

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2017

TABLE OF CONTENTS

	Statement	Page
Independent Auditor’s Report		1
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A	5
Statement of Activities	B	6
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	8
Reconciliation of the Government Funds Balance Sheet to the Statement of Net Position	D	10
Statement of Revenues, Expenditures, and Changes In Fund Balance	E	12
Reconciliation of the Government Funds Statement Of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	14
Fiduciary Fund:		
Statement of Assets and Liabilities – Agency Fund	G	15
Notes to the Financial Statements		17
	Exhibit	Page
Required Supplementary Information:		
Budgetary Comparison Schedule-General Fund	1	53
Budgetary Comparison Schedule-School Food Service	2	54
Budgetary Comparison Schedule-Sales Tax Fund	3	55
Budgetary Comparison Schedule-Operations and Maintenance Fund	4	56
Schedule of Funding Progress – Other Post-Employment Benefits	5	57
Schedule of Employer’s Proportionate Share of Net Pension Liability	6	58
Schedule of Employer Contributions	7	59
Notes to Required Supplementary Information		60

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2017

TABLE OF CONTENTS (CONCLUDED)

	Schedule	Page
Supplemental Information Schedules:		
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	1	64
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	66
Agency Fund:		
Schedule of Changes in Assets and Liabilities	3	69
Schedule of Changes in Deposits Due Others – School Activity Agency Funds	4	70
Schedule of Compensation Paid Board Members	5	71
Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer	6	72
Reports and Other Information Required by <i>Governmental Auditing Standards</i> and Single Audit Act Amendments of 1996:		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		74
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance		76
Schedule of Expenditures of Federal Awards		79
Notes to the Schedule of Expenditures of Federal Awards		80
Schedule of Findings and Questioned Costs		81
Schedule of Prior Year Findings		84



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT AUDITOR'S REPORT

Members of the
Beauregard Parish School Board
DeRidder, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish School Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the foregoing 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audits 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 I 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 internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting principles used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Beauregard Parish School Board as of June 30, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that certain budget, other post-retirement employee benefits information, and pension information (Exhibits 1-7) 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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. I 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 Beauregard Parish School Board has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board also determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information. My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying combining and individual nonmajor fund schedules, the schedule of compensation paid to board members, and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Beauregard Parish School Board. 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 supplemental schedules are the responsibility of management and were derived 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 my opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated December 30, 2017, on my consideration of the Beauregard Parish School Board's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

DeRidder, Louisiana
December 30, 2017

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement A

Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 24,348,078
Receivables	2,677,146
Inventory	290,372
Prepaid expenses	210,441
Restricted assets:	
Investments	300,000
Capital assets (net of accumulated depreciation):	
Land	305,618
Buildings	39,815,760
Improvements other than buildings	2,073,150
Furniture and equipment	2,900,541
Construction in progress	597,742
	<u>73,518,848</u>
Total assets	
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	<u>15,452,868</u>
LIABILITIES	
Accounts, salaries, and other payables	8,126,549
Unearned revenue	42,503
Interest payable	341,047
Long-term liabilities:	
Due within one year	16,311,145
Due in more than one year	153,691,231
Total liabilities	<u>178,512,475</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	<u>4,467,548</u>
NET POSITION	
Invested in capital assets, net of related debt	10,662,924
Restricted for:	
Debt service	2,759,076
Capital improvements	748,113
Maintenance, books, instructional items, etc.	2,903,694
Federal programs	66,949
Unrestricted	<u>(111,149,063)</u>
TOTAL NET POSITION	<u>\$ (94,008,307)</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2017

	Program Revenues		Governmental Activities - Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services		Operating Grants and Contributions
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction:				
Regular programs	\$ 29,877,077	\$ -	\$ 486,977	\$ (29,390,100)
Special education programs	7,779,876	-	606,541	(7,173,335)
Vocational programs	2,193,231	-	54,207	(2,139,024)
Other instructional programs	2,036,108	-	166,802	(1,869,306)
Special programs	1,972,876	-	1,235,852	(737,024)
Support services:				
Student services	4,129,406	-	301,287	(3,828,119)
Instructional staff support	3,281,144	-	560,101	(2,721,043)
General administration	1,487,133	-	-	(1,487,133)
School administration	4,661,936	-	-	(4,661,936)
Business services	764,620	-	162,564	(602,056)
Plant services	5,890,119	-	-	(5,890,119)
Student transportation services	3,731,836	-	10,250	(3,721,586)
Central services	1,170,565	-	47,560	(1,123,005)
Food services	3,527,430	331,575	1,699,098	(1,496,757)
Community service programs	14,450	-	-	(14,450)
Interest on long-term debt	1,614,942	-	-	(1,614,942)
	<u>\$ 74,132,749</u>	<u>\$ 331,575</u>	<u>\$ 5,331,077</u>	<u>(68,470,097)</u>
Taxes:				
Property taxes, levied for general purposes				1,313,747
Property taxes, levied for maintenance				6,573,937
Property taxes, levied for debt services				3,676,288
Sales and use taxes, levied for salaries				10,868,669
State revenue sharing, unrestricted				62,084
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				33,996,688
Other state funding				698,957
Interest and investment earnings				43,764
Special items:				
Miscellaneous				293,121
Gain on disposal of assets				8,377
				<u>57,535,632</u>
				(10,934,465)
				<u>(83,073,842)</u>
				<u>\$ (94,008,307)</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Balance Sheet - Governmental Funds
June 30, 2017

	General Fund	Sales Tax Fund	Operations and Maintenance Fund	School Food Service
Assets				
Assets:				
Equity in pooled cash	\$ 17,615,807	\$ -	\$ 3,170,554	\$ -
Restricted investments	300,000	-	-	-
Receivables	71,380	950,843	76,665	21,609
Interfund receivable	2,508,986	-	-	-
Inventory	208,406	-	-	81,966
Prepaid items	152,979	-	53,489	2,158
	<u>152,979</u>	<u>-</u>	<u>53,489</u>	<u>2,158</u>
Total assets	<u>\$ 20,857,558</u>	<u>\$ 950,843</u>	<u>\$ 3,300,708</u>	<u>\$ 105,733</u>
Liabilities and fund balances				
Liabilities:				
Accounts, salaries, and other payables	\$ 7,697,677	\$ 15,472	\$ 343,525	\$ 3,134
Interfund payable	-	993,088	-	38,412
Deferred revenues	-	-	-	42,503
Total liabilities	<u>7,697,677</u>	<u>1,008,560</u>	<u>343,525</u>	<u>84,049</u>
Fund balances:				
Nonspendable items	361,385	-	53,489	84,124
Restricted for:				
Debt service	-	-	-	-
Capital improvements	-	-	-	-
Federal programs	-	-	-	-
Maintenance, books, instructional items, etc.	-	-	2,903,694	-
Committed for:				
Construction contracts	720,811	-	-	-
Stabilization	2,946,090	-	-	-
Future facilities acquisition	2,895,983	-	-	-
Assigned for:				
Other	107,318	-	-	-
Unassigned	6,128,294	(57,717)	-	(62,440)
Total fund balances	<u>13,159,881</u>	<u>(57,717)</u>	<u>2,957,183</u>	<u>21,684</u>
	<u>13,159,881</u>	<u>(57,717)</u>	<u>2,957,183</u>	<u>21,684</u>
Total liabilities and fund balances	<u>\$ 20,857,558</u>	<u>\$ 950,843</u>	<u>\$ 3,300,708</u>	<u>\$ 105,733</u>

The accompanying notes are an integral part of this statement.

Statement C

Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 748,113	\$ 2,752,212	\$ 61,392	\$ 24,348,078
-	-	-	300,000
-	6,864	1,549,785	2,677,146
-	-	-	2,508,986
-	-	-	290,372
-	-	1,815	210,441
<u>\$ 748,113</u>	<u>\$ 2,759,076</u>	<u>\$ 1,612,992</u>	<u>\$ 30,335,023</u>
\$ -	\$ -	\$ 66,742	\$ 8,126,550
-	-	1,477,486	2,508,986
-	-	-	42,503
-	-	1,544,228	10,678,039
-	-	1,815	500,813
-	2,759,076	-	2,759,076
748,113	-	-	748,113
-	-	66,949	66,949
-	-	-	2,903,694
-	-	-	720,811
-	-	-	2,946,090
-	-	-	2,895,983
-	-	-	107,318
-	-	-	6,008,137
<u>748,113</u>	<u>2,759,076</u>	<u>68,764</u>	<u>19,656,984</u>
<u>\$ 748,113</u>	<u>\$ 2,759,076</u>	<u>\$ 1,612,992</u>	<u>\$ 30,335,023</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement D

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

Total fund balances at year end - governmental funds		\$	19,656,984
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets are not financial resources and, therefore, not reported in the funds.			
Cost of capital assets at year end	\$	99,287,220	
Less - accumulated depreciation at year end		<u>(53,594,408)</u>	45,692,812
Long-term liabilities are not due and payable in the current period and are not reported in the funds.			
Long-term liabilities at year end:			
Compensated absences		(1,288,156)	
Workers compensation		(311,350)	
Sales tax claim payable		(625,788)	
Bonds payable		(35,778,000)	
Other post-employment benefits liability		(45,126,932)	
Net pension liability		(86,872,150)	
Accrued interest payable		<u>(341,047)</u>	<u>(170,343,423)</u>
Pension related deferrals:			
Outflows		15,452,868	
Inflows		<u>(4,467,548)</u>	<u>10,985,320</u>
Net position at year end - governmental activities			<u>\$ (94,008,307)</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2017

This page intentionally left blank.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

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

	General Fund	Sales Tax Fund	Operations and Maintenance Fund	School Food Service
Revenues:				
Local sources:				
Ad valorem taxes	\$ 1,354,002	\$ -	\$ 6,823,421	\$ -
Sales and use taxes	-	10,868,669	-	-
Interest earnings	26,004	-	-	1,670
Food services	-	-	-	331,575
Other	378,046	-	1,049	383
State sources:				
Equalization	33,942,322	-	-	39,467
Other	456,342	-	258,986	37,840
Federal sources				
	24,755	-	-	1,699,098
Total revenues	36,181,471	10,868,669	7,083,456	2,110,033
Expenditures:				
Instruction:				
Regular programs	17,040,885	4,803,373	955,765	-
Special education programs	4,308,875	1,319,506	8,762	-
Vocational educational programs	1,353,525	360,949	73,364	-
Other instructional programs	1,358,440	155,484	1,652	-
Special programs	367,824	114,266	435	-
Support services:				
Student services	2,445,264	607,017	-	-
Instructional staff support	1,642,780	428,838	116,707	-
General administration	1,083,758	301,908	-	-
School administration	3,039,023	856,445	-	-
Business administration	509,776	133,111	-	-
Plant services	2,951	598,098	4,980,443	-
Student transportation services	3,212,062	624,065	-	-
Central services	539,877	156,789	309,654	-
Food services	(9,295)	495,281	-	2,543,049
Community service programs	12,530	-	-	-
Facilities acquisition and construction	597,743	-	10,998	-
Debt service	-	-	-	-
Total expenditures	37,506,018	10,955,130	6,457,780	2,543,049
Excess (deficiency) of revenues over (under) expenditures	(1,324,547)	(86,461)	625,676	(433,016)
Other financing sources (uses):				
Proceeds from sale of assets	8,377	-	-	-
Issuance of debt	-	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	918,933	-	-	454,700
Transfers out	(484,968)	-	-	(384,222)
Total other financing sources (uses)	442,342	-	-	70,478
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(882,205)	(86,461)	625,676	(362,538)
Beginning fund balances	14,042,086	28,744	2,331,507	384,222
Ending fund balances	\$ 13,159,881	\$ (57,717)	\$ 2,957,183	\$ 21,684

