

ALLEN PARISH SCHOOL BOARD

Oberlin, Louisiana

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Mr. Michael Doucet, Superintendent,
and Members of the Allen Parish School Board
Oberlin, 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 Allen Parish School Board (School Board), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, schedule of funding progress, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 51-59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The School Board has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining nonmajor and fiduciary funds financial statements included in other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The prior year comparative information included with in the required supplementary information has been derived from the School Board's 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
December 19, 2017

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2017

ASSETS		
Cash and interest-bearing deposits		\$ 14,450,950
Investments		8,518,266
Receivables		243,273
Due from other governmental agencies		1,479,484
Prepaid insurance		144,655
Inventories, at cost		54,921
Capital assets:		
Land and construction in progress		545,641
Capital assets, net		<u>26,386,806</u>
Total assets		<u>51,823,996</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding		267,266
Deferred outflows of resources related to pensions		<u>12,804,428</u>
		<u>13,071,694</u>
LIABILITIES		
Accounts, salaries and other payables		6,067,320
Interest payable		171,245
Long-term liabilities:		
Due within one year		1,270,000
Due in more than one year		19,728,406
Other post employment benefits payable		22,405,448
Net pension liability		<u>68,386,365</u>
Total liabilities		<u>118,028,784</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions		<u>2,501,652</u>
NET POSITION		
Net investment in capital assets		7,279,597
Restricted for:		
Debt service		1,169,390
Capital projects		597,150
Salaries and related benefits		3,086,495
Unrestricted (deficit)		<u>(67,767,378)</u>
Total net position		<u>\$ (55,634,746)</u>

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Statement of Activities
Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$ 23,091,894	\$ -	\$ 1,303,248	\$ (21,788,646)
Special education programs	3,839,352	-	407,722	(3,431,630)
Vocational education programs	1,540,210	-	69,980	(1,470,230)
Other instructional programs	199,698	-	41,488	(158,210)
Special programs	2,015,419	-	949,630	(1,065,789)
Support services:				
Pupil support	3,186,938	-	362,501	(2,824,437)
Instructional staff support	2,656,646	-	545,779	(2,110,867)
General administration	1,158,349	-	15,798	(1,142,551)
School administration	4,499,260	-	47,807	(4,451,453)
Business services	423,258	-	5,872	(417,386)
Plant services	4,300,020	-	872,704	(3,427,316)
Student transportation services	3,513,541	-	49,773	(3,463,768)
Central services	106,545	-	1,999	(104,546)
Non-instructional services:				
Food services	2,850,690	214,209	1,719,448	(917,033)
Community service operations	29,334	-	499	(28,835)
Facilities acquisition and construction	26,210	-	90,820	(26,119)
Interest on long-term debt	547,402	-	2,987	(544,415)
Total governmental activities	\$ 53,984,766	\$ 214,209	\$ 6,397,325	(47,373,232)
General revenues:				
Taxes:				
Ad valorem taxes, levied for general purposes				2,696,532
Ad valorem taxes, levied for debt service				1,625,025
Sales and use taxes, levied for general purposes				7,610,714
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				29,215,979
State source - PIPS				10,384
State revenue sharing				88,622
Interest and investment earnings				59,697
Miscellaneous				800,443
Total general revenues				42,107,396
Change in net position				(5,265,836)
Net position - July 1, 2016				(50,368,910)
Net position - June 30, 2017				\$ (55,634,746)

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Coushatta Tribe of Louisiana Community Grant Fund

The Coushatta Tribe of Louisiana Community Grant Fund accounts for grant revenues received from the Coushatta Tribe of Louisiana.

Title I - Improving America's Schools

Title I - Improving America's Schools is a program for economically and educationally deprived school children that is federally financed, state-administered, and locally operated by the School Board. The Title I Fund accounts for the federal monies received. The Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Special Education

The Special Education Fund accounts for federal monies provided to extend and improve comprehensive educational programs for handicapped children and to provide a free, appropriate public education in the least restrictive environment to handicapped children.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Balance Sheet - Governmental Funds
June 30, 2017

	General Fund	Coushatta Tribe of Louisiana Community Grant Fund	Improving America's Schools Act Title I	Special Education	Other Governmental Funds	Total
ASSETS						
Cash and interest-bearing deposits	\$ 8,297,082	\$ 1,590,958	\$ -	\$ -	\$ 4,562,910	\$ 14,450,950
Investments	8,392,558	-	-	-	125,708	8,518,266
Receivables -						
Due from other funds	885,301	-	-	-	75,450	960,751
Due from other governmental agencies	418,657	272,589	280,544	387,579	120,115	1,479,484
Other	243,273	-	-	-	-	243,273
Prepaid insurance	144,655	-	-	-	-	144,655
Inventories, at cost	-	-	-	-	54,921	54,921
Total assets	<u>\$ 18,381,526</u>	<u>\$ 1,863,547</u>	<u>\$ 280,544</u>	<u>\$ 387,579</u>	<u>\$ 4,939,104</u>	<u>\$ 25,852,300</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 143,800	\$ -	\$ -	\$ -	\$ 37,508	\$ 181,308
Accrued salaries payable	5,322,826	-	105,862	81,599	129,184	5,639,471
Claims payable	246,541	-	-	-	-	246,541
Due to other funds	149,278	-	174,682	305,980	330,811	960,751
Total liabilities	<u>5,862,445</u>	<u>-</u>	<u>280,544</u>	<u>387,579</u>	<u>497,503</u>	<u>7,028,071</u>
Fund balances:						
Nonspendable	144,655	-	-	-	54,921	199,576
Restricted	3,256,495	-	-	-	1,937,785	5,194,280
Committed	246,541	1,863,547	-	-	2,448,895	4,558,983
Unassigned	8,871,390	-	-	-	-	8,871,390
Total fund balances	<u>12,519,081</u>	<u>1,863,547</u>	<u>-</u>	<u>-</u>	<u>4,441,601</u>	<u>18,824,229</u>
Total liabilities and fund balances	<u>\$ 18,381,526</u>	<u>\$ 1,863,547</u>	<u>\$ 280,544</u>	<u>\$ 387,579</u>	<u>\$ 4,939,104</u>	<u>\$ 25,852,300</u>

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

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

Total fund balances for governmental funds at June 30, 2017		\$ 18,824,229
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Cost of capital assets at June 30, 2017	\$ 71,838,993	
Less: Accumulated depreciation as of June 30, 2017:		
Buildings	(41,234,024)	
Movable property	<u>(3,672,522)</u>	26,932,447
Deferred loss on refunding		267,266
Deferred outflows of resources related to net pension liability		12,804,428
Long-term liabilities at June 30, 2017:		
Bonds payable	\$ (20,250,000)	
Compensated absences payable	(748,406)	
Accrued interest payable	<u>(171,245)</u>	(21,169,651)
Other post employment benefits		(22,405,448)
Net pension liability		(68,386,365)
Deferred inflows of resources related to net pension liability		<u>(2,501,652)</u>
Net position at June 30, 2017		<u>\$ (55,634,746)</u>

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

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

	General Fund	Coushatta Tribe of Louisiana Community Grant Fund	Improving America's Schools Act Title I	Special Education	Other Governmental Funds	Total
REVENUES						
Parish sources:						
Ad valorem taxes	\$ 851,099	\$ -	\$ -	\$ -	\$ 3,470,458	\$ 4,321,557
Sales taxes	7,610,714	-	-	-	-	7,610,714
Other	958,919	1,124,272	-	-	228,996	2,312,187
Total parish sources	9,420,732	1,124,272	-	-	3,699,454	14,244,458
State sources	29,639,875	-	-	-	404,168	30,044,043
Federal sources	-	-	1,061,696	1,392,558	2,069,968	4,524,222
Total revenues	39,060,607	1,124,272	1,061,696	1,392,558	6,173,590	48,812,723
EXPENDITURES						
Current:						
Instruction -						
Regular programs	19,186,098	18,023	262,938	158,235	320,451	19,945,745
Special education programs	3,042,345	-	-	343,192	-	3,385,537
Vocational education programs	1,286,966	-	-	47,155	-	1,334,121
Other instructional programs	189,325	-	-	-	6,263	195,588
Special programs	911,230	-	543,995	363,145	-	1,818,370
Support services -						
Pupil support services	2,509,702	-	-	307,457	-	2,817,159
Instructional staff support services	1,943,755	-	235,365	109,742	96,771	2,385,633
General administration	1,254,827	-	-	-	117,183	1,372,010
School administration	3,005,040	-	-	-	676,868	3,681,908
Business services	364,206	-	-	-	-	364,206
Operation and maintenance of plant services	3,293,643	49,074	-	-	679,691	4,022,408
Student transportation services	3,099,606	-	-	-	-	3,099,606
Central services	124,013	-	-	-	-	124,013
Non-instructional services -						
Food services	-	-	-	-	2,501,885	2,501,885
Community service operations	29,334	-	-	-	-	29,334
Facilities acquisition and construction	5,335	-	-	-	30,875	36,210
Debt service:						
Principal retirement	165,000	-	-	-	1,050,000	1,215,000
Interest and fiscal charges	10,495	-	-	-	504,614	515,109
Total expenditures	40,420,920	67,097	1,042,298	1,328,926	5,984,601	48,843,842
Excess (deficiency) of revenues over expenditures	(1,360,313)	1,057,175	19,398	63,632	188,989	(31,119)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,419,527	-	-	-	195,831	1,615,358
Transfers out	(384,011)	(1,145,293)	(19,398)	(63,632)	(3,024)	(1,615,358)
Total other financing sources (uses)	1,035,516	(1,145,293)	(19,398)	(63,632)	192,807	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(324,797)	(88,118)	-	-	381,796	(31,119)
FUND BALANCES, BEGINNING	12,843,878	1,951,665	-	-	4,059,805	18,855,348
FUND BALANCES, ENDING	\$12,519,081	\$1,863,547	\$ -	\$ -	\$ 4,441,601	\$18,824,229

