

Webster Parish School Board

Minden, Louisiana



Comprehensive Annual Financial Report
For the Year Ending June 30, 2018

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED June 30, 2018

Johnnye Kennon
President

Johnny Rowland
Superintendent

Crevonne J. Odom
Director of Business & Finance

Prepared by the Department of Finance

Webster Parish School Board

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Webster Parish School Board

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INTRODUCTORY SECTION



Johnnye Kennon
President

Charles Strong
Vice-President

WEBSTER PARISH SCHOOL BOARD

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Minden, Louisiana 71058-0520

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Johnny Rowland, Jr.
Superintendent

Kevin J. Washington
Assistant Superintendent

Letter of Transmittal

December 30, 2018

Mrs. Johnnye Kennon, President
Webster Parish School Board Members and Citizens
of Webster Parish
Minden, Louisiana

The Comprehensive Annual Financial Report of the Webster Parish School Board (School Board) for the year ended June 30, 2018, is submitted herewith. This report has been prepared by the Finance Department personnel following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States of America and Canada.

The Webster Parish School Board is located in the northwest corner of the state and is a part of the economic "hub" for this region. Located in the middle of the population center of North America, 40 million people live within a 500-mile radius of Webster Parish. Major markets such as Dallas/Fort Worth, New Orleans, Little Rock, Memphis, and Jackson can be reached in little more than a half day's drive or less. The accessibility to several major thoroughfares such as Interstate 20 and Interstate 49 has contributed to numerous decisions to locate in Webster Parish.

A diversified economic base is reflective of the many natural resources of the area such as oil and natural gas production, forestry, agriculture, paper products and silica mining. A broad variety of manufacturing includes production of portable communication buildings, dump truck trailers, metal fabrication, fishing tackle, corrugated boxes, industrial air louvers and dampers, and farm machinery. The South Webster Industrial District Park is 320 acres of improved land, offering all utilities and on-site rail. The Shreveport Regional Airport and Port of Shreveport-Bossier are each just 40 minutes west of the industrial park.

From primary education to advanced training, numerous education and training opportunities abound for the people of Webster Parish. The public school system includes 9 elementary, 2 middle, and 4 high schools. Northwest Louisiana Technical College offers skill training and upgrading, and works closely with area business and industry to provide industry-specific training. Advanced education is easily attained through the nearby colleges and universities. Louisiana Tech University, Grambling State University, Bossier Parish Community College, Louisiana State University-Shreveport, Southern University-Shreveport/Bossier and Centenary College are less than an hour drive away.

The current number of students as of October 1, 2017 was 6,088. Projected enrollment for fiscal year end 2018-2019 is 6,064. Our current facilities range in age from 65 years to 6 months.

A. Management Responsibility Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial

position and results of operations of the various funds of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Webster Parish School Board's MD&A can be found immediately after the report of the independent auditors.

The School Board is required to undergo an annual single audit in conformity with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on the internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

The School Board provides a full range of educational services appropriate to grade levels Pre-K through 12. These include providing instructional personnel, instructional materials, instructional facilities, food service facilities, administrative support, business services, systems operations, plant maintenance, and bus transportation. These basic services are supplemented by a wide variety of offerings in the fine arts and athletics.

B. Definition of the Reporting Entity The report includes all entities or organizations that are required to be included in the School Board's reporting entity. The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Webster Parish School Board. Based on the above criteria, there are no component units that should be included in the School Board's reporting entity.

C. Internal Control Management of the School Board is responsible for establishing and maintaining internal control designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

We believe the School Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the School Board also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs.

As a part of the School Board's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the School Board has complied with applicable state and local laws and regulations.

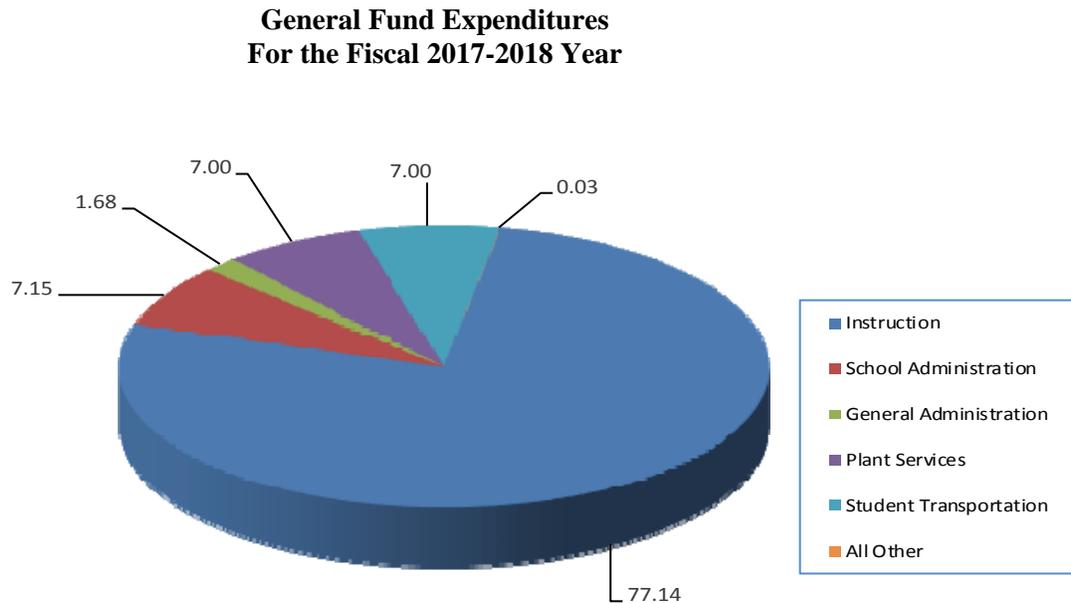
D. Budgetary Controls In addition, the School Board maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. School

Board policy provides that expenditures within a fund may not exceed appropriations by more than five percent. Revisions to the budget require School Board approval.

E. Long-term Financial Planning The construction projects (renovations to now Phillips Elementary and Webster Junior High School) funded with general obligation bonds for District #6 (Minden area) have been completed.

F. Major Initiatives Our major focus has shifted to the facility concerns in the Minden area of District #6 for our elementary students. We are realigning our Jr. High to make room for our elementary students and facilities.

G. Service Efforts and Accomplishments Each year our school system ranks in the top 10% of all school districts in the state for the percentage of total General fund expenditures spent on instruction. We are proud to say that 77.14% of total General fund expenditures (as defined by the Louisiana Department of Education) for the 2017-2018 school year was for instruction. Few school districts in the state ranked higher. The following chart illustrates the percentage spent on instruction and other expenditure functions for the 2017-2018 school year:



H. Independent Audits The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the basic financial statements and accompanying combining and individual fund statements and schedules was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the School Board's system of budgetary and accounting controls. The single audit report, as discussed earlier in this transmittal letter, is issued separately from this Comprehensive Annual Financial Report.

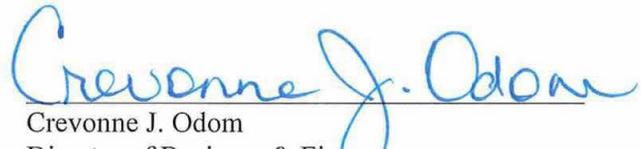
I. Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its Comprehensive Annual Financial Report for the year ended June 30, 1998 and each year since. To be awarded these certificates, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only.

We believe our current report continues to conform to the certificate requirements, and we are submitting it to both GFOA and ASBO.

J. Acknowledgments The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. We want to express our appreciation to them for their assistance. We also thank the members of the School Board for their interest and support in planning and conducting the financial operations of the school system in a responsible and progressive manner.