Statement E

Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,823,726	\$ -	\$ 12,001,149
-	-	-	10,868,669
14,287	1,803	-	43,764
-	-	-	331,575
-	-	539,432	918,910
-	-	14,899	33,996,688
-	-	7,873	761,041
-	-	3,607,224	5,331,077
<u>14,287</u>	<u>3,825,529</u>	<u>4,169,428</u>	<u>64,252,873</u>
608,298	-	486,977	23,895,298
-	-	652,420	6,289,563
-	-	54,207	1,842,045
-	-	166,802	1,682,378
-	-	1,211,097	1,693,622
-	-	452,049	3,504,330
-	-	575,255	2,763,580
700	-	-	1,386,366
-	-	-	3,895,468
-	-	-	642,887
-	-	-	5,581,492
-	-	10,250	3,846,377
-	-	50,347	1,056,667
-	-	-	3,029,035
-	-	1,920	14,450
494,401	-	-	1,103,142
-	4,455,849	-	4,455,849
<u>1,103,399</u>	<u>4,455,849</u>	<u>3,661,324</u>	<u>66,682,549</u>
(1,089,112)	(630,320)	508,104	(2,429,676)
-	-	-	8,377
-	6,920,000	-	6,920,000
-	(6,920,000)	-	(6,920,000)
-	-	30,268	1,403,901
-	-	(534,711)	(1,403,901)
-	-	(504,443)	8,377
(1,089,112)	(630,320)	3,661	(2,421,299)
<u>1,837,225</u>	<u>3,389,396</u>	<u>65,103</u>	<u>22,078,283</u>
<u>\$ 748,113</u>	<u>\$ 2,759,076</u>	<u>\$ 68,764</u>	<u>\$ 19,656,984</u>

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

Total net change in fund balances - governmental funds \$ (2,421,299)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	\$ (2,259,499)	
Capital outlays	<u>1,654,641</u>	(604,858)

Net book value of assets retired during the year -

2015 ad valorem taxes not received within 60 days of year end in prior year were not considered available, therefore they were not recorded in the funds until current year. (437,177)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds of bond issues is an other source in the governmental funds but increases long-term liabilities in the Statement of Net Position:

Principal payments		9,702,000
Bond proceeds		(6,920,000)

In the Statement of Activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which the amounts earned exceeds the amount actually paid:

Change in compensated absences payable		93,473
Change in sales tax claims payable		(625,788)
Change in other post-employment benefits		(3,786,478)
Change in claims liability		27,992
Pension expense		(6,021,237)

Interest on long-term debt in the Statement of Activities is recorded as it is incurred, however, in the governmental funds interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources:

Change in accrued interest payable		<u>58,907</u>
------------------------------------	--	---------------

Change in net position of governmental activities \$ (10,934,465)

Statement of Assets and Liabilities - Agency Fund
June 30, 2017

	<u>School Activity Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 1,108,146</u>
Total assets	<u><u>\$ 1,108,146</u></u>
Liabilities	
Deposits due others	<u>\$ 1,108,146</u>
Total liabilities	<u><u>\$ 1,108,146</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

INTRODUCTION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 - A. BASIS OF PRESENTATION
 - B. REPORTING ENTITY
 - C. FUND ACCOUNTING
 - D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING
 - E. BUDGETS
 - F. ENCUMBRANCES
 - G. CASH AND INTEREST-EARNING DEPOSITS
 - H. INVESTMENTS
 - I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES
 - J. INVENTORIES AND PREPAID ITEMS
 - K. CAPITAL ASSETS
 - L. COMPENSATED ABSENCES
 - M. EQUITY CLASSIFICATIONS
 - N. INTERFUND TRANSACTIONS
 - O. SALES AND USE TAXES
 - P. ESTIMATES
 - Q. PENSIONS
2. LEVIED TAXES
3. DEPOSITS
4. INVESTMENTS
5. RECEIVABLES
6. CAPITAL ASSETS
7. ACCOUNTS, SALARIES, AND OTHER PAYABLES
8. RETIREMENT SYSTEMS
9. INTERFUND ACTIVITIES
10. LONG-TERM OBLIGATIONS
11. EQUITY RESTRICTIONS
12. RISK MANAGEMENT
13. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES
14. COMMITMENTS
15. OTHER POST-EMPLOYMENT BENEFITS
16. DEFICIT FUND BALANCES
17. SUBSEQUENT EVENTS
18. NEW ACCOUNTING PRONOUNCEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

The Beauregard Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Beauregard Parish. The School Board is authorized by 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 10 members who are elected from 10 districts for terms of four years.

The School Board operates 12 schools within the parish with a total enrollment of approximately 6,000 pupils. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Beauregard Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

C. FUND ACCOUNTING

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

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

Governmental Funds

Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include the following:

1. The General Fund is the general operating fund of the School Board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. The School Activity Agency Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Assets and Liabilities – Agency Funds at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly 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.

Allocation of Indirect Expenses - The school board reports all direct expenses by function in the Statement of Activities (Statement B). 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. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

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

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School Board reports the General Fund, the Sales Tax Fund, the Operating and Maintenance Fund, the School Food Service Fund, the Debt Service Fund, and the Capital Projects Fund as its major governmental funds. The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Sales Tax Fund is used to account for sales tax collections that are to be used for salaries and benefits. The Operating and Maintenance Fund is used to account for ad valorem tax millages that are dedicated to certain operating and maintenance costs. The School Food Service Fund includes the school meal preparation operations. The Debt Service Fund accounts for the collection of an ad valorem tax millage dedicated to servicing the debt of the District's outstanding general obligation bonds. The Capital Projects Fund accounts for bonds issued under authority of a voter referendum to be used for capital projects and instructional equipment.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The school board generally considers all revenues available if they are collected within 60 days after the fiscal year ended except for revenues related to federal grant programs where costs are reimbursed 100%. For these programs, revenues are recognized when the expenditures are made. Management feels that the financial statements would be misleading if these revenues were not recorded. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants 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 on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February of the fiscal year. Sales and use tax revenues are recorded in the month that the original taxable transaction occurred. Substantially all other revenues are recorded when received.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Expenditures

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not effect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Governmental fund expenditures include the following:

Salaries are recorded as earned. All nine-month employees are to be paid pro rata over twelve months. Thus, salaries paid to these employees in July and August are earned (and are accrued) as of fiscal year end. Principal and interest on general long-term obligations are recognized when due. Inventory is expensed when consumed. Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the general long-term obligations account group. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Increases (decreases) in net current assets arising from sources other than revenues (expenditures) are accounted for as other financing sources (uses). Such transactions include transfers between funds that are not expected to be repaid, capital lease transactions, sale of fixed assets, and long-term debt proceeds. These other financing sources (uses) are recognized at the time the underlying events occur.

Agency Funds – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for on the accrual basis of accounting.

E. BUDGETS

The School Board adopts budgets for all funds under its control. The School Board uses the following budget practices:

1. The proposed budget for the fiscal year ended June 30, 2017, was published July 27, 2016. The budget was available for viewing from that date until the date of the public hearing August 11, 2016. The budget was formally adopted on August 11, 2016, by the School Board. The budget must be adopted no later than September 15th and submitted to the Louisiana Department of Education no later than September 30th each year for approval.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. Budgets are prepared on a GAAP basis for all funds.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. The superintendent of the School Board has the authority to transfer amounts between accounts within any fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances are recorded at the time the purchasing system generates a purchase order and are liquidated at the time the corresponding expenditure is recognized. Outstanding encumbrances lapse at year-end. To the extent the School Board intends to honor the purchase orders and commitments, they are disclosed in the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

G. CASH AND INTEREST-EARNING DEPOSITS

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and short-term investments with original maturities of three months or less, including deposits held by the Louisiana Asset Management Pool (LAMP). LAMP is a statewide investment pool in which the School Board participates and operates in accordance with appropriate state laws and regulations. The fair value of the School Board's position in the pool is the same as the value of the pool shares. LAMP is a component unit of the State of Louisiana and its operations are regulated by state law and are overseen by a board consisting of the state treasurer and members elected from the pool participants. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the School Board's investment policy. These laws and policies are designed to minimize credit risk. The School Board's investments include certificates of deposit with maturities greater than 90 days. These certificates of deposit are recorded at cost, which approximates fair value.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

J. INVENTORIES AND PREPAID ITEMS

Inventory of the General Fund consists of expendable supplies and are recorded on the consumption method. These items are recorded at the lower of cost (first-in, first-out) or market value.

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost. 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.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Furniture and fixtures	10 years
Vehicles	5 years
Equipment	3-10 years

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

L. COMPENSATED ABSENCES

The School Board has the following policies relating to compensated absences:

Annual Leave

Annual leave is earned for all twelve-month active employees at the following rates:

<u>Years of service</u>	<u>Rate</u>
0-3	1 day per month (12 days annually)
3-10	1 ¼ days per month (15 days annually)
Over 10	1 ½ days per month (18 days annually)

Accumulated annual leave is capped at 48 days.

Sick Leave

Sick leave is earned for active employees at the following rates:

Nine-month employees	10 days
Ten-month employees	11 days
Eleven- and twelve-month employees:	
0-10 years	12 days
Over 10 years	18 days

If a nine- or ten-month employee works additional time during the summer, the employee will receive one day additional sick leave (or portion thereof) for each additional month worked (or portion thereof). Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service. However, the School Board may pay, on a uniform basis, such unused sick leave beyond twenty-five days, not to exceed 45 days, at its discretion.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Emergency Leave

Emergency leave shall be granted for the following reasons:

1. A maximum of three days continuous leave for illness in the immediate family unless there are extenuating circumstances.
2. A maximum of three days continuous leave for death in the immediate family unless there are extenuating circumstances.
3. A maximum of two days for the purpose of marriage.
4. Circumstances beyond the control of the employee (i.e., fire, flood, tornado, etc.)

The superintendent or his designee may grant emergency leave for reasons other than above. Two days of sick or emergency leave may be allowed for personal reasons.

Excess leave

Excess leave may be granted by the superintendent beyond the sick and emergency leave up to a maximum of five days. Any request beyond five days requires School Board approval.

Sabbatical Leave

Sabbatical leave may be granted for rest and recuperation 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. According to GASB Statement No. 16, sabbatical leave which involves professional and cultural development provides a continuing benefit to the employer and should not be accrued.

The cost of current leave privileges is recognized as an expenditure in the governmental funds (typically the General Fund) when the leave is actually taken or, in the case of amounts due at termination, when payment is due. The expenditure is recorded in the fund from which the employee on leave is generally paid. The cost of leave privileges not requiring current resources is recorded in the government-wide financial statements.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

M. EQUITY CLASSIFICATIONS

For government-wide statement of net position, equity is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt. This component consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position. Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position. Unrestricted net position consist of all other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The School Board uses restricted resources first when expenses are incurred when both restricted and unrestricted net position are available.