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2017

Total net change in fund balances for year ended June 30, 2017 per the statement of revenues, expenditures and changes in fund balances		\$ (31,119)
Facilities acquisition, construction costs and equipment which are considered as expenditures on statement of revenues, expenditures and changes in fund balances	\$ 99,306	
Depreciation expense for the year ended June 30, 2017	<u>(1,161,131)</u>	(1,061,825)
Loss on disposals for the year ended June 30, 2017		(93,793)
Principal retirement considered as an expenditure on the statement of revenues, expenditures and changes in fund balance		1,215,000
Excess of compensated absences used over compensated absences earned		25,517
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		(32,293)
Net change in pension expense		<u>(672,112)</u>
Total change in net position for year ended June 30, 2017 per the statement of activities		<u>\$ (5,265,836)</u>

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Statement of Fiduciary Net Position
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	\$ 1,140,265
Investments	<u>16,197</u>
Total assets	<u>\$ 1,156,462</u>
LIABILITIES	
Due to other governmental units	\$ 475,485
School activity funds payable	<u>680,977</u>
Total liabilities	<u>\$ 1,156,462</u>

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Allen Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

The School Board operates twelve schools within the parish with a total enrollment of 4,299 pupils for the year ended June 30, 2017, based on the October 2016 official MFP student count. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government. The School Board has no component units nor is it a component unit of any other entity.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the School Board as an economic unit. The government-wide financial statements report the School Board's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and business-type activities of the primary government. The School Board does not have any business-type activities. Fiduciary funds are omitted from the government-wide financial statements.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the School Board are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, expenditures, and transfers.

Major funds are determined as funds whose revenues, expenditures, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental funds or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the School Board. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The School Board uses the following funds, grouped by fund type.

Governmental Funds –

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balance of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds.

General Fund –

The General Fund is the general operating fund of the School Board. All financial resources not accounted for in other funds are reported in the General Fund.

Special Revenue Funds –

Special revenue funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects of the School Board. The following are the School Board's major Special Revenue Funds:

The Coushatta Tribe of Louisiana Community Grant fund accounts for grant revenues received from the Coushatta Tribe of Louisiana.

Chapter I Title I of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived school children that is federally financed, state-administered, and locally operated by the School Board. The Title I Fund accounts for the federal monies received through this program. The Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

The Special Education Fund accounts for federal and state monies provided to extend and improve comprehensive educational programs for handicapped children and to provide a free, appropriate public education in the least restrictive environment to handicapped children.

Debt Service Funds

Debt service funds, established to meet requirements of bond ordinances, are used to account for and report resources that are restricted, committed, or assigned to expenditures for the payment of long-term debt principal, interest, and related costs. The School Board has no major debt service funds.

Capital Projects Funds

Capital projects funds are used to report resources that are restricted, committed, or assigned to expenditure for major capital acquisition and construction separately from ongoing operational activities. The School Board has no major capital projects funds.

Fiduciary Funds –

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are agency funds. The agency funds of the School Board are as follows:

The School Activity Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations.

The Sales Tax Collection Fund accounts for monies collected on behalf of other taxing authorities within the parish.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditure of the current period. For this purpose, the School Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grant revenue collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The School Board considers reimbursement amounts received within one year as available. The School Board accrues ad valorem taxes, sales and use taxes, federal and state grants, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School Board. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School Board and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the fiduciary funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand deposits, money market accounts, and time deposits of the School Board, which are stated at cost.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

Investments

Under state law the School Board may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans (current portion) are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. The majority of this balance is comprised of ad valorem taxes, sales and use taxes and federal and state grants.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017 are recorded as prepaid items.

Inventories

The cost of inventories is recorded as expenses when consumed on the government-wide financial statements and some inventories are reported as expenditures when purchased on the fund financial statements. Reserves are established for an amount equal to the carrying value of inventories.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Capital Assets

Capital assets, which include property, plant, and equipment assets, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

Vehicles	5 years
Equipment	5 - 10 years
Buildings and improvements	40 years

In the fund financial statements, the acquisition of capital assets used in governmental fund operations are accounted for as expenditures of the governmental funds upon acquisition.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives in the same manner as all other depreciable capital assets.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred outflow of resources attributable to its pension plans. The School Board reported deferred outflows of resources totaling \$13,071,694 at June 30, 2017.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School Board has only one item that qualifies for reporting in this category, the deferred inflow of resources attributable to its pension plans. The School Board reported deferred inflows of resources totaling \$2,501,652 at June 30, 2017.

Compensated Absences

All 12-month employees in the central office earn from 12 to 18 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave is credited at the end of each calendar month; however, no employee is permitted to use, during the course of a fiscal year, more consecutive days than may be earned during that period. No payment of accumulated vacation leave is made upon resignation but may be made at retirement. All 12-month school personnel earn up to eighteen days of vacation leave each year, which may be accumulated up to a maximum of thirty-six days.

Sabbatical leave may be granted for medical leave with doctor's certification and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Due to its restrictive nature, sabbatical leave benefits are recorded as expenditures in the period taken and no liability is recorded in advance of the sabbatical.

For fund financial statements, vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as noncurrent liabilities.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

No liability is recorded for non-vesting accumulating rights to receive vacation pay. A liability has been recorded for up to 25 days of accumulated sick leave for those employees eligible for retirement as of June 30, 2017.

At June 30, 2017, employees of the School Board have accumulated and vested \$748,406 of compensated absence benefits payable.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the School Board does not have a proprietary fund, all School Board long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For government-wide reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the School Board's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the School Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are in nonspendable form or because of legal or contractual constraints requiring they remain intact. The School Board’s nonspendable fund balance includes inventories and prepaid items.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the School Board through formal legislative action of the School Board and do not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of a resolution by the School Board.
- d. Assigned includes fund balance amounts that are constrained by the School Board’s intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive approved by the School Board’s finance committee.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the School Board’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the School Board uses committed, assigned, and lastly, unassigned amounts of fund balance in that order when expenditures are made unless Board members or the finance committee has provided otherwise in its commitment or assignment actions.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

As of June 30, 2017, fund balances are comprised of the following:

	General Fund	Coushatta Tribe of Louisiana Community Grant Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$ -	\$ -	\$ 54,921	\$ 54,921
Prepaid items	144,655	-	-	144,655
Restricted:				
Debt retirement	170,000	-	1,340,635	1,510,635
Sales tax for salaries and benefits	3,086,495	-	-	3,086,495
Capital expenditures	-	-	597,150	597,150
Committed:				
Worker's compensation For subsequent years expenditures	246,541	-	-	246,541
	-	1,863,547	2,448,895	4,312,442
Unassigned:	<u>8,871,390</u>	<u>-</u>	<u>-</u>	<u>8,871,390</u>
 Total fund balances	 <u>\$12,519,081</u>	 <u>\$ 1,863,547</u>	 <u>\$ 4,441,601</u>	 <u>\$18,824,229</u>

E. Revenues, Expenditures and Expenses

Revenues

The School Board considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The School Board generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The School Board's major revenue sources that meet this availability criterion are ad valorem taxes, sales and use taxes, and federal and state grants.

There are two classifications are programmatic revenues for the School Board, grant revenue and program revenue. Grant revenues are revenues from federal, state and private grants. These revenues are recognized when all applicable eligibility requirements are met and reported as intergovernmental revenues. The primary source of program revenue is grant revenues. Program revenues included in the statement of activities are derived directly from the program itself or 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 School Board's general revenues.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are recognized when levied to the extent that they result in current receivables. Such amounts are measurable and available to finance current operations.

Interest income is recorded as earned in the fund holding the interest bearing assets. Revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character. In the fund financial statements, governmental funds report expenditure of financial resources whereas the government-wide financial statements report expenses related to the use of economic resources.

The School Board reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor. Principal and interest on long-term obligations are not recognized until due.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Other Financing Sources (Uses)

Other types of transactions such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera, are accounted for as other financing source (uses) in the fund financial statements. These other financing sources (uses) are recognized at the time the underlying event occurs.

F. Revenue Restrictions

The School Board has various restrictions/assignments placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions/Assignments on Use</u>
Sales taxes	See Note 9
Ad valorem taxes	See Note 4

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangibles assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be. Actual results could differ from those estimates.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the School Board had cash and interest-bearing deposits (book balances) totaling \$15,591,215 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 10,932,084	\$ 1,140,265	\$ 12,072,349
Time and money market accounts	3,518,866	-	3,518,866
Total	\$ 14,450,950	\$ 1,140,265	\$ 15,591,215

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2017, are secured as follows:

Bank balances	\$ 16,238,635
Federal deposit insurance	\$ 1,440,976
Pledged securities	14,797,659
Total	\$ 16,238,635

Deposits in the amount of \$14,797,659 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the School Board's name. The School Board does not have a policy for custodial credit risk.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Investments

At June 30, 2017, the School Board had the following investments and maturities:

Investment Type	% of Portfolio	Fair Value	Less Than One Year	One - Five Years
Governmental Activities -				
Mutual Funds:				
Fixed Income	35.2%	\$ 3,005,017	\$ -	\$ 3,005,017
Money market	0.4%	36,474	36,474	-
Total Mutual Funds		3,041,491	36,474	3,005,017
State Investment Pool (LAMP)	64.2%	5,476,775	5,476,775	-
Total Governmental Activities		<u>\$ 8,518,266</u>	<u>\$ 5,513,249</u>	<u>\$ 3,005,017</u>
Fiduciary Funds -				
State Investment Pool (LAMP)	0.2%	16,197	16,197	-
Total Fiduciary Funds		<u>\$ 16,197</u>	<u>\$ 16,197</u>	<u>\$ -</u>
Total Investments	<u>100.0%</u>	<u>\$ 8,534,463</u>	<u>\$ 5,529,446</u>	<u>\$ 3,005,017</u>

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

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Board limits investments to government securities that are direct and indirect obligations of the United States Government. More than 5% of the investments above are in fixed income government securities which are invested in Federal Farm Credit Bank and Federal Home Loan Mortgage Association. At June 30, 2017, investments with a fair value of \$3,005,017 were rated Aaa/AA+ by Standard & Poor's and the remaining investments with a fair value of \$36,474 were not rated.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of a counterparty, the School Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board requires all investments to be in the School Board's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the School Board. Accordingly, the School Board had no custodial credit risk related to its investments at June 30, 2017.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

The School Board participates in the Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. LAMP's portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

The investment in LAMP is not exposed to custodial credit risk and is not categorized in the three categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP has a fund rating of AAA issued by Standard & Poor's. The fair value of investments is determined on a weekly basis by LAMP, and the fair value of the School Board's investment in LAMP is the same as the value of the pool shares.