Johnny Rowland
Superintendent



Crevonne J. Odom
Director of Business & Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Webster Parish School Board
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Webster Parish School Board

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**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

Webster Parish School Board

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.'.

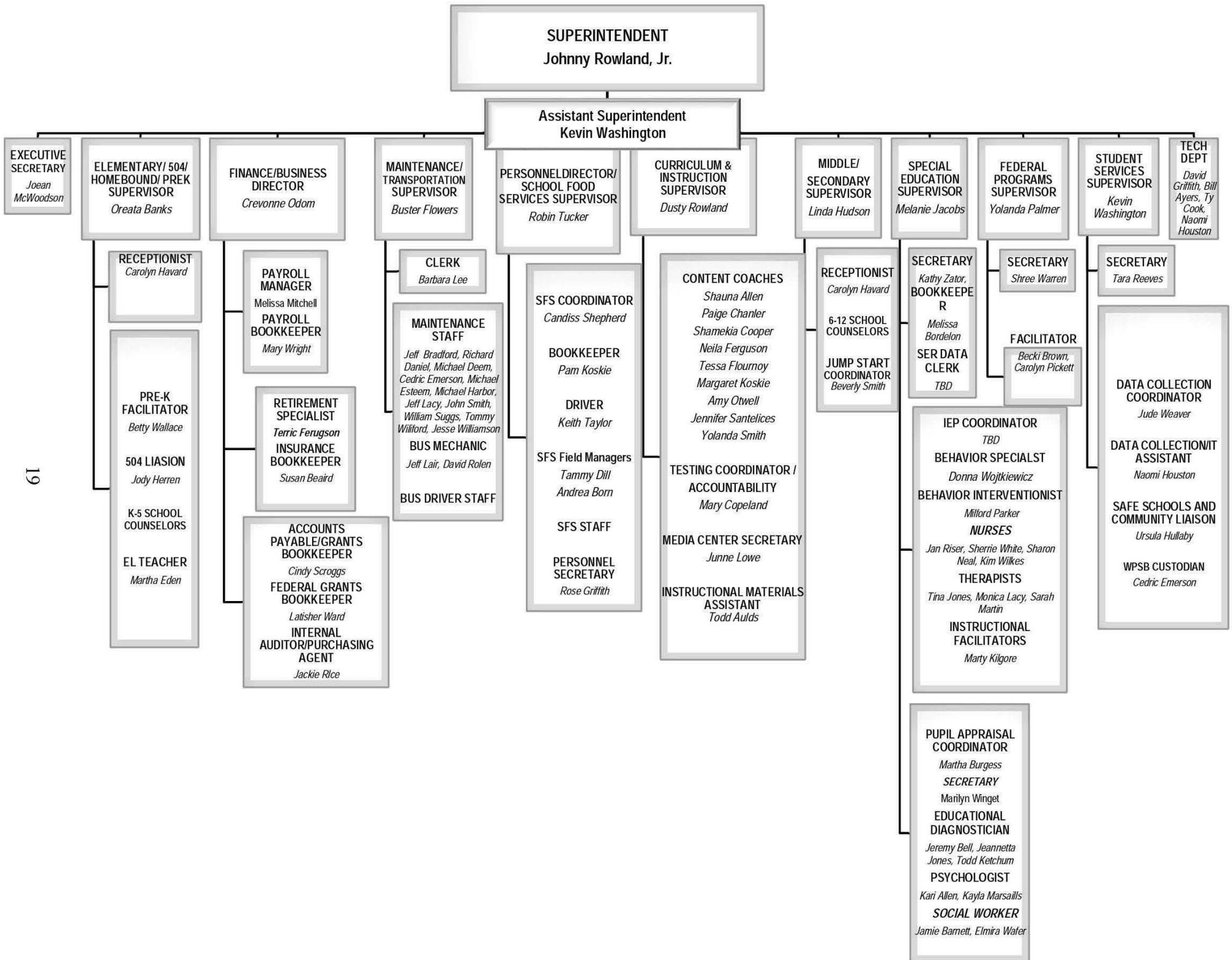
Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'.

John D. Musso, CAE
Executive Director

Webster Parish School Board

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Webster Parish School Board

Elected Officials June 30, 2018

<u>Board Member</u>	<u>District</u>
Johnnye Kennon, President	10
Charles Strong, Vice President	3
Ronnie Broughton	8
Brandon Edens, term ended February 2, 2018	1
Margaret Edens, term began April 9, 2018	1
Linda Kinsey	7
Penny Long	12
Jerry Lott	11
John Madden	6
Frankie Mitchell	9
Jeri O'Neal	4
Malachi Ridgel	2
Ronald Rhymes	5

Webster Parish School Board

Selected Administrative Officials June 30, 2018

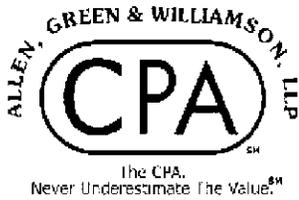
Johnny Rowland	Superintendent
Kevin Washington	Assistant Superintendent Supervisor of Student Services
Linda Hudson	Supervisor of Secondary Education
Melanie Jacobs	Supervisor of Special Education
Dusty Rowland Oreata Banks	Supervisor of Elementary Education, July-Dec. 2017 Supervisor of Elementary Education, Jan.-June 2018
Dusty Rowland	Supervisor of Curriculum, Jan.-Jun. 2018
Yolanda Palmer	Supervisor of Federal Programs
Crevonne Odom	Director of Business & Finance
Robin Tucker	Personnel Director
Sylvia Dupree Robin Tucker	Supervisor of Child Nutrition Program, July-Dec 2017 Supervisor of Child Nutrition Program. Jan.-June 2018
Willard "Buster" Flowers	Supervisor of Maintenance & Transportation
David Griffith	Technology Coordinator

Webster Parish School Board

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FINANCIAL SECTION

ALLEN, GREEN & WILLIAMSON, LLP



CERTIFIED PUBLIC ACCOUNTANTS

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Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Bamburg, CPA, CFE
Principal: Cindy Thomason, CPA

Sandra Harper, CPA
Jennie Henry, CPA
Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Independent Auditor's Report

Board Members
Webster Parish School Board
Minden, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish School Board, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios, Schedule of Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, and the Budgetary Comparison Schedules and the notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

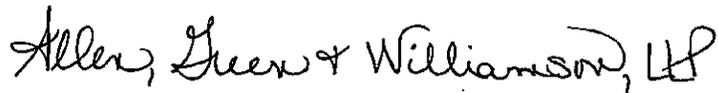
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the other information, such as the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, such as the introductory and statistical sections, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under a separate cover, our report dated December 30, 2018 on our consideration of the Webster Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 30, 2018

REQUIRED SUPPLEMENTARY INFORMATION

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

The management's discussion and analysis of Webster Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements and financial statements to enhance their understanding of the School Board's financial performance.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

The liabilities and deferred inflows of resources of the School Board exceeded its assets and deferred outflows of resources at the close of fiscal year 2018 by \$(78.9) million (net position). Of this amount, a deficit of \$133.4 million represents unrestricted net position, which is the amount that the School Board may need to meet its ongoing obligations.

The School Board's increase in net position of \$9.3 million was mainly due to the change in the net pension liability and related deferred outflows and inflows of resources reducing expenses by \$3.4 million, an increase in capital assets of \$1.2 million and an increase in sales tax (\$1.7 million) and MFP (\$1.2 million) revenues.