In the fund statements, governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the School Board classifies governmental fund balances as follows:

- Non-spendable. Relates to fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted. Relates to fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed. Relates to fund balance amounts that are constrained for specific purposes that are internal imposed by the district through formal action of the School Board and does not lapse at year-end.
- Assigned. Relates to fund balance amounts that are intended to be used for a specific purpose that are considered to be neither restricted nor committed. Fund balance can be assigned by the School Board.
- Unassigned. Relates to fund balance amounts within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The School Board uses restricted resources first when expenditures are incurred when both restricted and unrestricted fund balances are available.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

O. SALES AND USE TAXES

A one-cent sales and use tax was approved by voters at a special election held July 23, 1966. The proceeds of the tax are to be used exclusively to supplement other revenues available to the School Board for the payment of salaries of teachers in the public elementary and secondary schools of the parish and for the expenses of operating said schools, such operating expenses to include payment of salaries of other personnel employed by the School Board in addition to teachers, but to exclude expenditures for capital improvements and purchases of automobiles.

Another one-cent sales and use tax was approved by voters at a special election held May 5, 1990. The proceeds of the tax are to be used for the purpose of supplementing salaries of teachers and other school employees and providing benefits for teachers, other school employees, and retirees.

P. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Q. PENSIONS

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS), and additions to/deductions from the fiduciary net position for both pensions have been determined on the same basis as they are reported by each pension. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes			
Constitutional	5.13	5.13	N/A
Maintenance and operations	9.27	9.27	2021
District taxes			
Maintenance and operations –			
Instructional	22.56	22.56	2023
Bond and Interest	17.80	17.80	N/A

The two millages for Maintenance and Operations are restricted to facilities maintenance and certain educational items such as books. The Bond and Interest millage is restricted specifically for debt service on the School Board's bond issues.

The only taxpayer with assessed valuation in excess of 5% of total assessments was Packaging Corporation of America (PCA). PCA's total assessed valuation was approximately \$50,000,000 generating approximately \$2,740,000 in ad valorem taxes for the School Board.

3. DEPOSITS

At June 30, 2017, the School Board has cash and interest-bearing deposits (book balances) as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Interest-bearing deposits	\$ 21,389,841	\$ 915,392	\$ 22,305,233
Deposits with LAMP	2,958,237	192,754	3,150,991
Total	<u>\$ 24,348,078</u>	<u>\$ 1,108,146</u>	<u>\$ 25,456,224</u>

Additionally, the School Board has a certificate of deposit totaling \$300,000 on deposit in local banks which are presented as restricted investments in the financial statements.

A portion of the School Board's funds are held and managed by the Louisiana Asset Management Pool (LAMP). The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAAM by Standard & Poor's.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP issues a publicly available financial report that includes financial statements and required supplementary information for LAMP. That report may be obtained by writing to the LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130.

Custodial credit risk is the risk that, in the event of a bank failure, the School Board's deposits may not be recovered. Under state law, the School Board's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the School Board or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the School Board has \$22,779,156 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$1,736,895 of federal deposit insurance and \$21,042,261 of pledged securities held by the custodial bank in the name of the School Board. As such, these deposits are not considered subject to custodial credit risk according to GASB Statement No. 3.

4. INVESTMENTS

Investments at June 30, 2017 consisted of a certificate of deposit. All certificates have maturities of six months from their original purchase dates.

As discussed in Note 3, certificates of deposit are considered fully collateralized under the provisions of GASB Statement 3. Deposits with LAMP are not categorized as those deposits are not evidenced by securities that exist in physical or book-entry form.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Although the School Board’s policy does not formally address credit or interest rate risk, it does emphasize safety and liquidity over investment return. This policy does limit exposure to fluctuations in interest rates due to the short-term nature of securities purchased and the School Board’s intent and ability to hold debt securities to maturity. Interest rates on certificates of deposit range from 0.08-1.0% and it is the practice of the School Board to generally purchase certificates with maturities of six months or less and never over one year. LAMP’s investment policy also emphasizes safety and liquidity with a substantial portion of the underlying securities pool having maturities of less than 30 days. LAMP is rated AAAM with Standard & Poors.

The School Board entered into a security agreement with the State of Louisiana Office of Workers’ Compensation (OWC) that grants to OWC a security interest in the School Board’s \$300,000 certificate of deposit. The security interest is to secure the prompt payment of all obligations under the provisions of the Louisiana Workers’ Compensation Act. This certificate of deposit is classified as restricted investment in the General Fund.

5. RECEIVABLES

The receivables of \$2,677,146 at June 30, 2017, are as follows:

Class of Receivable	General Fund	Sales Tax Fund	Operations & Maintenance Fund	School Food Service	Debt Service Fund	Non-Major Funds	Total
Taxes:							
Sales	\$ -	\$ 950,843	\$ -	\$ -	\$ -	\$ -	\$ 950,843
Ad valorem	1,978	-	12,274	-	6,864	-	21,116
Intergovernmental:							
Federal	-	-	-	-	-	1,546,006	1,546,006
State	69,402	-	-	21,609	-	3,779	94,790
Other	-	-	64,391	-	-	-	64,391
Total	\$ 71,380	\$ 950,843	\$ 76,665	\$ 21,609	\$ 6,864	\$ 1,549,785	\$ 2,677,146

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

6. CAPITAL ASSETS

The changes in capital assets follow:

<u>Governmental Activities</u>	Balance, Beginning of Year	Additions	Deletions	Transfers	Balance, End of Year
Capital assets not being depreciated:					
Land	\$ 305,618	\$ -	\$ -	\$ -	\$ 305,618
Construction in progress	482,338	1,052,782	-	(937,378)	597,742
	<u>787,956</u>	<u>1,052,782</u>	<u>-</u>	<u>(937,378)</u>	<u>903,360</u>
Capital assets being depreciated:					
Buildings and improvements	84,565,211	39,361	-	937,378	85,541,950
Furniture and equipment	12,972,645	562,497	(693,233)	-	12,841,909
	<u>97,537,856</u>	<u>601,858</u>	<u>(693,233)</u>	<u>937,378</u>	<u>98,383,859</u>
Less accumulated depreciation:					
Buildings and improvements	(42,720,845)	(1,655,909)	-	-	(44,376,754)
Furniture and equipment	(9,307,297)	(603,590)	693,233	-	(9,217,654)
	<u>(52,028,142)</u>	<u>(2,259,499)</u>	<u>693,233</u>	<u>-</u>	<u>(53,594,408)</u>
Total capital assets being depreciated, net	<u>45,509,714</u>	<u>(1,657,641)</u>	<u>-</u>	<u>937,378</u>	<u>44,789,451</u>
Governmental activities capital assets, net	<u>\$ 46,297,670</u>	<u>\$ (604,859)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,692,811</u>

Depreciation expense of \$2,259,499 for the year ended June 30, 2017, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 1,628,294
Special Education	295,616
Support Services:	
Student Services	56,189
Instructional Staff Support	42,256
General Administration	2,963
School Administration	23,347
Business Services	6,587
Plant Services	16,503
Student Transportation Services	36,490
Central Services	781
School Food Services	150,473
Total	<u>\$ 2,259,499</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

Accounts, salaries, and other payables of \$8,126,550 at June 30, 2017, consists of the following:

	General Fund	Sales Tax Fund	Operations & Maintenance	School Food Service	Capital Projects Fund	Non-major Special Revenue Funds	Total
Salaries and benefits	\$ 7,487,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,487,081
Accounts Retainage	183,261	15,472	343,525	3,134	-	66,742	612,134
	27,335	-	-	-	-	-	27,335
Total	\$ 7,697,677	\$ 15,472	\$ 343,525	\$ 3,134	\$ -	\$ 66,742	\$ 8,126,550

8. RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees and are component units of the State of Louisiana.

During the year, the School Board implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This standard requires the School Board to record its proportional share of each of the pension plan's Net Pension Liability and report the following disclosures:

A. TEACHERS' RETIREMENT SYSTEM OF LOUISIANA (TRSL)

Plan Description. TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. TRSL issues a publicly available financial report that includes financial statements and required supplementary information for TRSL. That report may be obtained at trsl.org, by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Benefits Provided. The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

1) Normal Retirement

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.

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.

A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

2) Deferred Retirement Option Plan (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

3) Disability Benefits

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

4) Survivor Benefits

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

5) Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System 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.

Contributions. The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2017 are as follows:

2017 TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	25.5%
Higher Ed Regular Plan	8.0%	24.4%
Plan A	9.1%	30.7%
Plan B	5.0%	28.2%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 28.0% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The School Board's contributions to TRSL for the years ending June 30, 2017, 2016, and 2015, were \$7,337,238, \$7,838,707, and \$8,399,977, respectively, equal to the required contributions for each year.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

B. LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained at lsers.org, by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Benefits Provided. The following is a description of the plan and its benefits and is provided for general informational purposes only. Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153. LSERS provides retirement, deferred retirement option (DROP), and disability. Participants should refer to the appropriate statutes for more complete information.

1) Normal Retirement

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 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 membership 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. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

2) Deferred Retirement Option Plan (DROP)

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

3) Disability Benefits

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

4) Initial Benefit Retirement Plan (IBRP)

Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Contributions. The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Plan members are required to contribute 7.5% (8.0% for members hired after July 1, 2010) of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 27.3% of annual covered payroll. Contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is set by state statute at the greater of 6% or the actuarially determined required rate. Since the statutory rate has been significantly greater than the actuarially required rate in recent years, employers have accumulated a contribution credit. As such, the School Board's contributions to the LSERS for the years ending June 30, 2017, 2016, and 2015, were \$800,446, \$942,741, and \$1,048,364, respectively, which is equal to the required contributions each year.

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

At June 30, 2017, the School Board reported liability of \$86,872,150 (\$78,589,221 and \$8,282,929, respectively, for TRSL and LSERS) for its proportionate share of the Net Pension Liability for both plans. The Net Pension Liabilities were measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Obligation for each plan was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School Board's proportion was 0.66959% for TRSL and 1.098026% for LSERS, which represented an increase of .02501 percentage points for TRSL and a decrease of .013466 percentage points for LSERS from its proportions measured as of June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension expense of \$8,744,431 (\$7,755,972 and \$988,459, respectively, for TRSL and LSERS) which includes current year amortization of deferrals related to pensions of (\$78,982) ((\$103,842) and \$24,860, respectively for TRSL and LSERS).

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and annual experience	\$ -	\$ 1,777,604
Changes of assumptions	196,223	218,925
Net difference between projected and actual earnings on pension plan investments	6,770,421	-
Changes in proportion	56,480	2,471,019
Differences between actual contributions and proportionate share of contributions	292,060	-
Contributions subsequent to the measurement date	<u>8,137,684</u>	<u>-</u>
 Total	 <u>\$ 15,452,868</u>	 <u>\$ 4,467,548</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 13,343,727	\$ 3,962,030
School Employees' Retirement System	<u>2,109,141</u>	<u>505,518</u>
 Total	 <u>\$ 15,452,868</u>	 <u>\$ 4,467,548</u>

The School Board reported \$8,137,684 as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 7,337,238
School Employees' Retirement System	<u>800,446</u>
 Total	 <u>\$ 8,137,684</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

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

Year	TRSL	LSERS	Total
2018	\$ (103,842)	\$ 24,860	\$ (78,982)
2019	(103,842)	2,436	(101,406)
2020	1,465,950	473,913	1,939,863
2021	786,193	301,968	1,088,161
	<u>\$ 2,044,459</u>	<u>\$ 803,177</u>	<u>\$ 2,847,636</u>

Actuarial Assumptions

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

System	TRSL	LSERS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization approach	Closed	Closed
Actuarial assumptions:	The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.	The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2012.
Expected Remaining Service Lives	5 years	3 years

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Investment rate of return	7.75% net of investment expenses. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.	7.125% net of investment expenses. 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.
Inflation rate	2.5% per annum	2.625% per annum
Projected salary increases	3.50% - 10.0% varies depending on duration of service	3.075% - 5.375% varies depending on duration of service
Cost-of-living adjustments	None	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outlined by Act 399 of 2014.
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex Distinct Mortality Table.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.	