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2017, taxes were levied by the School Board in September 2016 and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Allen Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

For the year ended June 30, 2017, taxes were levied on property with net assessed valuations totaling \$91,706,613 and were dedicated as follows:

Constitutional school tax - parish wide	4.28 mills
Special school taxes:	
Special parish school	5.15 mills
Maintenance taxes, by district:	
School district -	
Ward 1 Maintenance	5.76 mills
No. 1 Maintenance	23.35 mills
No. 3 Maintenance	9.55 mills
No. 5 Maintenance	7.62 mills
No. 25 Maintenance	5.51 mills

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

Bond and interest taxes, by district:

School district -

Ward 1 Sinking Fund	20.00 mills
No. 3 Sinking Fund	20.00 mills
No. 4 Sinking Fund	28.00 mills
No. 5 Sinking Fund	18.25 mills
No. 25 Sinking Fund	19.00 mills

Construction taxes, by district:

School district -

Ward 1 Construction	14.29 mills
No. 1 Construction	24.66 mills
No. 1 Construction	41.87 mills
No. 3 Construction	8.32 mills
No. 4 Construction	23.62 mills
No. 4 Construction	12.66 mills
No. 4 Construction	12.07 mills
No. 5 Construction	12.63 mills
No. 25 Construction	<u>7.38 mills</u>
Total	<u>323.97 mills</u>

Gross taxes levied for the current fiscal year totaled \$4,411,200. After adjustments for various uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$4,321,557.

(5) Due from Other Governmental Agencies

Due from other governmental agencies consisted of the following at June 30, 2017:

State of Louisiana, Department of Education for various appropriations and reimbursements	\$ 1,206,895
Coushatta Tribe of Louisiana for Grant Revenue	<u>272,589</u>
	<u>\$ 1,479,484</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(6) Capital Assets

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

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 545,641	\$ -	\$ -	\$ 545,641
Other capital assets:				
Vehicles	1,368,297	21,089	-	1,389,386
Equipment	2,974,103	68,217	430,762	2,611,558
Building and improvements	70,584,863	10,000	3,302,455	67,292,408
Total	75,472,904	99,306	3,733,217	71,838,993
Less accumulated depreciation:				
Vehicles	1,222,091	58,117	-	1,280,208
Equipment	2,575,705	153,578	336,969	2,392,314
Building and improvements	43,587,043	949,436	3,302,455	41,234,024
Total	47,384,839	1,161,131	3,639,424	44,906,546
Net capital assets	\$ 28,088,065	\$ (1,061,825)	\$ 93,793	\$ 26,932,447

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 495,274
Special education programs	83,092
Vocational education programs	32,971
Other instructional programs	4,214
Special programs	45,799
Pupil support services	68,825
Instructional staff support services	58,332
General administration	26,204
School administration	98,639
Business services	9,163
Operation and maintenance of plant	97,386
Student transportation services	76,845
Central services	2,550
Food services	61,837
Total depreciation expense	\$1,161,131

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(7) Accounts, Salaries, and Other Payables

At June 30, 2017, accounts, salaries, and other payables consisted of the following:

Salaries and withholdings	\$ 5,639,471
Workers' compensation claims payable	246,541
Accounts	<u>181,308</u>
	<u>\$ 6,067,320</u>

(8) Long-Term Liabilities

The School Board issues general obligation bonds, secured by ad valorem taxes, to provide for the acquisition and construction of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the Board and are generally issued as 20 or 30-year serial bonds. All of the School Board's long-term debt is associated with governmental activities. Compensated absences are generally liquidated by the General and School Food Service Special Revenue Fund. Long-term debt currently outstanding is as follows:

General obligation bonds:

<u>Issued Amount</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
\$ 6,500,000	04/01/08	03/01/18	3.25-4.25	\$ 340,000
2,035,000	10/01/10	03/01/30	2.25-3.75	1,565,000
1,095,000	03/01/12	09/01/18	1.95-2.40	350,000
2,995,000	09/01/12	03/01/32	2.00-3.00	2,445,000
8,300,000	09/01/12	03/01/12	2.00-3.25	7,015,000
4,000,000	05/27/15	03/01/35	2.00-3.00	3,855,000
<u>4,720,000</u>	06/21/16	03/01/28	1.975-2.125	<u>4,680,000</u>
<u>\$29,645,000</u>				<u>\$20,250,000</u>

A. Changes in Long-Term Liabilities

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

	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2017</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 21,465,000	\$ -	\$1,215,000	\$ 20,250,000	\$1,270,000
Compensated Absences	<u>773,923</u>	<u>88,127</u>	<u>113,644</u>	<u>748,406</u>	<u>-</u>
Total bonds payable	<u>\$ 22,238,923</u>	<u>\$ 88,127</u>	<u>\$1,328,644</u>	<u>\$ 20,998,406</u>	<u>\$1,270,000</u>

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

B. Annual debt service requirements to maturity for the outstanding bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$ 1,270,000	\$ 518,859	\$ 1,788,859
2019	1,320,000	487,392	1,807,392
2020	1,180,000	461,384	1,641,384
2021	1,235,000	436,330	1,671,330
2022	1,285,000	410,106	1,695,106
2023 - 2027	7,175,000	1,550,380	8,725,380
2028 - 2032	5,935,000	634,604	6,569,604
2033 - 2037	850,000	51,750	901,750
	<u>\$20,250,000</u>	<u>\$ 4,550,805</u>	<u>\$ 24,800,805</u>

(9) Sales and Use Taxes

The School Board receives sales and use tax revenues from three sales and use tax levies, as follows:

- A. On September 12, 1967, the voters of the parish approved a one percent sales and use tax to be levied by the School Board for a period of ten years. On March 8, 2008, voters of the parish approved this levy for another ten years. The proceeds of the tax are used to supplement other revenues available to the School Board to pay salaries of teachers and the expenses of operating the public schools of Allen Parish.
- B. On January 16, 1988, the voters of the parish approved a one percent sales and use tax to be levied by the School Board for a period of ten years. On April 21, 2012 voters of the parish approved this levy for another ten years. The proceeds of the tax are used to supplement other revenues available to the School Board to pay salaries of teachers and the expenses of operating the public schools of Allen Parish.
- C. On July 19, 2003, the voters of the parish approved an additional one percent sales and use tax to be levied by the School Board. The proceeds of the tax will be used exclusively for the purpose of supplementing the salaries and benefits of teachers and other school employees.

The School Board is also authorized to collect sales taxes on behalf of the Allen Parish Policy Jury and other taxing authorities within Allen Parish. Sales tax revenues for the School Board (\$7,610,714 in 2017) are included in the revenues of the General Fund.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(10) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the School Board began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the School Board's future cash flows. Because the School Board is adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Office of Group Benefits. The plan does not issue a publicly available financial report.

Funding Policy: The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 25 percent) and the School Board (approximately 75 percent). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis. No assets have been segregated and restricted to provide post-employment benefits.

Annual OPEB Cost: The School Board's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The School Board utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Board's net OPEB obligation:

Annual required contribution	\$ 7,643,195
Interest on net OPEB obligation	711,609
Adjustment to annual required contribution	<u>(1,231,060)</u>
Annual OPEB cost (expense)	7,123,744
Contributions made	<u>(2,508,533)</u>
Increase in net OPEB obligation	4,615,211
Net OPEB obligation - beginning of year	<u>17,790,237</u>
Net OPEB obligation - end of year	<u>\$ 22,405,448</u>

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016, and 2015 follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 4,189,405	37.2%	\$ 15,455,082
6/30/2016	\$ 4,122,066	43.3%	\$ 17,790,237
6/30/2017	\$ 7,123,744	35.2%	\$ 22,405,448

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 76,821,340
Actuarial valuation of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 76,821,340</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 10,068,615
UAAL as a percentage of covered payroll	763.0%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the School Board's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

In the July 1, 2016 actuarial valuation, the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. Retirement Rates:

<u>Age</u>	<u>TRSL Participants</u>	<u>LASER Participants</u>
39	4.0%	0.0%
42	2.5%	0.0%
45	2.3%	0.0%
48	5.0%	70.0%
51	7.1%	55.0%
54	20.6%	37.0%
57	16.8%	37.0%
60	25.6%	48.0%
63	15.3%	25.0%
66	20.3%	25.0%
69	21.9%	25.0%
72	21.8%	25.0%
73	100.0%	25.0%
74+	100.0%	99.0%

3. 60% of employees who are eligible for retiree health benefits are assumed to elect coverage in retirement. 30% of all employees who are eligible for retiree life insurance are assumed to elect coverage in retirement.
4. TRSL - 40% of members electing coverage are assumed to also elect coverage for a spouse.
LASER – 80% of members electing coverage are assumed to also elect coverage for a spouse.