Total spending for all our governmental activities was \$66.2 million for the year. Most of the School Board's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these five areas: regular programs \$25.6 million, special programs \$8.1 million, student services \$2.2 million, school administration \$3.8 million and plant services \$4.3 million.

At June 30, 2018, the School Board's governmental funds reported a combined fund balances of \$44.3 million, a decrease of \$0.5 million in comparison with prior year. \$7.3 million or 16.6% of the combined fund balance is available for spending at the government's discretion (unassigned fund balance). 100% of the unassigned fund balance is reported in the General fund.

At the end of the current year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the General fund was \$7.5 million, or approximately 15.8% of total General fund expenditures.

During the 2018 fiscal year, the School Board paid \$4.7 million dollars in bond principal payments and issued \$7.4 million in refunding bonds series 2017 to refund \$6.6 million of District #7's series 2011 bonds. The net outstanding debt was reduced by \$4.1 million for a net outstanding balance of \$70.3 million at the end of the current fiscal year.

NEW GASB STANDARDS In fiscal year 2018, the School Board adopted the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The adoption of Statement No. 75 has no impact on the School Board's governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board's 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$53.3 million reflecting the cumulative retrospective effect of adoption.

- Statement No. 85 – *Omnibus 2017*, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).
- Statement No. 86 – *Certain Debt Extinguishment Issues*, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Webster Parish School Board as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole, presenting both an aggregate view of the School Board's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as what remains for future spending. Fund statements also may give some insights into the School Board's overall financial health. Fund financial statements report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds - such as the School Board's General fund, Sales Tax District 6 fund, 96 Sales Tax fund and Dubberly Heflin Sibley Consolidated Capital Project fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018**

Comprehensive Annual Financial Report
<u>Introductory Section</u> Transmittal Letter Awards for Excellence in Financial Reporting Organizational Chart Elected Officials and Selected Administrative Officers
<u>Financial Section</u> (Details outlined in the next chart)
<u>Statistical Section</u> Financial Trends Revenue Capacity Debt Capacity Demographic and Economic Information Operating Information

<u>Financial Section</u>

Required Supplementary Information
Management's Discussion & Analysis (MD&A)

Basic Financial Statements



Notes to the Financial Statements
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- Required Supplementary Information**
Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios
Schedule of Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Comparison Information

- Other Supplementary Information**
Nonmajor Funds Combining Statements & Budgetary Information
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members
Schedule of Compensation, Benefits and Other Payments to Agency Head

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor has also provided varying degrees of assurance regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

The School Board assumes full responsibility for the accuracy of the Introductory and Statistical Sections as they were prepared without the association of the independent auditors.

REPORTING THE SCHOOL BOARD AS A WHOLE

The Statement of Net Position and the Statement of Activities Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities and deferred outflows/inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

Fund Financial Statements The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by state law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation on Statements D and F.

THE SCHOOL BOARD AS TRUSTEE

Reporting the School Board's Fiduciary Responsibilities The School Board is the trustee, or *fiduciary*, for its student activities funds. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. These activities are excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL BOARD AS A WHOLE The School Board had a deficit net position of \$78.9 million at June 30, 2018 for governmental activities. Of this amount, the unrestricted net position had a deficit of \$133.4 million. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position
(in millions)
June 30,

	Governmental Activities		
	2018	2017	Variance
Other assets	\$ 51.8	\$ 52.6	\$ (0.8)
Capital assets	85.1	83.9	1.2
Total assets	136.9	136.5	0.4
Deferred outflows of resources	14.8	19.7	(4.9)
Other liabilities	8.0	8.4	(0.4)
Long-term liabilities	215.0	179.4	35.6
Total liabilities	223.0	187.8	35.2
Deferred inflows of resources	7.6	3.3	4.3
Net position			
Net investment in capital assets	19.0	15.6	3.4
Restricted	35.5	34.8	0.7
Unrestricted	(133.4)	(85.3)	(48.1)
Total net position	\$ (78.9)	\$ (34.9)	\$ (44.0)

The deficit of \$133.4 million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Table 2
Changes in Net Position
(in millions)
For the Years Ended June 30,

	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Governmental Activities:			
Net Position – beginning	\$ (34.9)	\$ (37.7)	\$ 2.8
Revenues:			
Program revenues			
Charges for services	0.1	0.4	(0.3)
Grants and contributions	10.1	8.8	1.3
General Revenues			
Ad valorem taxes	11.9	12.2	(0.3)
Sales taxes	14.6	12.9	1.7
Minimum Foundation Program	37.8	36.6	1.2
Other general revenues	1.0	1.1	(0.1)
Total revenues	<u>75.5</u>	<u>72.0</u>	<u>3.5</u>
Functions/Program Expenses:			
Instruction			
Regular programs	25.6	25.4	0.2
Special programs	9.5	12.1	(2.6)
Other instructional programs	5.4	2.9	2.5
Support services			
Student services	2.6	2.6	-
Instructional staff support	2.7	2.7	-
General administration	1.7	1.4	0.3
School administration	3.8	3.7	0.1
Business services	0.6	0.6	-
Plant services	4.9	6.3	(1.4)
Student transportation services	2.2	4.0	(1.8)
Central services	0.2	0.2	-
Food Services	4.9	5.0	(0.1)
Interest on long-term debt	2.1	2.3	(0.2)
Total expenses	<u>66.2</u>	<u>69.2</u>	<u>(3.0)</u>
Increase (decrease) in net position	9.3	2.8	6.5
Prior period adjustment	<u>(53.3)</u>	<u>-</u>	<u>(53.3)</u>
Net Position – ending	<u>\$ (78.9)</u>	<u>\$ (34.9)</u>	<u>\$ (44.0)</u>

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

GOVERNMENTAL ACTIVITIES As reported in the Statement of Activities included later in the government-wide financial statements, the cost of all of our governmental activities this year was \$66.2 million. However, the amount that our taxpayers ultimately financed for these activities through School Board taxes and general revenues was only \$56.0 million because some of the cost was paid by those who benefited from the programs (\$0.1 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$10.1 million). We paid for the remaining "public benefit" portion of our governmental activities with \$37.8 million in state Minimum Foundation Program funds and \$18.2 million with taxes and our other revenues, like interest and general entitlements.

In the table below, we have presented the cost of each of the School Board's five largest functions - regular programs, special programs, other instructional programs, plant services, and food services, as well as each program's net cost (total cost less revenues generated by the activities).

As discussed above, net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	<u>(in millions)</u>		<u>(in millions)</u>	
	Total Cost	Net Cost	Total Cost	Net Cost
	of Services	of Services	of Services	of Services
Regular programs	\$ 25.6	\$ 25.6	\$ 25.4	\$ 25.3
Special programs	9.5	8.1	12.1	8.3
Other instructional programs	5.4	2.1	2.9	2.2
Plant services	4.9	4.3	6.3	6.0
Food services	4.9	1.4	5.0	1.9
All others	15.9	14.4	17.5	16.3
Totals	<u>\$ 66.2</u>	<u>\$ 55.9</u>	<u>\$ 69.2</u>	<u>\$ 60.0</u>

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

As the School Board completed this year, our governmental funds reported a combined fund balance of \$44.3 million. Significant changes in revenues and expenditures which affected fund balances were:

The General fund is our principal operating fund. The fund balance in the General fund increased \$1.1 million, with the following events occurring:

MFP funding increased \$1.2 million, ad valorem and sales tax collections increased \$0.6 million, while other state sources decreased \$0.2 million. Expenditures in the General fund increased \$2.2 million due to the district unfreezing salaries for the 2018 fiscal year.