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Best estimates of arithmetic real rates of return by system for each major asset class included in the pension plan's target asset allocation as of June 30, 2016, are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic equity	31.0%	51.0%	4.50%	3.10%
International equity	19.0%	-	5.31%	-
Domestic fixed income	14.0%	30.0%	2.45%	1.82%
International fixed income	7.0%	-	3.28%	-
Alternatives	29.0%	13.0%	4.82%	0.79%
Real assets	-	6.0%	-	0.36%

Discount Rate

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

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

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

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

	Rates		Share of Net Pension Liability	
	TRSL	LSERS	TRSL	LSERS
Current discount rate	7.75%	7.125%	\$78,589,221	\$ 8,282,929
One percentage point decrease	6.75%	6.125%	\$98,024,812	\$10,873,178
One percentage point increase	8.75%	8.125%	\$62,050,845	\$ 6,063,756

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$254,233 for its participation in TRSL.

Payables to the Pension Plan

The School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2017, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. At June 30, 2017, \$2,227,718 and \$893,590 were payable to TRSL and LSERS, respectively.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

9. INTERFUND ACTIVITIES

The following is a summary of interfund receivables and payables at June 30, 2017:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	\$ 1,477,486
General Fund	School Food Service	38,412
General Fund	Sales Tax Fund	993,088
		<u>\$ 2,508,986</u>

Generally, interfund receivables/payables result from overdrafts of the common cash pool.

The following is a summary of interfund transfers for the year ended June 30, 2017:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	\$ 534,711
School Food Service Fund	General Fund	454,700
General Fund	School Food Service Fund	384,222
Non-major special revenue funds	General Fund	30,268
		<u>\$ 1,403,901</u>

Generally, interfund transfers result from the 1) reimbursement of indirect costs from federal programs to the General Fund, or 2) reimbursement to other funds for expenditures paid on behalf of the General Fund. Additionally, the General Fund subsidizes the School Food Service Fund for the amount of expenditures not covered by meal sales and federal grants.

10. LONG-TERM OBLIGATIONS

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

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Workers Comp Claims Liability</u>	<u>Sales Tax Claims Liability</u>	<u>OPEB Liability</u>	<u>Net Pension Liability</u>	<u>Total</u>
Long-term obligations at beginning of year	\$ 38,560,000	\$ 1,381,629	\$ 339,342	\$ -	\$ 41,340,454	\$ 76,355,623	\$ 157,977,048
Additions	6,920,000	1,026,140	73,764	625,788	7,096,937	19,297,975	35,040,604
Deductions	(9,702,000)	(1,119,613)	(101,756)	-	(3,310,459)	(8,781,448)	(23,015,276)
Long-term obligations at end of year	<u>\$ 35,778,000</u>	<u>\$ 1,288,156</u>	<u>\$ 311,350</u>	<u>\$ 625,788</u>	<u>\$ 45,126,932</u>	<u>\$ 86,872,150</u>	<u>\$ 170,002,376</u>
Due within one year	<u>\$ 3,440,000</u>	<u>\$ 1,119,613</u>	<u>\$ 101,756</u>	<u>\$ 201,633</u>	<u>\$ 3,310,459</u>	<u>\$ 8,137,684</u>	<u>\$ 16,311,145</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

General Obligation Bonds

All School Board bonds outstanding at June 30, 2017, are general obligation bonds with maturities from 2017 to 2031 and interest rates from 1.97% to 4.95%. Bond principal and interest payable in the next fiscal year are \$3,217,000 and \$1,224,411, respectively. Proceeds of these bonds are restricted to construction projects as outlined in the related parish-wide elections authorizing the issuance of the bonds. The individual issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Series 2005A	\$ 6,450,000	3.8%	2018	\$ 29,337	\$ 770,000
Series 2007	2,000,000	4.1%	2019	11,475	265,000
Series 2009	10,000,000	1.0-4.95%	2029	66,788	905,000
Series 2009A	10,000,000	1.25-4.3%	2029	57,400	950,000
Series 2010	10,000,000	3.0-4.125%	2030	2,394,463	7,940,000
Series 2011 Refunding	1,339,000	2.4	2021	36,857	598,000
Series 2012	9,800,000	2.0-3.6%	2031	2,192,975	8,250,000
Series 2013 Refunding	3,315,000	2.0%	2024	199,292	2,390,000
Series 2016 Refunding	7,005,000	2.0%	2029	1,034,743	6,915,000
Series 2017 Refunding	6,920,000	2.0%	2029	1,155,383	6,795,000
	<u>\$ 66,829,000</u>			<u>\$ 7,178,713</u>	<u>\$ 35,778,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish.

At June 30, 2017, the School Board has accumulated \$2,759,076 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 3,440,000	\$ 1,023,142	\$ 4,463,142
2019	2,524,000	907,198	3,431,198
2020	2,621,000	827,883	3,448,883
2021	2,723,000	764,681	3,487,681
2022	2,665,000	696,542	3,361,542
2023-2027	13,650,000	2,415,677	16,065,677
2028-2031	8,155,000	543,590	8,698,590
Total	<u>\$ 35,778,000</u>	<u>\$ 7,178,713</u>	<u>\$ 42,956,713</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

During the year ended June 30, 2017, the School Board issued \$6,920,000 of the Series 2017 Refunding Bonds with an interest rate of 2.235% to advance refund \$6,360,000 of the Series 2009A bonds with interest rates ranging from 3.75% to 4.15%. The proceeds of \$6,839,153, net of \$80,847 in issuance costs, were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service of the refunded bonds. As a result, the refunded bonds are considered legally defeased and the liability has been removed from the statement of net position. The net present value benefit of the advance refunding was \$368,249.

The total principal balance of defeased bonds outstanding at June 30, 2017 is as follows:

Series 2009	\$ 6,340,000
Series 2009A	<u>6,360,000</u>
Total	<u>\$ 12,700,000</u>

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2017, the statutory limit is approximately \$135 million.

Sales Tax Claim

During the year, the School Board was notified by the tax collector's office of a sales tax claim. The claim will be repaid as 18 monthly installments of \$35,827 beginning in early calendar 2018. The net present value of the payments of \$625,788 was recorded as a long-term liability in the government-wide financial statements at June 30, 2017.

11. EQUITY RESTRICTIONS

As discussed in Note 1(P), the School Board receives the proceeds of two one-cent sales taxes which are dedicated to employee salaries and benefits. Revenues from these taxes and the related expenditures are recorded in the Sales Tax Fund and the resulting fund balance is considered restricted for future salaries.

As discussed in Note 2, certain property tax millages are restricted as to use. The two Maintenance and Operating millages are restricted for facilities maintenance and certain educational items. Revenues from these millages and the related expenditures are recorded in the Operations and Maintenance Fund and the resulting fund balance is considered restricted for future maintenance. There is also a Bond and Interest millage dedicated to debt service which is recorded in the Debt Service Fund and the resulting fund balance is considered restricted for future debt service.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

As discussed in Note 10, proceeds of general obligation bonds authorized in parish-wide elections held in 1997 and 2008 are restricted to certain construction projects as outlined in the tax propositions. The proceeds of the bonds are recorded in the Capital Projects Fund and the resulting fund balance in the Capital Projects Fund is considered restricted for future construction projects.

It is the Board's policy to set aside five percent of revenues for contingencies. This amount was recorded as committed fund balance in the General Fund at June 30, 2017.

12. RISK MANAGEMENT

The School Board maintains insurance coverage through commercial insurance carriers for liability, errors and omissions, employee bonds, and property insurance. The School Board is partially self-insured for workers' compensation claims. The School Board has hired a third-party administrator to track and pay workers' compensation claims and make reserve estimates on each claim. The liability for workers' compensation claims has been recorded in the government-wide financial statements.

13. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES

The School Board is a defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the School Board and legal counsel, the outcomes of these lawsuits will not have a material adverse effect on the accompanying basic financial statements and, accordingly, no provision for losses has been recorded.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applied funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the School Board expects such amounts, if any, to be immaterial.

Under the Internal Revenue Code, interest earned on debt proceeds in excess of interest expense prior to the disbursement of such proceeds (called "arbitrage") must be rebated to the Internal Revenue Service. Management believes there is no arbitrage rebate liability at year end.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

14. COMMITMENTS

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are re-appropriated in the next year. At June 30, 2017, the School Board had outstanding purchase orders in the amount of approximately \$1,000.

The School Board is committed under several construction contracts that are to be paid from the General Fund as the construction projects progress. At June 30, 2017, there were remaining commitments of \$720,811 related to these contracts. This amount is included in the restricted fund balance in the Capital Projects Fund.

15. OTHER POST-EMPLOYMENT BENEFITS

Plan Description. In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. 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. These benefits for retirees and similar benefits for active employees are provided through Office of Group Benefits, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits is included in these expenditures

Funding Policy. The contribution requirements of plan members and the School Board are established and may be amended by LA R.S. 42:801-883. Employees do not contribute to their other post-employment benefits cost until they become retirees and begin receiving those benefits. The healthcare and life insurance premiums are paid 25% by the retiree and 75% by the employer.

The plan is currently financed on a pay-as-you-go basis, with the School Board contributing \$3,143,817 for 430 retirees and \$3,140,142 for 428 retirees during the years ended June 30, 2017 and 2016, respectively.

Annual Required Cost and Liability. The School Board's Annual Required Contribution ("ARC") is an amount actuarially-determined in accordance with GASB 45, which was implemented prospectively beginning in fiscal 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Liability ("UAL") over a period of 30 years. A 30-year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2017 is \$5,526,000, which consists of normal cost of \$2,319,000 and amortization of UAL of \$3,207,000.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

The following table presents the School Board’s OPEB obligation for the year ended June 30, 2017:

Beginning OPEB obligation at July 1, 2016	\$ 41,340,454
Annual Required Contribution	5,526,000
Interest on prior year obligation	1,570,937
Annual OPEB cost	<u>7,096,937</u>
Less: current year premiums paid	(3,310,459)
Increase in net OPEB obligation	<u>3,786,478</u>
Ending net OPEB obligation at June 30, 2017	<u><u>\$ 45,126,932</u></u>

Funded Status and Funding Progress. Utilizing the pay-as-you-go method, the School Board contributed 38.5% of the annual OPEB cost during 2017. Since the plan is not funded, the School Board's entire actuarial accrued liability of \$80,749,000 was unfunded. See Exhibit 5 for funding progress of the plan.

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

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.