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

5. Medical Inflation

Year	Pre-65 Trend	Post-65 Trend	Year	Pre-65 Trend	Post-65 Trend
2016	4.8%	6.1%	2031	6.1%	5.2%
2017	5.1%	5.5%	2032	6.1%	5.2%
2018	7.6%	5.1%	2033	6.1%	5.2%
2019	7.5%	5.1%	2034	6.1%	5.5%
2020	5.5%	5.1%	2035	6.0%	5.7%
2021	5.5%	5.1%	2036	5.9%	5.7%
2022	5.5%	5.1%	2037	5.8%	5.6%
2023	5.5%	5.1%	2038	5.7%	5.6%
2024	5.5%	5.1%	2039	5.7%	5.6%
2025	5.8%	5.1%	2040	5.6%	5.5%
2026	6.2%	5.1%	2041	5.6%	5.5%
2027	6.1%	5.2%	2042	5.6%	5.5%
2028	6.1%	5.2%	2043	5.5%	5.4%
2029	6.1%	5.2%	---	-	-
2030	6.1%	5.2%	2084	4.4%	4.5%

(11) Pension Plans

The School Board participates in three cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all School Board employees participate in one of the following retirement systems:

Plan Descriptions

Teachers' Retirement System of Louisiana (TRSL) provides retirement allowances and other benefits as stated under the provisions of LRS 11:700-999, as amended, for eligible teachers, employees, and their beneficiaries.

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification.

State of Louisiana School Employees' Retirement System (LSERS) provides retirement, disability and survivor benefits as provided for by LRS 11:1001 for all eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children.

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

A brief summary of eligibility and benefits of the plans are follows:

Teachers' Retirement System of Louisiana (TRSL): Regular plan members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. No School Board employees are participants of Plan A. Plan B members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service. For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

Louisiana State Employees' Retirement System (LASERS): The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest 36 months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

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

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

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

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.

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

Plan	Active Member Contribution Percentage	Employer Contribution Percentage
TRSL:		
Regular Plan	8.00%	25.50%
Optional Plan	8.00%	27.40%
Plan B	8.00%	28.20%
LASERS	7.50%	35.80%
LSERS	7.5% - 8.00%	27.30%

The contributions made by the School Board to each of the retirement systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

Plan	2017	2016	2015
TRSL:			
Regular Plan	\$ 5,806,557	\$ 5,829,805	\$ 6,134,076
Optional Plan	15,396	16,038	32,946
Plan B	221,254	240,106	274,649
LASERS	6,478	6,534	6,466
LSERS	605,564	665,147	742,440

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

At June 30, 2017 the School Board reported payables of \$1,418,899 for the outstanding amount of contributions due to the retirement systems for the year.

Net Pension Liability

The School Board's net pension liability at June 30, 2017 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the School Board is a participating employer. The School Board's net pension liability for each plan was measured as of the plan's measurement date of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The School Board's proportionate share of the net pension liability for each of the plans in which it participates was based on the School Board's required contributions in proportion to the total required contributions for all employers.

As of the most recent measurement date, the School Board's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
TRSL	\$62,462,483	0.532180%	-0.004000%
LASERS	68,239	0.000870%	-0.000040%
LSERS	<u>5,855,643</u>	0.776250%	-0.017230%
Total	<u>\$68,386,365</u>		

Since the measurement date of the net pension liability was June 30, 2016, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the School Board's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

- TRSL - <http://www.trsl.org/>
- LASERS - <http://www.laseronline.org/>
- LSERS - <http://www.lasers.net.com/>

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the School Board is a participating employer:

	<u>TRSL</u>	<u>LASERS</u>	<u>LSERS</u>
Date of experience study on which significant assumptions are based	6/30/2016	6/30/2016	6/30/2016
Expected remaining service lives	5	3	3
Investment rate of return	7.75%	7.75%	7.125%
Inflation Rate	2.50%	3.0%	2.625%
Projected salary increases	3.5% - 10.0%	(6)	(5)
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1)	(2), (3)	(4)
Termination and disability	(5)	(6)	(5)

- (1) RP-2000 Mortality Table with projection to 2025 using Scale AA
- (2) RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015
- (3) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement
- (4) RP-2000 Combined Health Sex Distinct Mortality Table
- (5) Based on a 2008-2012 experience study of plan members. Growth rates based upon members' years of service
- (6) Based on a 2009-2013 experience study of plan members. Growth rates based upon members' years of service

Cost of Living Adjustments

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contributions 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 period of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LASERS, and LSERS was 7.75%, 7.75%, and 7.125%, respectively for the year ended June 30, 2016.

The discount rates used to measure the School Board's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For TRSL and LASERS, the long term expected rate of return on pension plan investments was determined using the 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 and an adjustment for the effect of rebalancing/diversification.

For LSERS the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following table:

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Notes to the Basic Financial Statements (Continued)

Asset Class	TRSL*		LASERS**		LSERS**	
	Target Allocation	Long- term Expected Rate of Return	Target Allocation	Long- term Expected Rate of Return	Target Allocation	Long- term Expected Rate of Return
Domestic Equity	31.0%	4.50%	27.0%	4.31%	51.0%	3.10%
International Equity	19.0%	5.31%	30.0%	5.48%	-	-
Domestic fixed income	14.0%	2.45%	10.0%	1.63%	30.0%	1.82%
International fixed income	7.0%	3.28%	2.0%	2.47%	-	-
Alternative investments	29.0%	-	24.0%	7.42%	13.0%	0.79%
Global Asset Allocation	-	-	7.0%	2.92%	-	-
Cash	-	-	0.0%	-0.24%	-	-
Private Equity		6.80%	-	-	-	-
Other Private Assets		4.82%	-	-	-	-
Real Assets	0%	0.00%	-	-	6.0%	0.36%
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>	

*Arithmetic real rates of return

**Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2017, the School Board recognized \$1,298,461 in pension expense related to all defined benefit plans in which it participates.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40	\$ 1,393,612
Changes of assumptions	138,721	154,770
Net difference between projected and actual earnings on pension plan investments	5,297,434	-
Change in proportion and differences between employer contributions and proportionate share of contributions	847,761	953,270
Employer contributions subsequent to the measurement date	6,520,472	-
Total	<u>\$12,804,428</u>	<u>\$2,501,652</u>

ALLEN PARISH SCHOOL BOARD
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Notes to the Basic Financial Statements (Continued)

Deferred outflows of resources of \$6,520,472 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30	Net Amount Recognized in Pension Expense
2018	\$ 154,531
2019	189,879
2020	2,295,312
2021	1,142,582
	\$ 3,782,304

Sensitivity of the School Board's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate

The following presents the School Board's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the School Board's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
TRSL	7.75%	\$77,909,835	\$62,462,483	\$49,317,831
LASERS	7.75%	88,838	68,239	54,985
LSERS	7.125%	7,686,828	5,855,643	7,286,792
Total		\$85,685,501	\$68,386,365	\$56,659,608

(12) Risk Management

The School Board has established a limited risk management program for workers' compensation. The School Board employs a third-party administrator for this program. During the year ended June 30, 2017 a total of \$251,052 was incurred in benefits and administrative costs. The School Board purchases commercial insurance for individuals' claims in excess of \$250,000. There have been no significant reductions in the insurance coverage during the year nor have settlements exceeded coverage for the past three years.

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Notes to the Basic Financial Statements (Continued)

(13) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2017, the School Board was a defendant in several lawsuits principally arising from the normal course of operations. After conferring with legal counsel, it is the opinion of the School Board that it is unlikely for any significant liability to arise from these lawsuits.

B. Grant Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned cost is not established until final disposition of such matter by the funding agency.

C. Energy Contract

The Allen Parish School board entered into a performance - based energy efficiency contract in 2003 with Siemens Building Technologies, Inc. The validity of contracts like this one for the School Board has been questioned by state government. In a recent lawsuit filed by Siemens, against Iberville Parish School Board for nonpayment on its contract, the Eighteenth Judicial District Court rendered a decision that the contract between Iberville Parish School Board and Siemens was invalid for failure to comply with Louisiana law. The State of Louisiana Court of Appeal, First Circuit, upheld the decision. At June 30, 2013 the School Board and its attorney, the District Attorney of Allen Parish, had received an opinion from the State of Louisiana Attorney General, that the School Board could legally restructure the performance - based energy efficiency contract with Siemens Building Technologies, Inc. The District Attorney of Allen Parish has restructured the contract so that it complies with Louisiana state law.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(14) Compensation, Benefits, and Other Payments to Superintendent

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

Purpose	Amount
Salary	\$ 109,093
Benefits - insurance	22,803
Benefits - retirement	49,361
Benefits - other - vehicle insurance	1,048
Benefits - other - electronics	3,000
Benefits - other - medicare	2,160
Car allowance	11,400
Cell phone	735
Dues	525
Travel	9,820
Other - PIP payments	1,377
Total	\$ 211,322

(15) Compensation of Board Members

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

Board Member	Amount
Gregory Monceaux	\$ 10,800
Catherine Farris	10,200
Carolyn Manuel	10,200
Sally Moreaux	9,600
Wanda Reeves	9,900
Jason Turner	9,600
Steven Sumbler	9,750
Total	\$ 70,050

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(16) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2017 are as follows:

	Interfund Receivables	Interfund Payables
Major funds:		
General Fund	\$ 885,301	\$ 149,278
IASA Title I	-	174,682
Special Education	-	305,980
Total major funds	885,301	629,940
Nonmajor funds:		
Ward No.1 - Maintenance	2,203	-
School District No. 3 - Maintenance	1,907	22,891
School District No. 5 - Maintenance	11,773	-
School District No. 4A - Maintenance	2,821	-
School District No. 25 - Maintenance	33,855	-
School Food Service	-	206,549
Title V	-	2,669
Title II	-	98,702
School District No. 3 - Debt Service	22,891	-
Total nonmajor funds	75,450	330,811
Total	\$ 960,751	\$ 960,751