The Sales Tax District 6 fund balance decreased \$137 thousand compared to last year's decrease of \$613 thousand. Sales tax revenues increased \$239 thousand in comparison with prior year. In fiscal year 2018, the School Board received \$691 thousand from FEMA to assist the School Board in repairing the damages incurred in the 2016 spring

Webster Parish School Board
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flooding and \$193 thousand in 2017. Total expenditures decreased by \$135 thousand due to a reduction in plant services expenditures.

The 96 Sales Tax fund balance increased \$785 thousand. Total revenues increased \$692 thousand when compared to prior year and expenses increased \$509 thousand due to the unfreezing of salaries for the 2018 fiscal year.

Dubberly Heflin Sibley Consolidated Capital Project fund accounts for the financial resources to be used to acquire, construct, or improve facilities within the Dubberly, Heflin, and Sibley consolidated districts. Revenues were comparable to prior year, however expenditures increased \$735 thousand mainly due to increase in capital outlay for the Lakeside Junior High Construction project.

The Nonmajor Governmental fund balance decreased \$2.1 million to \$12.5 million. The main reason for this decrease is from the spending of bond proceeds received in fiscal year 2016 for the completion of the Minden School Building fund's construction project in fiscal year 2018.

BUDGETARY HIGHLIGHTS As mentioned earlier, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the School Board's major funds original and final budget amounts compared with actual amounts paid and received is provided later in this report as Required Supplementary Information. The budgeted amount is based on many different factors such as student count and known revenues and expenditures that can be reasonably predicted or have been planned for. The original budget is approved as per state statute by September 15 of each year. As the school year passes, the budget is revised to reflect the actual amounts that are received or spent during the year.

The General fund's original budgeted amounts available for appropriations was increased by \$739 thousand, mainly affected by an amendment to increase the original beginning fund balances for available for appropriations.

The original budgeted charges to appropriations were increased by \$11 thousand.

In comparing the final budget to actual results, the actual amounts exceeded the budgeted amounts available for appropriations by \$744 thousand due to receiving more in the sales and use tax collection revenues than estimated. Actual charges to appropriations were \$558 thousand more than the budget, mostly due to expenditures for plant services exceeding budgeted amount for \$580 thousand. We take a conservative approach in our budgeting for revenues and expenditures.

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2018, the School Board had \$85.1 million invested in a broad range of capital assets as shown below. This amount represents a net increase (including additions, and deductions) of \$1.2 million, or 1.4% percent, from last year.

Capital Assets at June 30,
(in millions)

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Land	\$ 0.7	\$ 0.7	\$ -
Construction in progress	0.5	6.7	(6.2)
Buildings	81.0	73.4	7.6
Furniture and equipment	0.7	0.9	(0.2)
Transportation equipment	2.2	2.2	-
Totals	<u>\$ 85.1</u>	<u>\$ 83.9</u>	<u>\$ 1.2</u>

The School Board had \$5.2 million in capital asset additions during the current fiscal year. Major additions included \$5.0 million for construction in progress and \$0.2 million for transportation equipment. The School completed and placed into operations \$11.1 million in buildings from construction in progress. More detailed information about our capital assets is presented in Note 6 of the notes to the financial statements.

DEBT ADMINISTRATION At June 30, 2018, the School Board had \$56.3 million in general obligation debt outstanding with maturities from 2019 to 2036 with interest rates ranging from 0.1% to 5.0%.

Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property as per LA Revised Statute 39:562(O). At June 30, 2018, the School Board's net bonded debt of \$57.0 million (total bonded debt, net of premiums of \$1.4 million less fund balance in debt service funds of \$3.7 million plus restricted fund balance associated with QSCB revenue bonds of \$3.0 million) was below the legal limit of \$155.7 million.

	<u>Amount</u>	<u>Debt per Capita</u>
Net direct general obligation bonded debt, 2018	\$57.0	\$1,449
Net direct general obligation bonded debt, 2017	59.9	1,508
Net direct general obligation bonded debt, 2016	63.1	1,577

The School Board maintained an A bond rating from Standard and Poor's.

Other obligations include compensated absences, other post-employment benefits (OPEB) obligation, workers' compensation claims, and net pension liability. We present more detailed information concerning our long-term liabilities activity in Note 12 of the notes to the financial statements.

Webster Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the School Board's fiscal year budget and tax rates. One of the most important factors affecting the budget is our student count. The 2018-2019 budgets were adopted on September 10, 2018 based on an estimate of students that will be enrolled on October 1. The October 1 student count affects our Minimum Foundation Program (MFP) funding from the State. Approximately 50.1% of total revenue is from the MFP.

We have projected for the 2018-2019 fiscal year with no major uncertainties anticipated for the future.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with an overall review of the School Board's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the letter of transmittal, notes to the financial statements and financial statements to enhance their understanding of the School Board's financial performance.

For further information, contact Crevonne J. Odom, Director of Business and Finance, P. O. Box 520, Minden, LA 71058-0520, or by telephone at (318) 377-7052.

BASIC FINANCIAL STATEMENTS

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

WEBSTER PARISH SCHOOL BOARD

**STATEMENT OF NET POSITION
June 30, 2018**

	Statement A
	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 44,600,108
Investments	3,136,292
Receivables	3,597,541
Inventory	238,139
Prepaid items	197,268
Capital assets:	
Land and construction in progress	1,268,938
Depreciable capital assets, net of depreciation	83,851,324
TOTAL ASSETS	136,889,610
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	3,928,907
Deferred outflows related to OPEB	509,719
Deferred outflows related to pensions	10,312,900
TOTAL DEFERRED OUTFLOWS OF RESOURCES	14,751,526
LIABILITIES	
Accounts, salaries and other payables	7,266,024
Unearned revenue	167,831
Interest payable	574,120
Long-term liabilities	
Due within one year	4,743,155
Due in more than one year	210,269,306
TOTAL LIABILITIES	223,020,436
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	7,565,547
TOTAL DEFERRED INFLOWS OF RESOURCES	7,565,547
NET POSITION	
Net investment in capital assets	19,040,626
Restricted for:	
Protested taxes	65,872
Workers' compensation	275,000
Salaries, benefits and retirees insurance	7,743,578
Technology, utilities, buses and air conditioning	3,176,895
Debt service	3,162,374
Capital projects	11,211,971
Facility improvements	9,289,265
Grant funds	541,792
Unrestricted	(133,452,220)
TOTAL NET POSITION	\$ (78,944,847)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 25,631,496	\$ -	\$ 36,835	\$ -	\$ (25,594,661)
Special programs	9,484,954	-	1,347,128	-	(8,137,826)
Other instructional programs	5,377,918	-	3,236,295	-	(2,141,623)
Support services:					
Student services	2,584,251	-	382,382	-	(2,201,869)
Instructional staff support	2,665,810	-	687,916	-	(1,977,894)
General administration	1,703,277	-	411,621	-	(1,291,656)
School administration	3,820,343	-	-	-	(3,820,343)
Business services	604,802	-	-	-	(604,802)
Plant services	4,941,247	-	-	691,180	(4,250,067)
Student transportation services	2,175,065	-	-	-	(2,175,065)
Central services	205,181	-	-	-	(205,181)
Food services	4,903,372	116,841	3,354,909	-	(1,431,622)
Community service programs	20,000	-	-	-	(20,000)
Interest on long-term debt	2,086,921	-	-	-	(2,086,921)
Total Governmental Activities	\$ 66,204,637	\$ 116,841	\$ 9,457,086	\$ 691,180	\$ (55,939,530)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					2,895,437
Property taxes, levied for construction & maintenance					3,299,134
Property taxes, levied for debt services					5,709,771
Sales taxes					14,555,944
Grants and contributions not restricted to specific programs					
State revenue sharing					297,626
Minimum Foundation Program					37,840,794
Other grants and contributions					17,922
Interest and investment earnings					206,663
Miscellaneous					446,938
Total general revenues					65,270,229
Change in net position					9,330,699
Net position - beginning, originally stated					(34,932,328)
Prior period adjustment					(53,343,218)
Net position - beginning, restated					(88,275,546)
Net position - ending					\$ (78,944,847)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Webster Parish School Board