In the June 30, 2016 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3.8% investment rate of return (net of administrative expenses). An annual healthcare cost trend rate was used, using an initial rate of 7.0% for pre-Medicare participants and 6.0% for Medicare-Eligible participants, both reduced by decrements to an ultimate rate of 4.5% after fifteen years. The actuarial assumptions used a payroll growth rate of 3.0%. The remaining amortization period at June 30, 2017 was 21 years.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

16. DEFICIT FUND BALANCES

The following funds had deficit fund balances at June 30, 2017:

Sales Tax Fund	(\$57,717)
Title II	(\$3)
IDEA	(\$1,046)
Child Care and Development	(\$316)

17. SUBSEQUENT EVENTS

The School Board evaluated its June 30, 2017 financial statements for subsequent events through December 30, 2017, the date the financials were available to be issued. The School Board is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

18. NEW ACCOUNTING PRONOUNCEMENTS

In June 2015, the 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**

**Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 1,331,693	\$ 1,361,238	\$ 1,354,002	\$ (7,236)
Interest earnings	25,319	24,024	26,004	1,980
Other	487,838	594,002	378,046	(215,956)
State sources:				
Equalization	34,500,000	34,270,968	33,942,322	(328,646)
Other	521,741	729,466	456,342	(273,124)
Federal sources	10,000	42,111	24,755	(17,356)
Total revenues	36,876,591	37,021,809	36,181,471	(840,338)
Expenditures:				
Instruction:				
Regular programs	16,681,997	17,075,343	17,040,885	34,458
Special education programs	4,533,609	4,419,785	4,308,875	110,910
Vocational educational programs	1,419,691	1,402,711	1,353,525	49,186
Other instructional programs	1,446,291	1,230,458	1,358,440	(127,982)
Special programs	293,072	426,352	367,824	58,528
Support services:				
Student services	2,516,739	2,506,244	2,445,264	60,980
Instructional staff support	1,534,404	1,619,445	1,642,780	(23,335)
General administration	1,123,311	1,141,531	1,083,758	57,773
School administration	3,096,590	3,052,511	3,039,023	13,488
Business administration	531,766	519,133	509,776	9,357
Plant services	5,900	5,000	2,951	2,049
Student transportation services	3,440,956	3,520,301	3,212,062	308,239
Central services	577,759	556,981	539,877	17,104
Food services	130,000	144,773	(9,295)	154,068
Community service programs	12,530	12,530	12,530	-
Total expenditures	39,143,015	38,326,109	37,506,018	820,091
Excess (deficiency) of revenues over (under) expenditures	(2,266,424)	(1,304,300)	(1,324,547)	(20,247)
Other financing sources (uses)				
Proceeds of sale of capital assets	5,000	8,263	8,377	114
Operating transfers in	276,785	667,421	918,933	251,512
Operating transfers out	(763,592)	(664,802)	(484,968)	179,834
Total other financing sources (uses)	(481,807)	10,882	442,342	431,460
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,748,231)	(1,293,418)	(882,205)	411,213
Fund balances - beginning of year	14,042,086	14,042,086	14,042,086	-
Fund balances - end of year	\$ 11,293,855	\$ 12,748,668	\$ 13,159,881	\$ 411,213

See accompanying notes to the required supplementary information.

**Budgetary (GAAP Basis) Comparison Schedule
Major Special Revenue Fund - School Food Service
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual	Variance Over/ (Under)
	Original	Final		
Revenues:				
Local sources:				
Interest earnings	\$ 830	\$ 1,200	\$ 1,670	\$ 470
Food services	343,000	330,000	331,575	1,575
Other	275	275	383	108
State sources:				
Equalization	39,787	39,467	39,467	-
Other	12,000	11,629	37,840	26,211
Federal sources	1,750,815	1,820,141	1,699,098	(121,043)
Total revenues	<u>2,146,707</u>	<u>2,202,712</u>	<u>2,110,033</u>	<u>(92,679)</u>
Expenditures:				
Food services	<u>2,786,005</u>	<u>2,779,650</u>	<u>2,543,049</u>	<u>236,601</u>
Total expenditures	<u>2,786,005</u>	<u>2,779,650</u>	<u>2,543,049</u>	<u>236,601</u>
Excess (deficiency) of revenues over (under) expenditures	(639,298)	(576,938)	(433,016)	143,922
Other financing sources (uses):				
Operating transfers in	639,298	576,938	454,700	(122,238)
Operating transfers out	-	(384,222)	(384,222)	-
Total other financing sources (uses)	<u>639,298</u>	<u>192,716</u>	<u>70,478</u>	<u>(122,238)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(384,222)	(362,538)	21,684
Fund balances - beginning of year	<u>384,222</u>	<u>384,222</u>	<u>384,222</u>	<u>-</u>
Fund balances - end of year	<u>\$ 384,222</u>	<u>\$ -</u>	<u>\$ 21,684</u>	<u>\$ 21,684</u>

See accompanying notes to the required supplementary information.

**Budgetary (GAAP Basis) Comparison Schedule
Sales Tax Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Sales and use taxes	\$ 11,603,967	\$ 10,846,567	\$ 10,868,669	\$ 22,102
Total revenues	11,603,967	10,846,567	10,868,669	22,102
Expenditures:				
Instruction:				
Regular programs	5,628,422	4,637,099	4,803,373	(166,274)
Special education programs	1,521,774	1,269,068	1,319,506	(50,438)
Vocational educational programs	384,693	359,259	360,949	(1,690)
Other instructional programs	298,812	156,310	155,484	826
Special programs	168,704	92,246	114,266	(22,020)
Support services:				
Student services	658,463	596,932	607,017	(10,085)
Instructional staff support	487,879	409,684	428,838	(19,154)
General administration	327,373	301,123	301,908	(785)
School administration	786,036	827,861	856,445	(28,584)
Business administration	119,751	125,378	133,111	(7,733)
Plant services	518,420	563,028	598,098	(35,070)
Student transportation services	536,123	614,326	624,065	(9,739)
Central services	165,554	159,330	156,789	2,541
Food services	410,974	463,668	495,281	(31,613)
Total expenditures	12,012,978	10,575,312	10,955,130	(379,818)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(409,011)	271,255	(86,461)	(357,716)
Fund balances - beginning of year	28,744	28,744	28,744	-
Fund balances - end of year	\$ (380,267)	\$ 299,999	\$ (57,717)	\$ (357,716)

See accompanying notes to the required supplementary information.

**Budgetary (GAAP Basis) Comparison Schedule
Operations and Maintenance Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 6,651,995	\$ 6,837,870	\$ 6,823,421	\$ (14,449)
Other	1,300	30,621	1,049	(29,572)
State sources:				
Other	247,184	85,862	258,986	173,124
Total revenues	6,900,479	6,954,353	7,083,456	129,103
Expenditures:				
Instruction:				
Regular programs	1,134,183	1,076,539	955,765	120,774
Special education programs	11,250	11,250	8,762	2,488
Vocational educational programs	99,900	99,900	73,364	26,536
Other instructional programs	8,100	8,100	1,652	6,448
Special programs	450	450	435	15
Support services:				
Instructional staff support	129,060	129,060	116,707	12,353
Business administration	-	-	-	-
Plant services	5,460,879	5,285,866	4,980,443	305,423
Central services	331,657	335,688	309,654	26,034
Facilities acquisition and construction	50,000	50,000	10,998	39,002
Total expenditures	7,225,479	6,996,853	6,457,780	539,073
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(325,000)	(42,500)	625,676	668,176
Fund balances - beginning of year	2,331,507	2,331,507	2,331,507	-
Fund balances - end of year	\$ 2,006,507	\$ 2,289,007	\$ 2,957,183	\$ 668,176

See accompanying notes to the required supplementary information.

Schedule of Funding Progress
Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)
07/01/08	\$ -	\$ 124,713,400	\$ 124,713,400	0%
07/01/09	-	106,241,300	106,241,300	0%
07/01/10	-	102,262,600	102,262,600	0%
07/01/11	-	76,234,700	76,234,700	0%
07/01/12	-	79,918,000	79,918,000	0%
07/01/13	-	79,999,400	79,999,400	0%
07/01/14	-	95,864,000	95,864,000	0%
07/01/15	-	100,507,000	100,507,000	0%
07/01/16	-	80,749,000	80,749,000	0%

See accompanying notes to the required supplementary information.

**Schedule of Employer's Proportionate Share
of Net Pension Liability**

Measurement Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Proportionate Share of NPL as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
TRSL:					
06/30/16	0.66959%	\$ 78,589,221	\$ 29,804,971	264%	59.9%
06/30/15	0.64458%	\$ 69,307,352	\$ 29,999,918	231%	62.5%
06/30/14	0.66985%	\$ 68,467,970	\$ 28,794,327	238%	63.7%
LSERS:					
06/30/16	1.11149%	\$ 7,048,271	\$ 3,121,659	226%	70.1%
06/30/15	1.11149%	\$ 7,048,271	\$ 3,148,240	224%	74.5%
06/30/14	1.08960%	\$ 6,316,530	\$ 3,056,684	207%	76.2%

See accompanying notes to the required supplementary information.

Schedule of Employer Contributions

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
TRSL:					
2017	\$ 7,337,238	\$ 7,337,238	\$ -	\$ 28,773,483	25.5%
2016	\$ 7,838,707	\$ 7,838,707	\$ -	\$ 29,804,970	26.3%
2015	\$ 8,399,977	\$ 8,399,977	\$ -	\$ 29,999,918	28.0%
2014	\$ 7,832,057	\$ 7,832,057	\$ -	\$ 28,794,327	27.2%
LSERS:					
2017	\$ 800,446	\$ 800,446	\$ -	\$ 2,932,035	27.3%
2016	\$ 942,741	\$ 942,741	\$ -	\$ 3,121,659	30.2%
2015	\$ 1,048,364	\$ 1,048,364	\$ -	\$ 3,148,240	33.3%
2014	\$ 987,307	\$ 987,307	\$ -	\$ 3,056,678	32.3%

See accompanying notes to the required supplementary information.

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

**Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2017**

1. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting.

Budgets are prepared for all governmental funds of the School Board. The budgets are prepared on the modified accrual basis of accounting (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

2. PENSIONS

Changes of Benefit Terms. For TRSL, members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age 62 with at least five years of service credit are eligible for an actuarially reduced benefit with 20 years of service at any age. Additionally, a 1.5% cost-of-living adjustment was approved effective July 1, 2016. For LSERS, there were no changes in benefit terms for the year ended June 30, 2017.

Changes of Assumptions. For TRSL, there were no changes of benefit assumptions for the year ended June 30, 2017. For LSERS, there were no changes of benefit assumptions for the year ended June 30, 2017.

SUPPLEMENTAL INFORMATION SCHEDULES

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2017

This page intentionally left blank.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes. The non-major special revenue funds consist of individual federal grant programs. Following is a description of the significant programs:

Title I. Federal program that provides funds for instructional activities and services to meet the educational needs of educationally deprived students. School must qualify as economically deprived. A qualified school may offer services to all students kindergarten through fifth grade. Services are offered at the following locations: Carver Elementary, Pinewood Elementary, East Beauregard Elementary, Merryville High, Singer High, KR Hanchey Elementary, South Beauregard Upper Elementary and South Beauregard Elementary.

Title II. Federal program that focuses on reducing class sizes and preparing, training, and recruiting high-quality teachers.

Individuals with Disabilities Education Act (IDEA). Federal program that provides materials, supplies, equipment and related services. Serves special education population students age 3-22.

Preschool. Federal program that provides materials, supplies, equipment and related services. Serves special education students age 3-5 at all k-12 schools and KR Hanchey Elementary.