The amounts due from the General Fund from various other funds are for reimbursements owed for expenditures paid on behalf of those funds. The other receivable balances are for short-term loans.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

B. Transfers consisted of the following at June 30, 2017:

	Transfers in	Transfers out
Major funds:		
General Fund	\$ 1,419,527	\$ 384,011
Coushatta Tribe of Louisiana Community Grant Fund	-	1,145,293
IASA Title I	-	19,398
Special Education	-	63,632
Total major funds	1,419,527	1,612,334
Nonmajor funds:		
School Food Service	195,831	-
Title VI	-	3,024
Total nonmajor funds	195,831	3,024
Total	\$ 1,615,358	\$ 1,615,358

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(17) School Board Collections on Behalf of Other Taxing Authorities (Cash Basis)

	Total Collections	Collection Cost	Final Distribution
Allen Parish School Board #1 & #2 (2%)	\$ 5,072,622	\$ -	\$ 5,072,622
Allen Parish School Board #3 (1%)	2,538,099	-	2,538,099
Allen Parish Police Jury (.7%)	1,776,664	35,533	1,741,131
Town of Kinder (1%)	533,126	10,663	522,463
Town of Oberlin (1.3%)	180,404	3,608	176,796
Town of Elizabeth (1.3%)	80,659	1,613	79,046
City of Oakdale (1.3%)	1,249,210	24,985	1,224,225
Town of Kinder Library/Sewerage (.3%)	159,938	3,199	156,739
Allen Parish Occupancy Tax (1%)	53,921	1,078	52,843
Allen Parish Tourist Commission (3%)	161,765	3,235	158,530
Allen Parish Sheriff District (1%)	2,537,899	50,758	2,487,141
Village of Reeves (1%)	31,519	630	30,889
Totals	\$ 14,375,826	\$ 135,302	\$ 14,240,524

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Basic Financial Statements (Continued)

(17) Tax Abatements

The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the Parish and the State. Under the program, companies commit to expand or maintain facilities or employment in the Parish, establish a new business in the Parish, or relocate an existing business to the Parish. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment date. The School Board's ad valorem tax revenues were reduced by \$1,270,595 as a result of the tax abatement.

(18) New Accounting Pronouncement

In June 2015, the Governmental Accounting Standards Board (GASB) approved Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions." GASB Statement No. 75 replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions." GASB Statement No. 75 improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 must be implemented by the School Board for the year ending June 30, 2018. The effect of implementation of this statement on the School Board's financial statements has not yet been determined.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
General Fund

Budgetary Comparison Schedule
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017				
	Budget		Actual	Variance	2016 Actual
	Original	Final		Positive (Negative)	
REVENUES					
Parish sources:					
Ad valorem taxes	\$ 790,150	\$ 849,150	\$ 851,099	\$ 1,949	\$ 843,878
Sales taxes	7,200,000	7,610,000	7,610,714	714	7,749,625
Interest earnings	60,000	46,000	49,127	3,127	80,381
Other	660,571	993,071	909,792	(83,279)	975,271
Total parish sources	<u>8,710,721</u>	<u>9,498,221</u>	<u>9,420,732</u>	<u>(77,489)</u>	<u>9,649,155</u>
State sources:					
Equalization	28,192,560	28,640,560	28,694,678	54,118	28,290,736
Other	752,700	805,820	945,197	139,377	914,542
Total state sources	<u>28,945,260</u>	<u>29,446,380</u>	<u>29,639,875</u>	<u>193,495</u>	<u>29,205,278</u>
Total revenues	<u>37,655,981</u>	<u>38,944,601</u>	<u>39,060,607</u>	<u>116,006</u>	<u>38,854,433</u>
EXPENDITURES					
Current:					
Instruction -					
Regular programs	16,941,312	18,330,531	19,186,098	(855,567)	19,155,430
Special education programs	2,912,414	2,740,214	3,042,345	(302,131)	3,031,611
Vocational education programs	1,168,411	1,216,711	1,286,966	(70,255)	1,303,196
Other instructional programs	175,484	182,734	189,325	(6,591)	93,661
Special programs	887,597	873,147	911,230	(38,083)	791,692
Support services -					
Pupil support services	2,195,278	2,375,478	2,509,702	(134,224)	2,443,786
Instructional staff support services	1,785,030	1,851,010	1,943,755	(92,745)	1,850,846
General administration	3,119,052	3,078,402	1,254,827	1,823,575	1,290,793
School administration	2,646,835	2,843,935	3,005,040	(161,105)	2,934,201
Business services	352,634	343,884	364,206	(20,322)	384,478
Operation and maintenance of plant services	3,076,744	3,190,294	3,293,643	(103,349)	3,286,971
Student transportation services	2,808,339	2,961,239	3,099,606	(138,367)	3,248,038
Central services	105,785	122,135	124,013	(1,878)	223,001
Non-instructional services -					
Community service operations	31,100	29,400	29,334	66	30,768
Facilities acquisition and construction	-	5,335	5,335	-	-
Debt service	117,845	177,445	175,495	1,950	413,401
Total expenditures	<u>38,323,860</u>	<u>40,321,894</u>	<u>40,420,920</u>	<u>(99,026)</u>	<u>40,481,873</u>
Deficiency of revenues over expenditures	<u>(667,879)</u>	<u>(1,377,293)</u>	<u>(1,360,313)</u>	<u>16,980</u>	<u>(1,627,440)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	50,000	1,167,000	1,419,527	252,527	1,211,201
Transfers out	(93,339)	(133,039)	(384,011)	(250,972)	(531,511)
Total other financing sources (uses)	<u>(43,339)</u>	<u>1,033,961</u>	<u>1,035,516</u>	<u>1,555</u>	<u>679,690</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(711,218)</u>	<u>(343,332)</u>	<u>(324,797)</u>	<u>18,535</u>	<u>(947,750)</u>
FUND BALANCE, BEGINNING	<u>12,843,878</u>	<u>12,843,878</u>	<u>12,843,878</u>	<u>-</u>	<u>13,791,628</u>
FUND BALANCE, ENDING	<u>\$12,132,660</u>	<u>\$12,500,546</u>	<u>\$12,519,081</u>	<u>\$ 18,535</u>	<u>\$12,843,878</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Coushatta Tribe of Louisiana Community Grant Fund

Budgetary Comparison Schedule
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Actual	Variance Positive (Negative)	2016 Actual
	Budget				
	Original	Final			
REVENUES					
Parish sources:					
Interest earnings	\$ -	\$ 4,344	\$ 4,344	\$ -	\$ 957
Grant revenue	<u>950,000</u>	<u>1,119,928</u>	<u>1,119,928</u>	<u>-</u>	<u>1,024,832</u>
Total parish sources	<u>950,000</u>	<u>1,124,272</u>	<u>1,124,272</u>	<u>-</u>	<u>1,025,789</u>
EXPENDITURES					
Current:					
Instruction -					
Regular programs	-	18,023	18,023	-	17,182
Support services -					
Business services	-	-	-	-	76
Operation and maintenance of plant services	<u>-</u>	<u>49,075</u>	<u>49,074</u>	<u>1</u>	<u>56,848</u>
Total expenditures	<u>-</u>	<u>67,098</u>	<u>67,097</u>	<u>1</u>	<u>74,106</u>
Excess of revenues over expenditures	950,000	1,057,174	1,057,175	1	951,683
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(950,000)</u>	<u>(1,145,293)</u>	<u>(1,145,293)</u>	<u>-</u>	<u>(909,755)</u>
Excess (deficiency) of revenues over expenditures and other uses	-	(88,119)	(88,118)	1	41,928
FUND BALANCE, BEGINNING	<u>1,951,665</u>	<u>1,951,665</u>	<u>1,951,665</u>	<u>-</u>	<u>1,909,737</u>
FUND BALANCE, ENDING	<u>\$ 1,951,665</u>	<u>\$ 1,863,546</u>	<u>\$ 1,863,547</u>	<u>\$ 1</u>	<u>\$ 1,951,665</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Improving America's Schools Act Title I

Budgetary Comparison Schedule
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017			Variance Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
REVENUES					
Federal sources	<u>\$ 1,107,683</u>	<u>\$ 1,107,683</u>	<u>\$ 1,061,696</u>	<u>\$ (45,987)</u>	<u>\$ 1,143,849</u>
Total revenues	<u>1,107,683</u>	<u>1,107,683</u>	<u>1,061,696</u>	<u>(45,987)</u>	<u>1,143,849</u>
EXPENDITURES					
Current:					
Instruction -					
Regular programs	274,327	274,327	262,938	11,389	263,259
Special programs	567,558	567,558	543,995	23,563	577,482
Instructional staff support services	<u>245,560</u>	<u>245,560</u>	<u>235,365</u>	<u>10,195</u>	<u>244,994</u>
Total expenditures	<u>1,087,445</u>	<u>1,087,445</u>	<u>1,042,298</u>	<u>45,147</u>	<u>1,085,735</u>
Excess of revenues over expenditures	<u>20,238</u>	<u>20,238</u>	<u>19,398</u>	<u>(840)</u>	<u>58,114</u>
OTHER FINANCING USES					
Transfers out	<u>(20,238)</u>	<u>(20,238)</u>	<u>(19,398)</u>	<u>840</u>	<u>(58,114)</u>
Excess (deficiency) of revenues over expenditures and other uses	-	-	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Special Education