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BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS (FFS)

WEBSTER PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2018

	GENERAL	SALES TAX DISTRICT 6	96 SALES TAX
ASSETS			
Cash and cash equivalents	\$ 11,248,446	\$ 6,860,805	\$ 10,026,895
Investments	99,925	-	-
Receivables	764,236	174,605	569,879
Interfund receivables	2,287,544	-	-
Inventory	-	-	-
Prepaid items	197,268	-	-
TOTAL ASSETS	14,597,419	7,035,410	10,596,774
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	5,964,718	17,206	323,133
Interfund payables	13,766	-	-
Unearned revenue	-	-	-
Total Liabilities	5,978,484	17,206	323,133
Fund Balances:			
Nonspendable	197,268	-	-
Restricted	951,950	7,018,204	10,273,641
Committed	124,898	-	-
Assigned	-	-	-
Unassigned	7,344,819	-	-
Total Fund Balances	8,618,935	7,018,204	10,273,641
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,597,419	\$ 7,035,410	\$ 10,596,774

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

DUBBERLY HEFLIN SIBLEY CONSOLIDATED CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ 6,125,697	\$ 10,338,265	\$ 44,600,108
-	3,036,367	3,136,292
189	2,088,632	3,597,541
-	13,766	2,301,310
-	238,139	238,139
-	-	197,268
<u>6,125,886</u>	<u>15,715,169</u>	<u>54,070,658</u>
226,450	734,517	7,266,024
-	2,287,544	2,301,310
-	167,831	167,831
<u>226,450</u>	<u>3,189,892</u>	<u>9,735,165</u>
-	107,701	304,969
5,899,436	12,200,605	36,343,836
-	-	124,898
-	216,971	216,971
-	-	7,344,819
<u>5,899,436</u>	<u>12,525,277</u>	<u>44,335,493</u>
<u>\$ 6,125,886</u>	<u>\$ 15,715,169</u>	<u>\$ 54,070,658</u>

Webster Parish School Board

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WEBSTER PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2018**

	Statement D
Total fund balances - governmental funds	\$ 44,335,493
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>	
Costs of capital assets	\$ 139,967,326
Accumulated depreciation	<u>(54,847,064)</u>
	85,120,262
<p>Deferred outflows of resources are not available to pay current period expenditures, and therefore, are not reported in the governmental funds.</p>	
	14,751,526
<p>Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the fund financial statements.</p>	
	(7,565,547)
<p>Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.</p>	
Balances at June 30, 2018 are:	
Long-term liabilities	
General obligation bonds	(56,330,000)
Revenue bonds	(12,565,000)
Bond premiums	(1,416,512)
OPEB liability	(74,153,111)
Net pension liability	(68,211,412)
Worker's compensation claims	(96,923)
Compensated absences	(2,239,503)
Interest payable	<u>(574,120)</u>
	<u>(215,586,581)</u>
Net position of governmental activities	<u><u>\$ (78,944,847)</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

	<u>GENERAL</u>	<u>SALES TAX DISTRICT 6</u>	<u>96 SALES TAX</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 2,895,437	\$ -	\$ -
Sales and use	5,880,850	1,801,724	6,377,110
Interest earnings	36,214	19,725	29,345
Food services	-	-	-
Other	377,194	-	-
State sources:			
Equalization	37,066,792	-	-
Other	598,600	-	-
Federal sources	88,075	691,180	-
	<u>46,943,162</u>	<u>2,512,629</u>	<u>6,406,455</u>
Total revenues			
EXPENDITURES			
Current:			
Instruction:			
Regular programs	22,251,575	2,575	2,179,467
Special programs	7,001,557	-	470,511
Other instructional programs	2,345,884	-	94,696
Support services:			
Student services	1,967,183	-	118,821
Instructional staff support	1,686,252	-	121,676
General administration	497,570	31,143	176,385
School administration	3,436,928	-	197,576
Business services	537,287	126	43,294
Plant services	3,826,610	221,090	145,331
Student transportation services	3,492,975	-	408,210
Central services	196,899	-	12,086
Food services	1,137	-	202,363
Community services	20,000	-	-
Capital outlay	-	1,695,734	-
Debt service:			
Principal retirement	-	-	-
Interest and charges	-	-	-
Bond issuance costs	-	-	-
	<u>47,261,857</u>	<u>1,950,668</u>	<u>4,170,416</u>
Total expenditures			
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (318,695)</u>	<u>\$ 561,961</u>	<u>\$ 2,236,039</u>

Statement E

DUBBERLY HEFLIN SIBLEY CONSOLIDATED CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ 1,096,199	\$ 7,912,706	\$ 11,904,342
-	496,260	14,555,944
18,309	103,070	206,663
-	116,841	116,841
35,949	33,795	446,938
-	774,002	37,840,794
-	196,451	795,051
-	8,889,508	9,668,763
<u>1,150,457</u>	<u>18,522,633</u>	<u>75,535,336</u>
103,686	-	24,537,303
-	1,347,128	8,819,196
-	2,838,758	5,279,338
-	382,382	2,468,386
-	726,092	2,534,020
58,699	743,067	1,506,864
-	32,642	3,667,146
-	2,279	582,986
109,886	1,784,436	6,087,353
-	-	3,901,185
-	-	208,985
-	4,512,142	4,715,642
-	-	20,000
990,406	2,299,413	4,985,553
-	4,743,000	4,743,000
-	1,967,707	1,967,707
-	141,168	141,168
<u>1,262,677</u>	<u>21,520,214</u>	<u>76,165,832</u>
<u>\$ (112,220)</u>	<u>\$ (2,997,581)</u>	<u>\$ (630,496)</u>

(CONTINUED)

WEBSTER PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

	GENERAL	SALES TAX DISTRICT 6	96 SALES TAX
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 1,388,427	\$ -	\$ -
Transfers out	-	(699,394)	(1,451,480)
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
	1,388,427	(699,394)	(1,451,480)
Total other financing sources (uses)			
Net Change in Fund Balances	1,069,732	(137,433)	784,559
FUND BALANCES - BEGINNING	7,549,203	7,155,637	9,489,082
FUND BALANCES - ENDING	\$ 8,618,935	\$ 7,018,204	\$ 10,273,641

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

DUBBERLY HEFLIN SIBLEY CONSOLIDATED CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 865,862	\$ 2,254,289
(12,305)	(91,110)	(2,254,289)
-	7,370,000	7,370,000
-	(7,248,007)	(7,248,007)
<u>(12,305)</u>	<u>896,745</u>	<u>121,993</u>
(124,525)	(2,100,836)	(508,503)
<u>6,023,961</u>	<u>14,626,113</u>	<u>44,843,996</u>
<u>\$ 5,899,436</u>	<u>\$ 12,525,277</u>	<u>\$ 44,335,493</u>

(CONCLUDED)

WEBSTER PARISH SCHOOL BOARD

**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, 2018**

	Statement F
Total change in fund balances - governmental funds	\$ (508,503)
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. This is the amount by which depreciation expense exceeds capital outlays in the period:	
Capital outlays	\$ 5,181,259
Depreciation expense	(3,976,166)
Capital asset disposals, net	<u>(3,733)</u>
	1,201,360
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.	3,426,579
The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	4,003,000
Bond premiums are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, bond premiums increase long-term debt and are amortized over the life of the bonds.	115,993
Deferred charges are reported in governmental funds as expenditures when the debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.	301,280
In the Statement of Activities, compensated absences (vacations and sick leave) are measured by the amounts earned 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).	(11,270)
Other post employment benefits are reported on a pay-as-you-go basis in the fund financial statements and are reported on the accrual basis in the government-wide statements.	735,789
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	81,520
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Worker's compensation claims	<u>(15,049)</u>
Change in net position of governmental activities	<u><u>\$ 9,330,699</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2018

	Statement G
	AGENCY FUND
ASSETS	
Cash and cash equivalents	\$ 788,059
Total assets	788,059
 LIABILITIES	
Deposits due others	788,059
Total liabilities	\$ 788,059

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

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Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Webster Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

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

The School Board operates 15 schools within the parish with a total MFP enrollment of approximately 6,033 pupils, and total enrollment of 6,088 including PreK. 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.