Medicaid. Generated by services provided by the school board for families of Medicaid recipients (for example, speech or occupational therapy). Serves Medicaid recipients and special education population.

Vocational Education Basic (Carl Perkins). Federal program that provides funds to implement a vigorous program to students pursuing a vocation.

JROTC. A high school course given during regular school hours. Covers history, government, technology awareness, and current events. Services provided at DeRidder High School and South Beauregard High School.

Rural Education Assistance Program (REAP). Federal program to assist rural schools.

Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2017

	Title I	Title II	High Cost Services	IDEA	Preschool	Child Care and Development
Assets						
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	678,814	149,275	28,779	602,141	16,722	12,884
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 678,814	\$ 149,275	\$ 28,779	\$ 602,141	\$ 16,722	\$ 12,884
Liabilities and fund equity						
Liabilities:						
Accounts, salaries, and other payables	\$ 5,419	\$ 11,467	\$ -	\$ 46,235	\$ -	\$ 428
Due to General Fund	664,916	137,811	28,779	556,952	16,722	12,772
Total liabilities	670,335	149,278	28,779	603,187	16,722	13,200
Fund equity:						
Fund balances:						
Reserved for federal programs	8,479	(3)	-	(1,046)	-	(316)
Total liabilities and fund equity	\$ 678,814	\$ 149,275	\$ 28,779	\$ 602,141	\$ 16,722	\$ 12,884

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

	Carl Perkins	JROTC	Rural Education Achievement	Medicaid- Nurses	Medicaid- Direct Services	Title I- Local	Totals
Assets							
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 44,608	\$ 413	\$ 16,371	\$ 61,392
Receivables	14,649	10,620	34,325	1,576	-	-	1,549,785
Prepaid expenses	1,815	-	-	-	-	-	1,815
Total assets	\$ 16,464	\$ 10,620	\$ 34,325	\$ 46,184	\$ 413	\$ 16,371	\$ 1,612,992
Liabilities and fund equity							
Liabilities:							
Accounts, salaries, and other payables	\$ -	\$ -	\$ 1,875	\$ 905	\$ 413	\$ -	\$ 66,742
Due to General Fund	16,464	10,620	32,450	-	-	-	1,477,486
Total liabilities	16,464	10,620	34,325	905	413	-	1,544,228
Fund equity:							
Fund balances:							
Reserved for federal programs	-	-	-	45,279	-	16,371	68,764
Total liabilities and fund equity	\$ 16,464	\$ 10,620	\$ 34,325	\$ 46,184	\$ 413	\$ 16,371	\$ 1,612,992

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Schedule 2

**Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017**

	Title I	Title II	High Cost Services	IDEA	Preschool	Child Care and Development
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	14,899	-	-	7,873
Federal sources	1,504,242	329,284	13,880	1,416,040	55,771	10,080
Total revenues	1,504,242	329,284	28,779	1,416,040	55,771	17,953
Expenditures:						
Instruction:						
Regular programs	15,663	243,485	-	196,586	-	-
Special education programs	-	-	28,790	575,343	2,408	-
Vocational educational programs	-	-	-	-	-	-
Other instructional programs	8,043	-	-	13,707	-	-
Special programs	1,211,097	-	-	-	-	-
Support services:						
Student services	23,210	-	-	277,234	-	-
Instructional staff support	128,640	55,230	-	239,073	49,360	18,431
Student transportation services	-	-	-	10,250	-	-
Central services	32,671	8,523	-	6,366	-	-
Community services	-	-	-	-	-	-
Total expenditures	1,419,324	307,238	28,790	1,318,559	51,768	18,431
Excess (deficiency) of revenues over (under) expenditures	84,918	22,046	(11)	97,481	4,003	(478)
Other financing sources (uses):						
Transfers in	-	-	11	-	6	162
Transfers out	(84,917)	(22,049)	-	(97,481)	(4,009)	-
Total other financing sources (uses)	(84,917)	(22,049)	11	(97,481)	(4,003)	162
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1	(3)	-	-	-	(316)
Beginning fund balances	8,478	-	-	(1,046)	-	-
Ending fund balances	\$ 8,479	\$ (3)	\$ -	\$ (1,046)	\$ -	\$ (316)

Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Special Revenue Funds (continued)
For the Year Ended June 30, 2017

	Carl Perkins	JROTC	Rural Education Achievement	Medicaid- Nurses	Medicaid- Direct Services	Title I- Local	Total
Revenues:							
Local sources	\$ -	\$ -	\$ -	\$ 334,829	\$ 195,853	\$ 8,750	\$ 539,432
State sources	-	-	-	-	-	-	22,772
Federal sources	61,428	114,963	101,536	-	-	-	3,607,224
Total revenues	61,428	114,963	101,536	334,829	195,853	8,750	4,169,428
Expenditures:							
Instruction:							
Regular programs	-	-	31,243	-	-	-	486,977
Special education programs	-	-	-	-	45,879	-	652,420
Vocational educational programs	54,207	-	-	-	-	-	54,207
Other instructional programs	-	145,052	-	-	-	-	166,802
Special programs	-	-	-	-	-	-	1,211,097
Support services:							
Student services	849	-	-	150,756	-	-	452,049
Instructional staff support	6,372	-	62,995	-	10,728	4,426	575,255
Student transportation services	-	-	-	-	-	-	10,250
Central services	-	-	-	2,787	-	-	50,347
Community services	-	-	-	-	-	1,920	1,920
Total expenditures	61,428	145,052	94,238	153,543	56,607	6,346	3,661,324
Excess (deficiency) of revenues over (under) expenditures	-	(30,089)	7,298	181,286	139,246	2,404	508,104
Other financing sources (uses):							
Transfers in	-	30,089	-	-	-	-	30,268
Transfers out	-	-	(7,298)	(179,711)	(139,246)	-	(534,711)
Total other financing sources (uses)	-	30,089	(7,298)	(179,711)	(139,246)	-	(504,443)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	1,575	-	2,404	3,661
Beginning fund balances	-	-	-	43,704	-	13,967	65,103
Ending fund balances	\$ -	\$ -	\$ -	\$ 45,279	\$ -	\$ 16,371	\$ 68,764

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Agency Fund

Agency funds account for assets held in a fiduciary capacity by the School Board.

School Activity Funds

The School Activity Funds account for monies generated by the individual schools and school organizations within the parish. While these accounts are under the supervision of the School Board, they belong to the individual schools, related organizations, or student bodies and are not available for use by the School Board.

Schedule of Changes in Assets and Liabilities - Agency Fund
June 30, 2017

	STUDENT ACTIVITY FUND			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 1,050,649	\$ 2,790,957	\$ (2,733,460)	\$ 1,108,146
Total assets	<u>\$ 1,050,649</u>	<u>\$ 2,790,957</u>	<u>\$ (2,733,460)</u>	<u>\$ 1,108,146</u>
Liabilities				
Deposits due others	\$ 1,050,649	\$ 2,790,957	\$ (2,733,460)	\$ 1,108,146
Total liabilities	<u>\$ 1,050,649</u>	<u>\$ 2,790,957</u>	<u>\$ (2,733,460)</u>	<u>\$ 1,108,146</u>

Schedule of Changes in Deposits Due Others -
School Activity Agency Fund
For the Year Ended June 30, 2017

<u>School</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
G.W. Carver Elementary School	\$ 33,109	\$ 57,751	\$ (55,699)	\$ 35,161
DeRidder High School	182,165	595,969	(568,391)	209,743
DeRidder Junior High School	119,680	187,800	(188,258)	119,222
East Beauregard Elementary School	58,654	60,919	(70,892)	48,681
East Beauregard High School	206,306	318,144	(320,885)	203,565
K.R. Hanchey Elementary School	8,098	67,795	(71,109)	4,784
Merryville High School	6,343	286,769	(257,227)	35,885
Pinewood Elementary School	92,155	109,220	(116,506)	84,869
Singer High School	51,515	154,160	(149,644)	56,031
South Beauregard Elementary School	56,442	97,641	(113,520)	40,563
South Beauregard Upper Elementary School	43,500	79,118	(73,119)	49,499
South Beauregard High School	<u>192,682</u>	<u>775,671</u>	<u>(748,210)</u>	<u>220,143</u>
	<u>\$ 1,050,649</u>	<u>\$ 2,790,957</u>	<u>\$ (2,733,460)</u>	<u>\$ 1,108,146</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Schedule 5

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2017

<u>MEMBERS</u>	<u>AMOUNT</u>
Ray Bowman	\$ 8,400
Kathy Brunner	8,400
Don Gray	8,400
Cassie Henry	8,400
Charles Hudson	8,400
Martha Jackson	8,400
Darrin Manuel	8,400
L. D. Spears	8,400
Wesley Taylor	8,400
David Vidrine	<u>9,600</u>
	<u>\$ 85,200</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

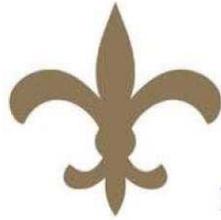
Schedule 6

Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2017

Agency Head Name: Mr. Timothy Cooley

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 108,725
Benefits-insurance	11,468
Benefits-retirement	27,725
Benefits-other	-
Car allowance	6,000
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	4,859
Registration fees	550
Conference travel	1,247
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other-dues	659
	<u>659</u>
	<u>\$ 161,233</u>

**REPORTS AND ADDITIONAL
INFORMATION REQUIRED BY
*GOVERNMENT AUDITING
STANDARDS AND
SINGLE AUDIT ACT
AMENDMENTS OF 1996***



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INTERNAL 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*

Beauregard Parish School Board
DeRidder, Louisiana

I have audited, 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, the financial statements of governmental activities, the major funds, and the aggregate remaining fund information of the Beauregard Parish School Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated December 30, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my 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, I 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 combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the 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.

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs (Finding 2017-1(IC)) that I consider to be a significant deficiency.

Compliance and Other Matters

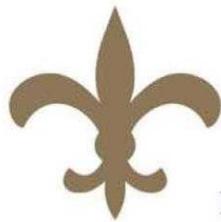
As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and described in the accompanying schedule of findings and questioned costs (Finding 2017-1(C))

Purpose of this Report

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink: J. Aaron Coogan, CPA, LLC

DeRidder, Louisiana
December 30, 2017



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

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

Beauregard Parish School Board
DeRidder, Louisiana

Report on Compliance for Each Major Program

I have audited the compliance of the Beauregard Parish School Board with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on the compliance for each of the School Board's major programs based on my audit of the types of compliance requirement referred to above. I conducted my 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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major program. However, my audit does not provide a legal determination on the School Board's compliance with those requirements.

Opinion on Each Major Program

In my opinion the Beauregard 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.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2017-1(FIC).

Management's response to the finding identified in my audit is described in the schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

The management of the Beauregard Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on 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, I 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 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 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control over compliance that might be significant deficiencies or material weaknesses, and therefore, significant deficiencies and material weaknesses may exist that were not identified. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2017-1(FIC), that I consider to be significant deficiencies.