Budgetary Comparison Schedule
Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017			Variance Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
REVENUES					
Federal sources	\$ 1,533,294	\$ 1,392,558	\$ 1,392,558	\$ -	\$ 1,681,582
Total revenues	<u>1,533,294</u>	<u>1,392,558</u>	<u>1,392,558</u>	<u>-</u>	<u>1,681,582</u>
EXPENDITURES					
Current:					
Instruction -					
Regular programs	174,286	158,235	158,235	-	131,519
Special education programs	378,004	343,192	343,192	-	459,403
Vocational education programs	51,938	47,155	47,155	-	51,905
Special programs	399,981	363,145	363,145	-	574,179
Support services -					
Pupil support services	338,644	307,457	307,457	-	321,568
Instructional staff support services	120,875	109,742	109,742	-	61,026
Total expenditures	<u>1,463,728</u>	<u>1,328,926</u>	<u>1,328,926</u>	<u>-</u>	<u>1,599,600</u>
Excess of revenues over expenditures	<u>69,566</u>	<u>63,632</u>	<u>63,632</u>	<u>-</u>	<u>81,982</u>
OTHER FINANCING USES					
Transfers out	<u>(69,566)</u>	<u>(63,632)</u>	<u>(63,632)</u>	<u>-</u>	<u>(81,982)</u>
Excess (deficiency) of revenues over expenditures and other uses	-	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-	-
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Schedule of Funding Progress
Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	-	\$ 39,881,372	\$ 39,881,372	0.0%	\$ 28,645,872	139.2%
July 1, 2014	-	43,613,689	43,613,689	0.0%	27,192,998	160.4%
July 1, 2016	-	76,821,340	76,821,340	0.0%	10,068,615	763.0%

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2017 *

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana:					
2017	0.53218%	\$ 62,462,483	\$ 23,066,703	270.8%	59.90%
2016	0.53618%	\$ 57,651,668	\$ 22,909,160	251.7%	62.50%
2015	0.52896%	\$ 54,067,605	\$ 22,641,906	238.8%	63.70%
Louisiana State Employees' Retirement System:					
2017	0.00087%	\$ 68,239	\$ 17,564	388.5%	57.70%
2016	0.00091%	\$ 62,030	\$ 17,476	354.9%	62.70%
2015	0.00086%	\$ 53,912	\$ 14,822	363.7%	65.00%
State of Louisiana School Employees' Retirement System:					
2017	0.77625%	\$ 5,855,643	\$ 2,202,175	265.9%	70.09%
2016	0.79348%	\$ 5,031,665	\$ 2,249,817	223.6%	74.49%
2015	0.80350%	\$ 4,657,530	\$ 2,248,161	207.2%	76.18%

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

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Teachers' Retirement System of Louisiana:					
2017	\$ 5,899,302	\$ 6,043,207	\$ (143,905)	\$ 23,047,259	26.22%
2016	\$ 6,088,467	\$ 6,085,949	\$ 2,518	\$ 23,066,703	26.38%
2015	\$ 6,441,671	\$ 6,441,671	\$ -	\$ 22,932,398	28.09%
Louisiana State Employees' Retirement System:					
2017.	\$ 6,478	\$ 6,478	\$ -	\$ 18,094	35.80%
2016	\$ 6,534	\$ 6,534	\$ -	\$ 17,564	37.20%
2015	\$ 6,466	\$ 6,277	\$ 189	\$ 17,476	35.92%
State of Louisiana School Employees' Retirement System:					
2017	\$ 605,564	\$ 605,564	\$ -	\$ 2,218,183	27.30%
2016	\$ 665,147	\$ 665,147	\$ -	\$ 2,202,175	30.20%
2015	\$ 742,440	\$ 742,440	\$ -	\$ 2,249,817	33.00%

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Required Supplementary Information

(1) Retirement Systems

A. Teachers' Retirement System of Louisiana

- 1) Changes of benefit terms – A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session.
- 2) Changes of assumptions – There were no changes of benefit assumptions for the year ended June 30, 2017.

B. Louisiana State Employees' Retirement System

- 1) Changes of benefit terms – There were no changes of benefit terms for the year ended June 30, 2017.
- 2) Changes of Assumptions – There were no changes of benefit assumptions for the year ended June 30, 2017.

C. Louisiana School Employees' Retirement System

- 1) Changes of benefit terms – There were no changes of benefit terms for the year ended June 30, 2017.
- 2) Changes of Assumptions – There were no changes of benefit assumptions for the year ended June 30, 2017.

(2) Budget Practices

The proposed budget for 2017 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2017 budget on September 12, 2016. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. With the exception of the multi-year projects in the capital projects funds, appropriations lapse at the end of each fiscal year.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Notes to the Required Supplementary Information

The level of control over the budget is exercised at the function or program level for the General and Special Revenue. The Superintendent and/or Director of Finance are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, 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 an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

(3) Excess of Expenditures over Appropriations

For the year ended June 30, 2017, the General Fund had actual expenditures in excess of appropriations as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	40,321,894	40,420,920	(99,026)

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

School District Maintenance Ward 1, No. 1, No. 3, No. 5, No. 25, and No. 4A Funds

To account for the various school districts proceeds of ad valorem taxes levied for maintaining and improving schools within each district.

School Food Service Fund

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

Title II Teacher and Principal Training and Recruiting Fund

A federally funded program to the School Board which is designed to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools.

Title IV B Rural Education Achievement Program

A federally funded program to the School Board which is designed to improve student achievement in rural areas.

Debt Service Funds

School District - Ward I, No. 1, No. 3, No. 4, No. 5 and No. 25 Funds

The debt service funds accumulate monies to pay outstanding bond issues of the respective school districts. The bonds are used to acquire and improve sites, school buildings, equipment, and furnishings. The debt issues are financed by a special property tax levy on property within the territorial limits of the appropriate school districts.

Capital Projects Funds

School District - Ward I, No. 1, No. 3, No.4, No. 5, and No. 25 Funds

The capital project funds account for district-wide construction and improvements of public school facilities. Financing is provided by the proceeds from the sale of general obligation bonds.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet - By Fund Type
June 30, 2017
With Comparative Totals for June 30, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>	
				2017	2016
ASSETS					
Cash and interest-bearing deposits	\$ 2,773,724	\$ 1,317,744	\$ 471,442	\$ 4,562,910	\$ 3,977,910
Investments	-	-	125,708	125,708	124,562
Receivables -					
Due from other funds	52,559	22,891	-	75,450	106,731
Due from other governmental agencies	120,115	-	-	120,115	142,168
Inventories, at cost	54,921	-	-	54,921	58,579
Total assets	<u>\$ 3,001,319</u>	<u>\$ 1,340,635</u>	<u>\$ 597,150</u>	<u>\$ 4,939,104</u>	<u>\$ 4,409,950</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 37,508	\$ -	\$ -	\$ 37,508	\$ 45,014
Accrued salaries payable	129,184	-	-	129,184	133,300
Due to other funds	330,811	-	-	330,811	220,596
Total liabilities	<u>497,503</u>	<u>-</u>	<u>-</u>	<u>497,503</u>	<u>398,910</u>
Fund balances:					
Nonspendable	54,921	-	-	54,921	58,579
Restricted	-	1,340,635	597,150	1,937,785	1,917,299
Assigned	2,448,895	-	-	2,448,895	2,035,162
Total fund balances	<u>2,503,816</u>	<u>1,340,635</u>	<u>597,150</u>	<u>4,441,601</u>	<u>4,011,040</u>
Total liabilities and fund balances	<u>\$ 3,001,319</u>	<u>\$ 1,340,635</u>	<u>\$ 597,150</u>	<u>\$ 4,939,104</u>	<u>\$ 4,409,950</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Fund Type
Year Ended June 30, 2017
With Comparative Totals for the Year Ended June 30, 2016

	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
				2017	2016
REVENUES					
Parish sources:					
Ad valorem taxes	\$ 1,845,433	\$ 1,625,025	\$ -	\$ 3,470,458	\$ 3,527,786
Other	224,090	3,589	1,317	228,996	228,306
Total parish sources	2,069,523	1,628,614	1,317	3,699,454	3,756,092
State sources	404,168	-	-	404,168	717,169
Federal sources	2,069,968	-	-	2,069,968	2,017,106
Total revenues	4,543,659	1,628,614	1,317	6,173,590	6,490,367
EXPENDITURES					
Current:					
Instruction -					
Regular programs	305,204	-	15,247	320,451	296,182
Other instructional programs	6,263	-	-	6,263	5,144
Support services -					
Pupil support services	-	-	-	-	1,782
Instructional staff support services	96,771	-	-	96,771	113,596
General administration	59,709	57,474	-	117,183	140,570
School administration	676,868	-	-	676,868	758,197
Operation and maintenance of plant services	679,691	-	-	679,691	645,268
Student transportation services	-	-	-	-	97,125
Non-instructional services -					
Food services	2,501,885	-	-	2,501,885	2,550,561
Facilities acquisition and construction	-	-	30,875	30,875	141,013
Debt service:					
Principal retirement	-	1,050,000	-	1,050,000	830,000
Interest and fiscal charges	-	504,614	-	504,614	657,376
Total expenditures	4,326,391	1,612,088	46,122	5,984,601	6,236,814
Excess (deficiency) of revenues over expenditures	217,268	16,526	(44,805)	188,989	253,553
OTHER FINANCING SOURCES (USES)					
Issuance of debt - refunding bonds	-	-	-	-	4,720,000
Payment to escrow agent	-	-	-	-	(4,746,563)
Transfers in	195,831	-	-	195,831	374,881
Transfers out	(3,024)	-	-	(3,024)	(4,720)
Total other financing sources (uses)	192,807	-	-	192,807	343,598
Excess (deficiency) of revenues and other sources over expenditures and other uses	410,075	16,526	(44,805)	381,796	597,151
FUND BALANCES, BEGINNING	2,093,741	1,324,109	641,955	4,059,805	3,413,889
FUND BALANCES, ENDING	\$ 2,503,816	\$ 1,340,635	\$ 597,150	\$ 4,441,601	\$ 4,011,040