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

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into two categories: governmental and fiduciary.

Governmental funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General fund - This fund is the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

Sales Tax District 6 - This fund accounts for the proceeds of a one-half percent sales and use tax passed by the voters of District 6 effective April 1, 2004. The proceeds are to be used for facility improvements in District 6 schools.

96 Sales Tax - The 1996 Sales Tax fund accounts for the proceeds of a one percent sales tax to be used for salaries and benefits, retirees insurance, school supplies, technology and operation of schools.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

Dubberly Heflin Sibley Consolidated Capital Project - This fund accounts for the financial resources to be used to acquire, construct, or improve facilities within the Dubberly Heflin Sibley Consolidated district.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are prepared on an accrual basis and are used to account for assets that the government holds for others in an agency capacity. The School Board reports the following agency fund:

School Activities fund - Accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows 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 include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "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 government considers all revenues available if they are collected within 60 days after year-end.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

Expenditures are recorded in the period in which the School Board incurs the liability, except for debt service payments on long-term debt, including capital leases, which are recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when all applicable eligibility requirements are met and the resources are available.

Sales taxes are recognized when underlying exchange transaction occurs and the resources are available.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Other financing sources (uses) Transfers between funds that are not expected to be repaid, capital lease transactions, sale of capital assets, debt extinguishments and long-term debt proceeds are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary funds The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of less than 90 days. 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 and national banks having their principal offices in Louisiana.

E. INVESTMENTS The School Board's policy limits investments to direct U.S. Treasury obligations, bond, debentures, notes issued by or guaranteed by federal agencies; bonds, debentures, notes, or other evidence of indebtedness issued by the State of Louisiana or any other state in the United States, or any of the political subdivisions of any state, or by any domestic U.S. corporation, with limited exceptions noted in LRS 33:2955, or certificates, or time deposits in any bank domiciled or having a branch office in Louisiana or any other federally insured investment.

If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are less than 90 days, they are classified as cash equivalents.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. 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.

G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column. Interfund services provided or used are not eliminated in the process of consolidation.

H. INVENTORY AND PREPAID ITEMS Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used.

Inventory of the school food service 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. All inventory items are recorded as expenditures when consumed. Unused commodities at June 30 are reported as unearned revenue. All purchased inventory items are valued at cost (first-in, first-out) 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.

The consumption method is used to record prepaid expenses, whereby expenditures are recognized as time lapses and the prepaids are recognized as expenses.

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$50,000 for buildings, building improvements, land improvements and intangibles; \$5,000 for vehicles; and \$3,000 for all other assets. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of five percent of historical costs.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years
Transportation equipment	15 years

Land and construction in progress are not depreciated.

J. UNEARNED REVENUES The School Board reports unearned revenues on its Statement of Net Position and fund Balance Sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES The School Board has the following policy relating to vacation and sick leave:

All 12-month employees earn from 10 to 15 days of vacation leave each year. A maximum of 30 vacation days may be accrued, fifteen of which may be prior to an employee's most recent anniversary date and up to fifteen after the most recent anniversary date. Employees receive payment upon termination.

All School Board employees earn from 10 to 13 days of sick leave each year, depending on their length of employment with the School Board. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

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

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

The School Board estimates its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

L. LONG-TERM LIABILITIES Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refundings are capitalized and amortized over the shorter of the life of the refunded bonds or the new bonds in the GWFS.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

For purposes 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 retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the accrual basis, the same basis as they are reported by the retirement systems. 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.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The School Board has three types of items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges on refundings is a component of net investment in capital assets on the Statement of Net Position. The School Board also reports deferred outflows related to pensions and deferred outflows related to OPEB. Deferred outflows related to pensions and OPEB are reported as components of unrestricted net position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has two types of items that qualifies for reporting in this category. The School Board reports deferred inflows related to OPEB and deferred inflows related to pensions. Deferred inflows related to pensions and OPEB are reported as a component of unrestricted net position.

N. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exist:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Of the \$35,466,747 of restricted net position reported in the Statement of Net Position, \$31,888,588 is restricted through enabling legislation.

O. FUND EQUITY OF FUND FINANCIAL STATEMENTS GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Nonspendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The Board is the highest level of decision making authority of the School Board that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Committed amounts

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board. Assigned amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously assign the funds, which is removed or changed by a board motion.

Unassigned: Fund balance that is the residual classification for the General fund. Negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Minimum fund balance: The School Board has a policy to maintain a minimum fund balance in the General fund of 10-15% of total expenditures.

The School Board considers restricted amounts to have been spent when an expenditure has been incurred for purposes for which both restricted and unrestricted fund balance is available. The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

P. SALES TAXES On July 1, 1969, the voters of Webster Parish approved for an indefinite period, a one percent parish-wide sales tax with the net proceeds of the tax to be used as follows:

I. Professional salaries	
a. Instructional personnel	65.22%
b. Adjustment 1 st and 2 nd year teachers' salaries	1.07%
c. Sabbatical leave and substitute teachers	3.71%
II. Non-Professional salaries	
a. Lunchroom workers, managers, janitors, maintenance personnel, school secretaries and bus mechanics	13.14%
b. Bus driver	1.84%
III. General fund, Non Salary Items	15.02%

The voters approved a one percent parish-wide sales tax for an indefinite period, effective July 1, 1996, with the net proceeds of the tax to be used to pay salaries and benefits for all school employees, retired school employees' hospitalization premiums, instructional programs and materials and purchasing computer software and equipment. Any annual increase in the total revenues of the tax collected after the June 30, 1997, fiscal year shall be used to pay energy costs, maintain air conditioning equipment and systems and purchase school buses. Any annual increase in the total revenues of the tax collected after the June 30, 2002 fiscal year shall be used to pay additional salaries and benefits for school employees; and any annual increase in the total revenues of the tax collected after the June 30, 2007 fiscal year and for each five-year period thereafter shall be alternately dedicated for energy costs, maintain air conditioning equipment and systems and purchase school buses and additional salaries and benefits for school employees.

The voters of District 6 approved a one-half percent sales and use tax for a period of twenty-five years, effective April 1, 2004, to be used for constructing, acquiring, improving, equipping, furnishing and/or maintaining schools and school related facilities in District 6.

Q. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that

**Webster Parish School Board
Notes to the Financial Statements
June 30, 2018**

affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations in Individual Funds The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2018

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund	\$ 46,703,548	\$ 47,261,857	\$ (558,309)
Springhill District Maintenance	252,867	261,066	(8,199)
School Food Service	4,307,985	4,513,593	(205,608)

These variances were the result of unanticipated expenditures after the last budget revision.