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

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

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

DeRidder, Louisiana
December 30, 2017

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	\$ 1,328,032
School Breakfast Program	10.553	N/A	<u>371,066</u>
Total United States Department of Agriculture			<u>1,699,098</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Title I:			
Grants to Local Educational Agencies	84.010	28-17-TI-06	1,504,242
Principal Coaching and TAP Expansion	84.010	27-17-PC-06	22,420
Special Education Cluster:			
Individuals with Disabilities Education Act	84.027	28-17-B1-06	1,416,040
High Cost Services	84.027	28-17-RH-06	13,880
Preschool Grants	84.173	28-17-P1-06	55,771
Vocational Education - Basic Grants to States	84.048	28-17-02-06	61,428
Title II - Teacher & Principal Training and Recruiting	84.367A	28-17-50-06	329,284
Advanced Placement Test Fee Program	84.330	28-17-26-06	2,335
Rural Education Assistance Program	84.358	28-17-RE-06	<u>101,536</u>
Total United States Department of Education			<u>3,506,936</u>
United States Department of Health and Human Services			
Passed through Louisiana Department of Education:			
Child Care and Development Block Grant I	93.575	28-16-Z1-06	8,262
Child Care and Development Block Grant II	93.575	28-16-Z2-06	<u>1,818</u>
			10,080
United States Department of Defense			
JROTC	12.609	N/A	<u>114,963</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,331,077</u></u>

* Denotes major Federal program

The accompanying notes are an integral part of this schedule.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Beauregard Parish School Board, DeRidder, Louisiana. The Beauregard Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal awards revenues are reported in the School Board's financial statements as follows:

General Fund	\$ 24,755
Special Revenue:	
School Food Service	1,699,098
Non-major special revenue funds	<u>3,607,224</u>
Total	\$ <u>5,331,077</u>

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

5. MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

6. NONCASH PROGRAMS

The commodities received from the food distribution program, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. Commodities valued at \$234,008 were received by the School Board and is included in National School Lunch Program.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I - Summary of Audit Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
• Title I Grants to Local Education Agencies	
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2017

Internal Control

Finding 2017-1(IC) – Duplicate payments

Finding. During testing of accounts payable, it was discovered that duplicate payments totaling \$64,391 were made to two vendors. The Finance Department discovered the errors prior to the audit and recouped the funds.

Criteria. Internal controls should be established to ensure that duplicate payments cannot be made for the same invoice.

Effect. Duplicate payments would reduce funding for School Board activities.

Cause. The School Board's accounting system does have controls in place to ensure invoices are not paid twice. However, there was a personnel change during the time these duplicate payments were made and it appears that procedures were not followed.

Recommendation. The School Board should ensure that personnel are properly trained and procedures are followed to avoid duplicate payments.

Planned Corrective Action. Management concurs with the auditor finding and will implement his recommendation.

Compliance

Finding 2017-1(C) – Sales Tax Fund did not maintain sufficient fund balance

Finding. Sales Tax Fund did not maintain a minimum \$300,000 reserve as required by Board policy.

Criteria. A minimum \$300,000 reserve is required to be maintained in the Sales Tax Fund at all times according to policy.

Effect. The Sales Tax Fund was not in compliance with School Board policy.

Cause. This issue was a carryover from prior year when actual sales tax collections fell short of the projected collections used in the calculation of the June 2016 sales tax supplement. Additionally, sales tax collections for 2016-2017 were down approximately \$580,000 from the previous year.

Recommendation. In order to comply with policy, the School Board will either have to reduce expenditures in the Sales Tax Fund or transfer money from the General Fund to the Sales Tax Fund.

Planned Corrective Action. Management concurs with the auditor finding and will implement his recommendation.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2017

Federal Awards

US Department of Education

Passed through the Louisiana Department of Education

Program Name: Title I Grants to Local Education Agencies

CFDA # 84.010

Grant Number: 28-17-TI-06

Finding 2017-1(FIC) – Internal controls over time and effort documentation

Finding. My audit found that the School Board did maintain an effective process to monitor employees whose positions are funded with federal grant funds to ensure all required time and effort documentation is completed and retained. A significant number of personnel activity reports for employees that spend less than 100% of their time on the Title I program were not completed or were not signed by the program supervisor. Additionally no semi-annual certifications for those employees that spend 100% of their time on Title I were completed.

Criteria. Federal grant guidelines require that time spent on Federal programs be properly documented.

Effect. Without proper time and effort documentation, federal funds used to pay for salaries could be jeopardized.

Cause. It appears that changes in personnel caused the forms to not be collected.

Questioned Costs. Unknown.

Recommendation. The School Board should ensure that personnel are properly trained as to the requirements for time and effort documentation. Additionally, a person should be appointed to ensure that all the completed forms are completed timely and properly approved.

Planned Corrective Action. Management concurs with the auditor finding and will implement his recommendation.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2017

Internal Control

Finding 2016-1(IC) – Ad Valorem receipts recorded in wrong fund

Finding. Ad valorem receipts totaling \$56,825 that belonged to the Debt Service Fund was recorded in the General Fund.

Criteria. Tax receipts should be recorded into the proper fund in accordance with the tax proposition.

Effect. Tax receipts recorded in the wrong fund could potentially be spent on purchases that are not in compliance with the tax proposition.

Cause. The journal entry to record the receipt was keypunched incorrectly.

Recommendation. All journal entries, including the entries for tax receipts, should be reviewed for correctness prior to posting to the general ledger. Additionally, a reconciliation of tax receipts should be prepared and compared to the general ledger to ensure that the tax receipts are recorded properly.

Current Year Status. Ad valorem receipts were recorded properly in the current year.

Compliance

Finding 2016-1(C) – Sales Tax Fund did not maintain sufficient fund balance

Finding. Sales Tax Fund did not maintain a minimum \$300,000 reserve as required by Board policy.

Criteria. A minimum \$300,000 reserve is required to be maintained in the Sales Tax Fund at all times according to policy.

Effect. The Sales Tax Fund was not in compliance with School Board policy.

Cause. The projection of future sales tax receipts used in the calculation of the June sales tax supplement was optimistic. Sales tax collections for June were down over \$260,000 from May, which was the main reason that the reserve did not reach the level in the projections.

Recommendation. The projections of sales tax receipts used in the calculation should be conservative to ensure that sufficient reserves remain in the Sales Tax Fund and the sales tax supplement should be adjusted accordingly.

Current Year Status. See Finding 2017-1(C).

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2017

Compliance (continued)

Finding 2016-2(C) – Noncompliance with budget law

Finding. The budget-to-actual variance for revenues in the Ad Valorem Fund exceeded 5%.

Criteria. State law requires budgets be amended when the budget-to-actual variance exceeds 5%.

Effect. The School Board was not in compliance with state budget law.

Cause. Budgeted tax receipts were estimated too high. Overall, the assessed taxes were down from the prior year. Additionally, there was a large amount of protested taxes that was held in escrow by the Tax Collector and could not be distributed to the taxing authorities until approved by the state Tax Commission.

Recommendation. The School Board should contact the Tax Collector in February or March each year and obtain a Tax Roll Status Report and ask whether there were any significant taxes paid under protest. The report, adjusted for any taxes paid under protest, should be compared to budgeted receipts and the budget should be amended accordingly.

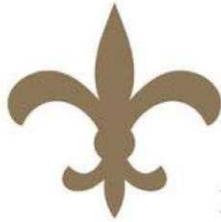
Current Year Status. There were no unfavorable variances greater than 5% in the current year.

Federal Awards - N/A

BEAUREGARD PARISH SCHOOL BOARD

PERFORMANCE MEASURES SCHEDULES

**For the Year Ended June 30, 2017
With Independent Accountant's Report
on Applying Agreed-Upon Procedures**



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Beauregard Parish School Board
DeRidder, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the Beauregard Parish School Board and the Legislative Auditor, State of Louisiana, on the attached performance and statistical data (Schedules 1 through 9) and to determine whether the specified schedules are free of obvious errors and omissions as provided by Louisiana Revised Statute 24:514. Management of Beauregard Parish School Board is responsible for its performance and statistical data.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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.

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

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

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

No exceptions were noted during the performance of these procedures.

Education Levels of Public School Staff (Schedule 2)

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

No exceptions were noted during the performance of these procedures

3. I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No exceptions were noted during the performance of these procedures.

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

No exceptions were noted during the performance of these procedures.

Number and Type of Public Schools (Schedule 3)

5. I obtained a list of schools by type as reported on the schedule. I 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.

No exceptions were noted during the performance of these procedures.

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

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

Of the 25 teachers sampled, one had an incorrect experience level.

Public Staff Data (Schedule 5)

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

No exceptions were noted during the performance of these procedures.

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

I recalculated the average salaries and full-time equivalents reported in the schedule, however, the reported amounts did not match the data provided by the Department of Education.

Class Size Characteristics (Schedule 6)

9. I 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. I 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.

No exceptions were noted during the performance of these procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st Century-ELA & Math (Schedule 7)

10. I 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 Beauregard Parish School Board.

No exceptions were noted during the performance of these procedures.

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

11. The Graduation Exit Exam is no longer required by the state.

Louisiana Educational Assessment Program (LEAP) for the 21st Century-Science & Social Studies (Schedule 9)

12. I 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 Beauregard Parish School Board.

No exceptions were noted during the performance of these procedures.

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

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



December 30, 2017

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2017

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 13,968,390	
Other Instructional Staff Activities	1,873,690	
Employee Benefits	8,203,917	
Purchased Professional and Technical Services	34,710	
Instructional Materials and Supplies	195,421	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u> </u>	\$ 24,276,128

Other Instructional Activities 153,421

Pupil Support Activities 2,445,264

Less: Equipment for Pupil Support Activities

Net Pupil Support Activities 2,445,264

Instructional Staff Services 1,642,780

Less: Equipment for Instructional Staff Services

1,642,780

School Administration 3,039,023

Less: Equipment for School Administrative Services

3,039,023

Total General Fund Instructional Expenditures \$ 31,556,616

Total General Fund Equipment Expenditures \$ 479,085

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes \$ 1,099,768

Renewable Ad Valorem Taxes 6,823,421

Debt Service Ad Valorem Taxes 3,823,726

Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes 254,233

Sales and Use Taxes 10,868,669

Total Local Taxation Revenue \$ 22,869,817

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property \$ -

Earnings from Other Real Property 1,840

Total Local Earnings on Investments in Real Property \$ 1,840

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax \$ 62,084

Revenue Sharing - Other Taxes 258,986

Revenue Sharing - Excess Portion -

Other Revenue in Lieu of Taxes -

Total State Revenue in Lieu of Taxes \$ 321,070

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

BEAUREGARD PARISH SCHOOL BOARD
 DeRidder, Louisiana
 Education Levels of Public School Staff
 As of October 1, 2016

Schedule 2

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Bachelor's Degree	303	73.01%	1	100.00%	0	0.00%	0	0.00%
Master's Degree	95	22.89%	0	0.00%	22	84.62%	0	0.00%
Master's Degree + 30	14	3.37%	0	0.00%	4	15.38%	0	0.00%
Specialist in Education	3	0.72%	0	0.00%	0	0.00%	0	0.00%
Ph. D. or Ed. D.	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	415	100.00%	1	100.00%	26	100.00%	0	0.00%

Note: Percentage columns may not total exactly due to rounding

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Number and Type of Public Schools
For the Year Ended June 30, 2017

Schedule 3

Type	Number
Elementary	6
Middle/Jr. High	1
Secondary	3
Combination	2
Total	12

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

BEAUREGARD PARISH SCHOOL BOARD

Schedule 4

DeRidder, Louisiana

Experience of Public 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	-	-	4	1	3	2	3	13
Principals	-	1	-	3	3	1	5	13
Classroom Teachers	38	29	103	51	73	42	80	416
Total	38	30	107	55	79	45	88	442

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Public School Staff Data
For the Year Ended June 30, 2017

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teacher's Salary Including Extra Compensation	\$ 48,616	\$ 48,227
Average Classroom Teacher's Salary Excluding Extra Compensation	\$ 43,386	\$ 43,257
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	418	407

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees and any teacher on sabbatical leave during any part of the school year.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Class Size Characteristics
As of October 1, 2016

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	25.02%	528.00	50.20%	386.00	26.78%	64.00	5.88%	1.00
Elementary Activity Classes	1.66%	35.00	5.85%	45.00	7.53%	18.00	23.53%	4.00
Middle/Jr. High	8.44%	178.00	7.67%	59.00	10.88%	26.00	0.00%	-
Middle/Jr. High Activity Classes	0.85%	18.00	1.30%	10.00	2.09%	5.00	29.41%	5.00
High	31.00%	654.00	22.11%	170.00	49.79%	119.00	5.88%	1.00
High Activity Classes	9.10%	192.00	1.43%	11.00	2.09%	5.00	29.41%	5.00
Combination	20.09%	424.00	9.75%	75.00	0.42%	1.00	5.88%	1.00
Combination Activity Classes	2.75%	58.00	1.69%	13.00	0.42%	1.00	0.00%	-
Other	1.09%	23.00	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	2,110.00	100.00%	769.00	100.00%	239.00	100.00%	17.00

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various 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.