FIDUCIARY FUNDS

AGENCY FUNDS

School Activity Fund

To account for individual school monies on deposit in various bank accounts. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

Sales Tax Collection Fund

To account for the collection and distribution of sales and use taxes collected by the School Board on its behalf and on the behalf of the Allen Parish Police Jury and other taxing authorities within Allen Parish.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Fiduciary Funds
Agency Funds

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2017
With Comparative Totals for June 30, 2016

	<u>School Activity Fund</u>	<u>Sales Tax Collection Fund</u>	<u>Totals</u>	
			<u>2017</u>	<u>2016</u>
ASSETS				
Cash and interest-bearing deposits	\$ 664,780	\$ 475,485	\$1,140,265	\$1,791,974
Investments	<u>16,197</u>	<u>-</u>	<u>16,197</u>	<u>16,088</u>
Total assets	<u>\$ 680,977</u>	<u>\$ 475,485</u>	<u>\$1,156,462</u>	<u>\$1,808,062</u>
LIABILITIES				
Due to other governmental units	\$ -	\$ 475,485	\$ 475,485	\$1,158,194
School activity funds payable	<u>680,977</u>	<u>-</u>	<u>680,977</u>	<u>649,868</u>
Total liabilities	<u>\$ 680,977</u>	<u>\$ 475,485</u>	<u>\$1,156,462</u>	<u>\$1,808,062</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Agency Fund
School Activity Fund

Schedule of Changes in Deposits Due to Others
Year Ended June 30, 2017

School	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Elizabeth High	\$ 70,131	\$ 174,838	\$ 185,953	\$ 59,016
Fairview High	79,815	173,123	170,260	82,678
Kinder Elementary	46,195	122,934	120,240	48,889
Kinder High	173,642	515,927	487,045	202,524
Kinder Middle	62,396	102,254	106,781	57,869
Oakdale Elementary	18,494	85,109	84,458	19,145
Oakdale Junior High	25,144	59,146	62,460	21,830
Oakdale High	33,236	279,427	264,235	48,428
Oberlin Elementary	34,689	84,744	80,729	38,704
Oberlin High	63,136	275,953	281,510	57,579
Reeves High	<u>38,856</u>	<u>184,848</u>	<u>179,389</u>	<u>44,315</u>
 Total balances	 <u>\$645,734</u>	 <u>\$ 2,058,303</u>	 <u>\$2,023,060</u>	 <u>\$ 680,977</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana
Agency Fund
Sales Tax Collection Fund

Schedule of Changes in Deposit Balances
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Deposits, beginning	\$ <u>1,158,194</u>	\$ <u>405,166</u>
Additions:		
Sales tax collections	14,361,703	14,613,485
Use of money and property - interest earnings	<u>2,145</u>	<u>869</u>
Total additions	<u>14,363,848</u>	<u>14,614,354</u>
Total	<u>15,522,042</u>	<u>15,019,520</u>
Reductions:		
Transfers to -		
General Fund:		
Sales tax	7,896,448	7,690,396
Collection fees	135,302	135,711
Other taxing authorities	6,982,043	5,993,364
Sales tax audit fees and commissions	<u>32,764</u>	<u>41,855</u>
Total reductions	<u>15,046,557</u>	<u>13,861,326</u>
Deposits, ending	<u>\$ 475,485</u>	<u>\$ 1,158,194</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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*

Mr. Michael Doucet, Superintendent,
and Members of the Allen Parish School Board
Oberlin, 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 Allen Parish School Board (School Board) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 19, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
December 19, 2017

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

Mr. Michael Doucet, Superintendent,
and Members of the Allen Parish School Board
Oberlin, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
December 19, 2017

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

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

Federal Grantor/Pass-Through Grantor/Program Title	Pass-through Identifying Number	CFDA Number	Revenue Recognized	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE				
Passed through Louisiana Department of Agriculture and Forestry:				
Food Distribution Program	N/A	10.555	\$ 176,503	\$ 176,503
Passed through Louisiana Department of Education:				
National School Breakfast Program	N/A	10.553	391,776	391,776
National School Lunch Program	N/A	10.555	<u>1,151,169</u>	<u>1,151,169</u>
Total United States Department of Agriculture			<u>1,719,448</u>	<u>1,719,448</u>
UNITED STATES DEPARTMENT OF EDUCATION				
Passed through Louisiana Department of Education:				
Title I - Part A Basic	28-17-T1-02	84.010A	<u>1,061,696</u>	<u>1,061,696</u>
Special Education Cluster:				
Special Education - IDEA - Part B	28-17-B1-02	84.027A	857,980	857,980
Special Education - Preschool	28-17-P1-02	84.173A	47,768	47,768
Early Childhood Lead Agencies	28-17-CY-02	84.173	<u>1,533</u>	<u>1,533</u>
Total Special Education Cluster			<u>907,281</u>	<u>907,281</u>
Title II - Improving Teacher Quality State Grants	28-17-50-02	84.367A	262,644	262,644
Teacher and School Leader Incentive Grants - Teacher Incentive Funds	28-17-TP-02	84.374A	42,624	42,624
AP Test Fee Program	Unknown	84.330B	477	477
Louisiana Striving Readers Comprehensive Literacy Program Writing Grant	28-15-RR-02	84.371C	13,904	13,904
Rural Education Achievement Program	28-17-RE-02	84.358B	87,876	87,876
Career and Technical Education - Basic Grants to States	28-17-02-02	84.048A	<u>47,154</u>	<u>47,154</u>
Total United States Department of Education			<u>2,423,656</u>	<u>2,423,656</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Education:				
LA4 Early Childhood Program	28-17-36-02	93.558	373,022	373,022
ARRA - Prevention and Wellness - State, Territories and Pacific Islands	N/A	93.723	1,108	1,108
Child Care and Development Block Grant - Early Childhood Community Network and Lead Agencies	28-17-CO-02	93.575	<u>6,988</u>	<u>6,988</u>
Total United States Department of Health and Human Services			<u>381,118</u>	<u>381,118</u>
Total federal financial assistance			<u>\$ 4,524,222</u>	<u>\$ 4,524,222</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

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

(1) Basis of Accounting

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

(2) Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Allen Parish School Board has not elected to use the 10 percent *de minimus* indirect cost rate as allowed under the Uniform Guidance.

(3) Commodities

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2017, the School Board had \$54,921 of commodities inventory.

(4) Relationship to Fund Financial Statements

Federal financial assistance revenues are reported in the Allen Parish School Board's fund financial statements as follows:

Special Revenue Funds	<u>\$4,524,222</u>
-----------------------	--------------------

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

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

Part I. Summary of Auditors' Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Allen Parish School Board were prepared in accordance with generally accepted accounting principles.
2. There were no significant deficiencies or material weaknesses in internal control disclosed by the audit of the basic financial statements.
3. There were no instances of noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards*.
4. There were no significant deficiencies or material weaknesses in internal control over the major federal award programs disclosed.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR Section 200.516(a).
7. The major programs were:
U.S. Department of Education: Passed through Louisiana Department of Education:
Special Education Cluster CFDA #84.027 and CFDA #84.173
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in 2 CFR Section 200.518(b)(1) was \$750,000.
9. The Allen Parish School Board did qualify to be a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

There were no instances of noncompliance disclosed by the audit of the financial statements.

B. Internal Control Findings –

No deficiencies in internal control were disclosed by the audit of the financial statements.

Part III. Findings and questioned costs relating to Federal Programs:

There were no significant deficiencies or instances of material noncompliance noted during the audit.

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Date of Completion</u>
CURRENT YEAR (06/30/17) --						
<u>Compliance:</u>						
		There were no compliance findings to be reported.				
<u>Internal Control:</u>						
		There were no internal control findings to be reported.				
PRIOR YEAR (06/30/16) --						
<u>Compliance:</u>						
		There were no compliance findings to be reported.				
<u>Internal Control:</u>						
		There were no internal control findings to be reported.				

ALLEN PARISH SCHOOL BOARD

SPECIAL AGREED-UPON PROCEDURES
REPORT ON SCHOOL BOARD
PERFORMANCE MEASURES

Fiscal Year Ended June 30, 2017

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Retired

Conrad O Chapman, CPA* 2006

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Allen Parish School Board; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Allen Parish School Board for the fiscal year ended June 30, 2017; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514. Management of the Allen 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:

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

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

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

There were no exceptions noted.

II. Education Levels of Public School Staff (Schedule 2)

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

There were no exceptions noted.

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

There were no exceptions noted.

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

There were no exceptions noted.

III. Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

There were no exceptions noted.

IV. Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers (Schedule 4)

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

There were no exceptions noted.

V. **Public School Staff Data: Average Salaries (Schedule 5)**

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

There were no exceptions noted.

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

There were no exceptions noted.

VI. **Class Size Characteristics (Schedule 6)**

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

There were no exceptions noted.

VII. **Louisiana Educational Assessment Program (LEAP) (Schedule 7)**

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

There were no exceptions noted.