B. Deficit Fund Balances The following fund had a deficit fund balance at June 30, 2018:

<u>Fund</u>	<u>Deficit Amount</u>
Doyline Debt Service fund	\$ 334,319

The School Board plans to raise the Doyline ad valorem bond millage to eliminate the deficit fund balance.

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Webster Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Webster Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Webster Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Board levy date	August 15, 2017
Tax bills mailed	November 15, 2017
Due date	December 31, 2017
Collection dates	December 2017 through February 2018
Penalty and interest accrues	January 1, 2018
Lien date	January 1, 2018
Tax sale date – 2017 delinquent property	May 16, 2018

Assessed values are established by the Webster Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% industrial improvements
15% machinery	15% commercial improvements
10% residential improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$311,472,720 in calendar year

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$54,546,194 of the assessed value in calendar year 2017.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

The calendar year tax roll is prepared by the parish tax assessor in November of each year. The amount of property taxes to be collected occurs in December 2017 and January and February 2018. All property taxes are recorded in the general, special revenue, debt service, and capital projects funds. The School Board considers the lien date (January 1, 2018) as the date an enforceable legal claim occurs for 2017 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	Adjusted Maximum <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parish-wide taxes:			
Constitutional	4.23	4.23	Statutory
Special Maintenance & Operations	6.15	6.15	2017
Building Maintenance	2.82	2.82	2025
Building Maintenance	2.64	2.64	2017
District taxes-Maintenance Taxes:			
Dubberly Heflin Sibley Consolidated District No. 3	26.42	26.42	2017
Doyline District No. 7	5.56	5.56	2020
Springhill District No. 8	7.74	7.74	2024
Cotton Valley District No. 12	5.00	5.00	2026
Sarepta District No. 35	25.41	25.41	2027
District taxes-Sinking Funds:			
Shongaloo Evergreen Consolidated District No. 1	Variable	9.00	2027
Dubberly Heflin Sibley Consolidated District No. 3	Variable	15.00	2017
Minden District No. 6	Variable	29.00	2028
Doyline District No. 7	Variable	22.00	2030
Springhill District No. 8	Variable	35.00	2029
Cotton Valley District No. 12	Variable	10.00	2020
Sarepta District No. 35	Variable	24.00	2027

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NOTE 4 - DEPOSITS AND INVESTMENTS

DEPOSITS At year-end, the School Board's carrying amount of deposits was \$45,488,092. These deposits are reported as follows: Statement A-cash and cash equivalents, \$44,600,108; Statement A-investments, \$99,925 (time deposits), and Statement G-cash and cash equivalents, \$788,059.

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk - Deposits: This is the risk that in the event of a bank failure, the government's deposit may not be returned to it. As of June 30, 2018, the School Board had a bank balance of \$46,040,970 in which \$1,070,750 was covered by federal depository insurance. The remaining balance of \$44,970,220 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized under provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

Interest rate risk - Deposits: The School Board's policy does not address interest rate risk.

Credit rate risk - Deposits: The School Board's policy does not address credit rate risk.

INVESTMENTS Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2018, the School Board had the following investments:

	Fair Value	Weighted Average Maturity
Certificate of deposit	\$ 99,925	< 1 year
U.S. Treasury SLGS	3,036,367	6.5 years
Total investments	\$ 3,136,292	

The recurring fair value measurement for the U.S. Treasury SLGS totaling \$3,036,367 was determined using quoted prices in active markets for identical assets (Level 1). The nonnegotiable certificate of deposit is measured at cost. The School Board's investments in U.S. Treasuries are to be used exclusively for the QSCB 2009 series maturity payment due in 2025 and the QSCB 2011 series maturity payment due in 2026.

Interest rate risk - Investments: The School Board's investment policy does not address interest rate risk.

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Custodial credit risk - Investments: For an investment, this is the risk that, in the event of failure of the counter party, the School Board will not be able to recover the value of its investments. The School Board's investment of \$3,036,367 in U.S. Treasuries are registered in the School Board's name and held by the Trust department of a financial institution. The School Board's investment policy does not address custodial credit risk.

NOTE 5 - RECEIVABLES The balance of receivables at June 30, 2018 is as follows:

	General	Sales Tax District 6	96 Sales Tax	Dubberly Heflin Sibley Consolidated Capital Project	Nonmajor Governmental	Total
Taxes:						
Ad valorem tax	\$ 437	\$ -	\$ -	\$ 189	\$ 1,272	\$ 1,898
Sales tax	569,877	167,826	569,879	-	-	1,307,582
Intergovernmental - grants:						
Federal	5,500	-	-	-	2,084,224	2,089,724
State	175,027	-	-	-	-	175,027
Local accounts						
Other	13,395	6,779	-	-	3,136	23,310
Total	<u>\$ 764,236</u>	<u>\$ 174,605</u>	<u>\$ 569,879</u>	<u>\$ 189</u>	<u>\$ 2,088,632</u>	<u>\$ 3,597,541</u>

The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2018, is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities:				
Non-depreciable capital assets				
Land	\$ 727,337	\$ -	\$ -	\$ 727,337
Construction in progress	6,677,272	4,985,553	11,121,224	541,601
Total non-depreciable capital assets	<u>7,404,609</u>	<u>4,985,553</u>	<u>11,121,224</u>	<u>1,268,938</u>
Depreciable capital assets				
Buildings	117,138,323	11,121,224	-	128,259,547
Furniture and equipment	4,285,683	34,206	42,281	4,277,608
Transportation equipment	5,999,733	161,500	-	6,161,233
Total depreciable capital assets	<u>127,423,739</u>	<u>11,316,930</u>	<u>42,281</u>	<u>138,698,388</u>
Less accumulated depreciation				
Buildings	43,687,562	3,565,555	-	47,253,117
Furniture and equipment	3,435,142	170,279	38,548	3,566,873
Transportation equipment	3,786,742	240,332	-	4,027,074
Total accumulated depreciation	<u>50,909,446</u>	<u>3,976,166</u>	<u>38,548</u>	<u>54,847,064</u>
Total capital assets being depreciated, net	<u>76,514,293</u>	<u>7,340,764</u>	<u>3,733</u>	<u>83,851,324</u>
Governmental activities				
Capital assets, net	<u>\$ 83,918,902</u>	<u>\$ 12,326,317</u>	<u>\$ 11,124,957</u>	<u>\$ 85,120,262</u>

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Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,510,794
Special programs	811,029
Other instructional programs	180,405
Student services	181,200
Instructional staff support	62,388
General administration	216,963
School administration	31,392
Business services	330,466
Plant services	206,632
Student transportation services	269,019
Food services	175,878
Total depreciation expense	\$ 3,976,166

NOTE 7 - PENSION PLANS

The School Board is a participating employer in two statewide, public employee retirement systems, the Louisiana School Employees' Retirement System (LSERS) and the Teacher's Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LSERS and TRSL may be obtained at www.lasers.net and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see Optional Retirement Plan note below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Louisiana School Employees' Retirement System: LSERS administers a plan to provide retirement, disability, and survivor's benefits to non-teacher school employees excluding those classified as lunch workers and their beneficiaries as defined in R.S. 11:1001. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1141-1153 and vary depending on the member's hire date.

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. 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, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 20 years of creditable service regardless of age with an actuarially reduced benefit.

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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 3 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 joined 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 plan 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.