Note 2: Percentage columns may not total exactly due to rounding

Louisiana Educational Assessment Program (LEAP)
English Language Arts and Mathematics
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	5.0%	0.7%	1.8%	3.0%	8.0%	6.7%
Mastery	44.0%	33.2%	38.0%	40.0%	39.3%	32.5%
Basic	28.0%	29.5%	29.9%	32.0%	33.2%	31.4%
Approaching Basic	17.0%	23.2%	19.8%	18.0%	13.2%	18.6%
Unsatisfactory	6.0%	13.4%	10.6%	7.0%	6.3%	10.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	10.0%	5.9%	3.0%	3.0%	5.0%	3.7%
Mastery	41.0%	37.3%	36.0%	35.0%	42.5%	30.1%
Basic	28.0%	31.4%	39.3%	36.0%	30.5%	40.0%
Approaching Basic	16.0%	19.3%	17.8%	22.0%	18.4%	21.7%
Unsatisfactory	5.0%	6.1%	4.0%	4.0%	3.5%	4.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5.0%	4.4%	0.7%	3.0%	5.3%	2.1%
Mastery	44.0%	34.9%	30.1%	33.0%	27.9%	23.5%
Basic	27.0%	31.6%	41.7%	41.0%	35.4%	34.4%
Approaching Basic	19.0%	22.6%	21.6%	18.0%	24.6%	31.4%
Unsatisfactory	5.0%	6.4%	5.9%	5.0%	6.8%	8.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8.0%	1.9%	1.8%	3.0%	1.2%	1.9%
Mastery	31.0%	34.9%	31.9%	22.0%	24.5%	21.3%
Basic	31.0%	39.0%	38.3%	31.0%	33.5%	36.3%
Approaching Basic	25.0%	19.7%	23.8%	36.0%	30.4%	34.0%
Unsatisfactory	5.0%	4.5%	4.2%	8.0%	10.5%	6.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	6.0%	6.2%	2.3%	1.0%	2.0%	1.6%
Mastery	30.0%	19.9%	29.3%	21.0%	17.9%	16.9%
Basic	32.0%	26.8%	34.5%	39.0%	33.2%	33.2%
Approaching Basic	24.0%	28.8%	24.9%	31.0%	35.0%	34.0%
Unsatisfactory	8.0%	18.4%	9.1%	8.0%	11.9%	14.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Louisiana Educational Assessment Program (LEAP) (continued)
English Language Arts and Mathematics
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	6.0%	5.7%	1.0%	0.0%	0.3%	1.9%
Mastery	29.0%	45.8%	28.5%	10.0%	12.9%	24.1%
Basic	32.0%	29.3%	29.6%	19.0%	32.8%	24.1%
Approaching Basic	23.0%	15.8%	26.4%	48.0%	38.4%	30.8%
Unsatisfactory	10.0%	3.4%	14.5%	23.0%	15.6%	19.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Louisiana Educational Assessment Program (LEAP)
Science and 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	7.0%	7.1%	6.9%	4.0%	N/A	2.7%
Mastery	24.0%	24.5%	28.0%	14.0%	N/A	17.7%
Basic	45.0%	44.4%	42.3%	30.0%	N/A	53.0%
Approaching Basic	17.0%	18.2%	17.0%	35.0%	N/A	17.9%
Unsatisfactory	7.0%	5.8%	5.8%	17.0%	N/A	8.7%
Total	100.0%	100.0%	100.0%	100.0%	N/A	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5.0%	3.7%	6.1%	2.0%	N/A	1.9%
Mastery	19.0%	18.9%	15.6%	21.0%	N/A	13.2%
Basic	51.0%	54.6%	54.7%	28.0%	N/A	60.1%
Approaching Basic	21.0%	17.8%	18.9%	28.0%	N/A	14.9%
Unsatisfactory	4.0%	5.0%	4.7%	21.0%	N/A	9.9%
Total	100.0%	100.0%	100.0%	100.0%	N/A	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4.0%	3.3%	4.0%	3.0%	N/A	5.0%
Mastery	18.0%	17.6%	19.9%	19.0%	N/A	14.7%
Basic	52.0%	50.1%	49.8%	33.0%	N/A	49.3%
Approaching Basic	18.0%	21.1%	18.7%	25.0%	N/A	22.5%
Unsatisfactory	8.0%	7.9%	7.6%	20.0%	N/A	8.5%
Total	100.0%	100.0%	100.0%	100.0%	N/A	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5.0%	5.5%	3.7%	6.0%	N/A	11.3%
Mastery	21.0%	19.5%	17.6%	16.0%	N/A	18.0%
Basic	49.0%	44.2%	47.3%	27.0%	N/A	43.4%
Approaching Basic	17.0%	24.0%	23.3%	33.0%	N/A	19.2%
Unsatisfactory	8.0%	6.9%	8.1%	18.0%	N/A	8.1%
Total	100.0%	100.0%	100.0%	100.0%	N/A	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	6.0%	3.8%	5.7%	8.0%	N/A	7.0%
Mastery	21.0%	23.6%	20.6%	17.0%	N/A	19.3%
Basic	43.0%	39.3%	42.2%	32.0%	N/A	42.3%
Approaching Basic	24.0%	23.1%	22.4%	19.0%	N/A	22.7%
Unsatisfactory	6.0%	10.2%	9.3%	24.0%	N/A	8.8%
Total	100.0%	100.0%	100.0%	100.0%	N/A	100.0%

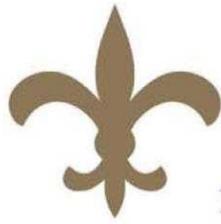
Louisiana Educational Assessment Program (LEAP) (continued)
Science and Social Studies
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2.0%	2.2%	1.5%	8.0%	N/A	0.8%
Mastery	18.0%	22.4%	17.6%	26.0%	N/A	10.4%
Basic	47.0%	43.3%	40.2%	27.0%	N/A	44.5%
Approaching Basic	26.0%	22.2%	31.2%	23.0%	N/A	26.9%
Unsatisfactory	7.0%	9.9%	9.6%	16.0%	N/A	17.3%
Total	100.0%	100.0%	100.0%	100.0%	N/A	100.0%

BEAUREGARD PARISH SCHOOL BOARD

**STATEWIDE AGREED-UPON
PROCEDURES REPORT**

For the Year Ended June 30, 2017



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Beauregard Parish School Board
DeRidder, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Beauregard Parish School Board and the Legislative Auditor, State of Louisiana, on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those control and compliance 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 the report. Consequently, I 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
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- 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
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The School Board maintains written policies for all areas except for credit cards.

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

The School Board and the Finance Committee meet monthly. No meetings without a quorum were noted. The minutes of the meetings did not mention monthly budget-to-actual reports. There were numerous references to non-budgetary financial information in the minutes during the year.

Bank Reconciliations

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

All bank reconciliations, including the student activity fund accounts, were tested. The reconciliations were all prepared and properly approved. There were instances of stale-dated checks on several of the bank reconciliations, however, there was no documentation reflecting that those items were being investigated.

Collections

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

- 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.
 - 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.
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.

Cash collection locations include Central Office and each of the schools. Per policy, all employees are bonded. The locations selected for testing were Central Office, Carver Elementary, East Beauregard High, Pinewood Elementary, and Singer High School. Sequentially numbered receipts are used at all schools. The bookkeepers at the schools reconcile the collections to the underlying documentation (teacher receipts, student logs, event ticket reconciliations, etc.). The Central Office does not have a formal process to reconcile cash collections to the general ledger. No exceptions were noted during testing of receipts.

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

- 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.
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.
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.
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.
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.

I downloaded a listing of all disbursements from the Central Office and all schools from the accounting systems and randomly selected 25 for testing (excluding credit card transactions). No exceptions were noted. Only the Director of Finance and the Purchasing Agent has authorization with the accounting system at Central Office to add vendors. However, the bookkeepers at the schools are allowed to set up new vendors. Signatories do not have a responsibility for initiating or recording purchases. Check stock is stored in the safe at Central Office and in locked drawers/cabinets at the schools. The signature stamp at Central Office is properly controlled; however, the signatories do not maintain the signed checks until mailed.

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - 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.
 - 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.

I obtained a listing of all credit cards and selected 10 for testing. For each card, I determined the month with the largest activity and performed the foregoing tests without exception.

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.

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.
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.
 - 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.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - 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.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

I downloaded a report from the payroll system containing all employees with travel reimbursements and selected three employees with the largest travel reimbursements. The largest reimbursement for each employee was selected for testing. No exceptions were noted during testing.

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.
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.
 - 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)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - 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.
 - 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).

I downloaded the check register and filtered the data by accounts that could potentially contain contractor payments. I created a listing of the vendors with disbursement amounts greater than \$25,000 during year and requested that the Purchasing Agent identify which vendors were under contract. From that list, the five contractors with the largest total payments for the year were selected. No exceptions were noted during testing.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - 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.
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.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - 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.
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.
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.

I randomly selected 25 employees for testing of compensation paid. No exceptions were noted. For testing of leave documentation, I selected the month of November 2016 for testing using the same 25 employees. No exceptions were noted. I then downloaded a listing of employees who received severance pay during the year and agreed the two largest payments to the underlying documentation. Finally, using the general ledger I identified payments made during the year for retirement and payroll taxes and identified the related pay date. All payments were made timely.

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.
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.

I randomly selected five employees from the previous sample of 25 employees tested and obtained the certificates documenting the ethics training for those employees. According to management, no ethics violations were reported during the year.

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.
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.
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.

Series 2017 Refunding Bonds were issued during the year. The issue was properly documented and approved. All debt service payments were properly and timely made. For the year ended June 30, 2017, debt service payments exceeded ad valorem taxes collected for such purposes.

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.
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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Management is not aware of any misappropriation of public funds or assets. Notice of the hotline information is posted on the employee bulletin board.

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

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

J. Aaron Cozart, CPA, LLC

December 30, 2017