VIII. **Graduation Exit Examination (GEE) (Schedule 8)**

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

IX. **iLEAP Tests (Schedule 9)**

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

There were no exceptions 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 Allen Parish School Board, as required by Louisiana Revised Statute 24:514.1, 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 Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
December 19, 2017

ALLEN PARISH SCHOOL BOARD

Oberlin, Louisiana

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

As of and for the Year Ended June 30, 2017

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

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

Schedule 2 - Education Levels of Public School Staff

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

Schedule 3 - Number and Type of Public Schools

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

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

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

Schedule 5 - Public School Staff Data: Average Salaries

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

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

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

Schedule 8 - Graduation Exit Examination (GEE)

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

Schedule 9 –iLEAP Tests

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 1

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$16,363,389	
Other Instructional Staff Activities	1,369,585	
Instructional Staff Employee Benefits	6,734,648	
Purchased Professional and Technical Services	1,830	
Instructional Materials and Supplies	397,117	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 24,866,569
Other Instructional Activities		30,813
Pupil Support Services	2,142,108	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		2,142,108
Instructional Staff Services	1,852,118	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,852,118
School Administration	3,005,040	
Less: Equipment for School Administration	-	
Net School Administration		3,005,040
Total General Fund Instructional Expenditures		<u>\$ 31,896,648</u>
Total General Fund Equipment Expenditures		<u>\$ -</u>

Certain Local Revenue Sources

Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 385,611
Renewable Ad Valorem Tax		463,994
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes		
Other than School Taxes		147,525
Sales and Use Taxes		7,610,715
Total Local Taxation Revenue		<u>\$ 8,607,845</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 1,440
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		<u>\$ 1,440</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 22,360
Revenue Sharing - Other Taxes		22,308
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		<u>\$ 44,668</u>
Nonpublic Textbook Revenue		<u>\$ -</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 2

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	264	79.76%	5.00	100.00%	-	-	-	-
Master's Degree	57	17.22%	-	-	15	65.21%	-	-
Master's Degree + 30	6	1.81%	-	-	6	26.09%	-	-
Specialist in Education	4	1.21%	-	-	2	8.70%	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	331	100%	5	100%	23	100%	-	-

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 3

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

Type	Number
Elementary	3
Middle/Junior High	2
Secondary	3
Combination	3
Total	11

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 4

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	2	1	3	3	3	12
Principals	-	-	-	2	1	4	4	11
Classroom Teachers	50	29	83	43	51	39	41	336
Total	50	29	85	46	55	46	48	359

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 5

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

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average classroom teachers' salary including extra compensation	47,369	47,369
Average classroom teachers' salary excluding extra compensation	46,968	46,968
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	335	335

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 6

Class Size Characteristics
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	65.7%	313	34.1%	162	0.0%	-	0.2%	1
Elementary Activity Classes	61.5%	40	37.0%	24	0.0%	-	1.5%	1
Middle/Junior High	60.2%	179	30.4%	90	9.1%	27	0.3%	1
Middle/Junior High Activity Classes	79.9%	60	12.1%	9	5.3%	4	2.7%	2
High	86.2%	437	12.4%	62	1.4%	7	0.0%	-
High Activity Classes	91.9%	69	6.8%	5	1.3%	1	0.0%	-
Combination	84.4%	367	12.3%	53	2.8%	12	0.5%	2
Combination Activity Classes	83.9%	63	8.1%	6	4.0%	3	4.0%	3

Note:

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

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 7

Louisiana Educational Assessment Program (LEAP) - ELA & Math
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8%	6%	3%	13%	12%	8%
Mastery	46%	43%	40%	48%	42%	34%
Basic	23%	26%	31%	21%	28%	33%
Approaching Basic	15%	16%	18%	12%	13%	19%
Unsatisfactory	8%	9%	8%	6%	5%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	12%	8%	5%	4%	5%	1%
Mastery	43%	40%	48%	43%	42%	34%
Basic	27%	31%	37%	29%	31%	40%
Approaching Basic	13%	18%	10%	21%	19%	21%
Unsatisfactory	5%	3%	0%	3%	3%	4%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7%	6%	1%	4%	3%	1%
Mastery	44%	43%	39%	29%	36%	25%
Basic	32%	36%	41%	41%	38%	35%
Approaching Basic	12%	11%	15%	21%	17%	35%
Unsatisfactory	5%	4%	4%	5%	6%	4%
Total	100%	100%	100%	100%	100%	100%

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 7

Louisiana Educational Assessment Program (LEAP)- ELA & Math (continued)
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	12%	6%	4%	2%	3%	2%
Mastery	37%	49%	38%	23%	22%	21%
Basic	34%	31%	37%	40%	47%	39%
Approaching Basic	14%	12%	17%	28%	24%	30%
Unsatisfactory	3%	2%	4%	7%	4%	8%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	12%	9%	5%	1%	2%	1%
Mastery	43%	26%	38%	23%	22%	20%
Basic	28%	33%	36%	48%	39%	47%
Approaching Basic	12%	18%	17%	24%	29%	25%
Unsatisfactory	5%	14%	4%	4%	8%	7%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	10%	9%	3%	2%	0%	1%
Mastery	36%	50%	46%	21%	20%	29%
Basic	33%	27%	25%	32%	33%	24%
Approaching Basic	16%	10%	17%	32%	31%	25%
Unsatisfactory	5%	4%	9%	13%	16%	21%
Total	100%	100%	100%	100%	100%	100%

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 9

LEAP Tests - Science & Social Studies
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7%	10%	5%	10%	N/A	4%
Mastery	21%	22%	23%	22%	N/A	17%
Basic	47%	52%	50%	28%	N/A	55%
Approaching Basic	17%	12%	17%	23%	N/A	15%
Unsatisfactory	8%	4%	5%	17%	N/A	9%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7%	6%	6%	5%	N/A	2%
Mastery	22%	25%	16%	19%	N/A	21%
Basic	52%	50%	58%	32%	N/A	59%
Approaching Basic	14%	15%	17%	29%	N/A	13%
Unsatisfactory	5%	4%	3%	15%	N/A	5%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	6%	9%	2%	4%	N/A	7%
Mastery	23%	25%	20%	23%	N/A	25%
Basic	51%	47%	56%	31%	N/A	56%
Approaching Basic	16%	14%	18%	26%	N/A	9%
Unsatisfactory	4%	5%	4%	16%	N/A	3%
Total	100%	100%	100%	100%	N/A	100%

ALLEN PARISH SCHOOL BOARD
Oberlin, Louisiana

SCHEDULE 9

LEAP Tests- Science & Social Studies (continued)
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	6%	4%	7%	N/A	13%
Mastery	17%	25%	21%	21%	N/A	15%
Basic	53%	49%	49%	33%	N/A	48%
Approaching Basic	20%	15%	20%	26%	N/A	18%
Unsatisfactory	6%	5%	6%	13%	N/A	6%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	8%	3%	12%	N/A	5%
Mastery	26%	28%	33%	25%	N/A	23%
Basic	47%	34%	45%	32%	N/A	51%
Approaching Basic	17%	23%	14%	15%	N/A	15%
Unsatisfactory	6%	7%	5%	16%	N/A	6%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	2%	2%	11%	N/A	2%
Mastery	18%	23%	21%	27%	N/A	11%
Basic	47%	52%	45%	27%	N/A	56%
Approaching Basic	24%	19%	24%	24%	N/A	16%
Unsatisfactory	8%	4%	8%	11%	N/A	15%
Total	100%	100%	100%	100%	N/A	100%

ALLEN PARISH SCHOOL BOARD

Oberlin, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the Allen
Parish School Board, and
The Louisiana Legislative Auditor

Retired

Conrad O. Chapman, CPA* 2006

We have performed the procedures enumerated below, which were agreed to by the management of the Allen Parish School Board (School Board) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The School Board's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

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

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

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

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

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

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

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

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

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

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

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

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

Written policies and procedures were obtained and did not address the functions noted above.

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

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

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

Written policies and procedures were obtained; however, they do not address the following: (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

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

Board (or Finance Committee, if applicable)

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

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

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Minutes made no reference to monthly budget-to-actual comparisons.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Minutes made no reference to monthly budget-to-actual comparisons; therefore we are unable to test this item.

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

For at least one meeting during the fiscal period, the minutes referenced non-budgetary financial information.

Bank Reconciliations

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

Obtained listing of client bank accounts from management and management's representation that listing is complete.

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

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.

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

Of the eight (8) bank accounts tested, five (5) of them did not have any evidence that management reviewed the bank reconciliation.

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

Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months.

Collections

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

Obtained listing of cash collection locations and management's representation that listing is complete.

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

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

In 1 of the 2 locations tested, the person responsible for collecting cash also deposits the cash in the bank, records the deposit and shares a drawer with another person.

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

Written documentation was obtained and address the functions noted above.

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

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

In both locations tested, collection documentation was obtained. Deposits were not made within one day of collection for some collections. The number of days after collection varied.

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

Collection documentation was obtained and address the functions noted above.

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

Written policies and procedures were obtained and did not address the functions noted above for any of the locations tested.

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

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

Listing of disbursements and management's representation that the listing is complete was obtained.

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

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

Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using a purchase order system.

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

Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of purchase orders.

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

Examined supporting documentation for each of the 25 disbursements and found all payments were processed with proper approval, receiving report and approved invoice.

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

Written policies and procedures were obtained and do not address the functions noted above.

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

Written policies and procedures were obtained and do not address the functions noted above.

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

There were no exceptions noted.

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

There were no exception noted.

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

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

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

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

Listing was obtained and randomly selected 10 cards.

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

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

Monthly statements were obtained and address the functions noted above.

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

No finance charges or fees were noted.

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

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

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

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

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

Policies were obtained. No amounts listed exceed GSA rates.

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

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

There were no exceptions noted.

b) Report whether each expense is supported by:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

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

No exceptions noted.

Contracts

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

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

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

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

No exceptions noted.

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

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

No noncompliance noted.

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

No noncompliance noted.

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

Not applicable.

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

No noncompliance noted.

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

Not applicable.

Payroll and Personnel

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

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

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

No exceptions noted.

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

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Ethics (excluding nonprofits)

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

No exceptions noted.

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

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

Not applicable.

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

All scheduled debt service payments were made and debt reserves were maintained as required by debt covenants.

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

No exceptions noted.

Other

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

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

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

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

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

No exceptions noted.

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
December 19, 2017