emphasize procedural changes at the individual schools relating to timely preparation of bank reconciliations, retention for recordkeeping purposes, timely deposits and timely clearing of outstanding checks.

Collections, Steps 5 and 7

Due to the small size of the staff at each school location, the District does not plan to implement any additional procedures at this time. However, the District may explore some form of oversight since segregation of duties is not practical.

The missing deposit documentation is considered an isolated incident.

Non-payroll disbursements, Steps 9 c and 10b

The School District is working with its information technology consultants to install control features relating to the segregation of vendor setup and check preparation.

Documentation practices at the school sites for purchases will be reviewed with appropriate record retention practices implemented.

Credit Cards/Debit Cards/Fuel Cards/ P-Cards, Step 12 a

This matter was considered isolated as credit card statements are reviewed monthly by individuals independent of the card holders. Secondly, the District will ensure statements are initialed so that monitoring activity is documented.

Payroll and personnel, Step 17 b and c

The District will add an approval line to the current daily time records maintained at each school location and ensure all approvals are documented. However, the District may research automated practices to replace this manual process.

Sincerely,

Keisha Netterville

Keisha Netterville, Superintendent

EAST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2019



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

December 27, 2019

Members of Management of the
East Feliciana Parish School Board

In planning and performing our audit of the financial statements of the East Feliciana Parish School Board (the School Board) for the year ended June 30, 2019, 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 27, 2019 on the financial statements of the School Board.

2019-A) Internal Controls over IT

Condition: In recent years, there has been an increasing possibility that an organization's computer systems may be taken hostage by computer hackers and other such cyber criminals. While our audit procedures did not indicate any of this type of activity occurring for the School Board, we feel that all organizations would be wise to implement as many procedures and safeguards as possible to offset this threat. Based on our audit procedures, we understand that computer passwords are not changed on a regular basis. Additionally, based on our audit procedures we noted user access and admin access should be reviewed and updated for those employees and their job responsibilities.

Recommendation: In order to reduce the risk of access to computer files by unauthorized personnel, we recommend that the School Board institute a policy that requires passwords to be changed on a regular basis. The School Board should also review user access and assigned responsibilities and implement policies and procedures to monitor this in accordance with the employee's job responsibilities and managements understanding of the users to the system.

2019 –B) Maintaining Roll Books

Condition: While performing certain agreed upon procedures related to the performance and statistical data accompanying the financial statements, we noted that the roll books are not being consistently maintained. Our procedures required us to test 10 classes to roll books at October 1st to verify class size data reported to the LDOE. One of the roll books was not maintained by one of the schools, in accordance with the established policy.

Recommendation: The School Board should verify that roll book information is being adequately maintained in accordance with established policies.

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

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

Postlethwaite & Netterville

EAST FELICIANA PARISH SCHOOL BOARD

12732 Silliman Street
Clinton, LA 70722

December 20, 2019

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

In connection with your audit of the financial statements for the East Feliciana Parish School Board (District), we have the following corrective action plan for the matters reported relating to the management letter issued by your firm.

2019-A – Internal Controls over IT

The District will review this matter with its current IT vendor to explore opportunities to enhance current IT policies and practices, to include cybersecurity risks and user password procedures.

2019-B – Maintaining Roll Books

The District is exploring technology alternatives to replace manual roll books with electronic recordkeeping practices. The District intends to implement these practices during fiscal year 2020.

Sincerely,

Keisha Netterville

Keisha Netterville, Superintendent