A member is eligible to retire and receive disability benefits if the member has at least 5 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 who has withdrawn from active service prior to the age at which that person is eligible for retirement benefits, 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 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the plan 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.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S 11:701. Statutory changes closed existing sub-plans, and created new sub-plans for members hired on or after January 1, 2011 and July 1, 2015. The age and years of creditable service required for a member to receive retirement benefits are established by R.S. 11:761 and vary depending on the member's hire date. The computation for retirement benefits is defined in R.S. 11:768.

Members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service and a reduced benefit. Retirement benefits for regular plan members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of creditable service. Average compensation is defined in R.S. 11:701 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed on or after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011, and attained at least five years of service, or if employed on or after January 1, 2011, and attained at least ten years of service. Members employed prior to January 1, 2011, receive disability benefits equal to 2.5% of average compensation multiplied by the years of service but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011, receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

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Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. The minimum service credit requirement is ten years for a surviving spouse with no minor children. Surviving spouse benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2.5% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified handicapped child.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit 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.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as these ad hoc COLAs were deemed not to be substantively automatic.

Contributions

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

Employer contributions to LSERS for fiscal year 2018 were \$767,122, with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.6%. Employer defined benefit plan contributions to TRSL for fiscal year 2018 were \$7,452,980, with active member contributions of 8%, and employer contributions of 26.6%. Non-employer contributions to TRSL, which are comprised of \$265,603 from ad valorem taxes and revenue sharing funds and \$4,068 from the State for PIP salaries, totaled \$269,671 for fiscal year 2018. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2018, the School Board reported liabilities of \$6,158,440 and \$62,052,972 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2017, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2017, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were .962366%, or a decrease of 0.052765% for LSERS and 0.60528% or a decrease of 0.02552% for TRSL.

For the year ended June 30, 2018, the School Board recognized a total pension expense of \$4,793,523, or \$540,087 and \$4,253,436 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 143,609	\$ 2,039,781	\$ 2,183,390
Changes of assumptions	129,130	654,350	783,480	95,938	-	95,938
Net difference between projected and actual earnings on pension plan investments	-	-	-	96,297	1,602,716	1,699,013
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,309,318	1,309,318	260,474	3,326,732	3,587,206
Employer contributions subsequent to the measurement date	767,122	7,452,980	8,220,102	-	-	-
Total	\$ 896,252	\$ 9,416,648	\$ 10,312,900	\$ 596,318	\$ 6,969,229	\$ 7,565,547

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	LSERS	TRSL	Total
2019	\$ (346,776)	\$ (1,818,499)	\$ (2,165,275)
2020	63,063	225,854	288,917
2021	40,592	(1,234,149)	(1,193,557)
2022	(224,067)	(2,178,767)	(2,402,834)

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Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>LSERS</u>	<u>TRSL</u>
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years, closed period	5 years, closed period
Investment Rate of Return	7.125% per annum	7.70%, net of investment expense
Inflation Rate	2.625% per annum	2.5% per annum
Mortality - Non-disabled	RP-2000 Sex Distinct Mortality Table	RP-2000 Mortality Table with projection to 2025 using scale AA
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table	RP-2000 Disabled Lives Mortality Table
Termination, Disability, Retirement	2008-2012 experience study	2008-2012 experience study
Salary Increases	3.075% to 5.375%	3.5% to 10% varies depending in duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

For LSERS, the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.10% for 2017.

For TRSL, 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 the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.33% for 2017.

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Best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

		<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>
LSERS (arithmetic)			
Fixed income	Core Fixed Income	8.00%	2.02%
	High Yield	5.00%	4.43%
	Emerging Markets Debt	7.00%	4.71%
	Global Fixed Income	10.00%	1.38%
Equity	US Equity	20.00%	6.44%
	Developed Equity	18.00%	7.40%
	Emerging Markets Equity	10.00%	9.42%
	Global REIT's	3.00%	5.77%
Alternative Investments	Private Equity	5.00%	10.47%
	Hedge Fund of Funds	3.00%	3.75%
	Real Estate	5.00%	5.00%
Real Assets	Timber	2.00%	5.67%
	Oil & Gas	2.00%	10.57%
	Infrastructure	2.00%	6.25%
Total		<u>100.00%</u>	
TRSL (arithmetic)			
	Domestic equity	27.00%	4.28%
	International equity	19.00%	4.96%
	Domestic fixed income	13.00%	1.98%
	International fixed income	5.50%	2.75%
	Private equity	25.50%	8.47%
	Other private assets	10.00%	3.51%
Total		<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.70% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at actuarially determined rates approved by the Public Employees' Retirement Systems Actuarial Committee taking into consideration the recommendation of the System's actuary. 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 TRSL discount rate used in the June 30, 2017 net pension liability valuation was decreased from the 7.75% used in the June 30, 2016 valuation to 7.70%. The discount rate was reduced in accordance with the TRSL Board's adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contribution requirements for fiscal year 2018.

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Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the School Board’s proportionate share of the NPL for LSERS and TRSL using the current discount rate as well as what the School Board’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS	\$ 8,442,497	\$ 6,158,440	\$ 4,196,970
TRSL	79,956,671	62,052,972	46,822,728

Pension plan fiduciary net position. Detailed information about LSERS and TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan. At June 30, 2018, the School Board had \$257,242 and \$2,713,867 in payables to LSERS and TRSL, respectively, for the June 2018 employee and employer legally required contributions.

Optional Retirement Plan

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer. Employer ORP contributions to TRSL for fiscal year 2018 totaled \$34,065, which represents pension expense for the School Board. Employee contributions totaled \$9,596. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 22.2% made to the TRSL defined benefit plan described above.

NOTE 8 - 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. The School Board OPEB plan is a single-employer defined benefit “substantive plan” as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. No stand-alone financial report was prepared. 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 and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided and Funding Policy – The plan provides medical and life insurance – benefits for retirees and their dependents. The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. The retirees contributes approximately 25% of the medical premium with the School Board contributing the balance. This percentage will be greater for eligible retirees with

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less than 20 years of service. Medical coverage is provided through options under the Louisiana Office of Group Benefits (OGB). A Medicare supplement benefit is provided at Medicare eligibility. Benefits continue for life.

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

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	550
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	630
Total	1,180

Total OPEB Liability – The School Board’s total OPEB liability of \$74,153,111 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.0% annually, including inflation
Discount rate	3.87% based on the Bond Buyers 20 year general obligation municipal index rate as of June 30, 2018
Healthcare cost trend rates	Level 5.50% annual trend rate
Actuarial method	Individual entry age normal cost - Level percentage of projected salary
Mortality	RP-2000 Table without projection, with 50% unisex blend
Turnover	Range from 14% at age 18 to 4% at age 55 and over
Retirement rates	4 years after the later of attainment of 30 years of service at any age; or attainment of age 55 and 25 years of service; or attainment of age 60 and 5 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

The plan has not had a formal experience study performed. Utilizing the "pay-as-you-go method", the School Board contributed \$4,857,831 in benefit payments.

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Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at July 1, 2017	\$ 74,379,181
Changes for the year:	
Service cost	1,238,823
Interest cost at 3.87%	2,810,402
Differences between expected and actual experience	582,536
Benefit payments	(4,857,831)
Net changes	(226,070)
Balance at June 30, 2018	\$ 74,153,111

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate.

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 85,994,131	\$ 74,153,111	\$ 64,610,335

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Total OPEB liability	\$ 64,497,234	\$ 74,153,111	\$ 86,005,244

OPEB Expense – For the year ended June 30, 2018, the School Board recognized OPEB expense of \$4,122,042. At June 30, 2018, the School Board reported deferred outflows and inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 509,719

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

2019	\$	72,817
2020		72,817
2021		72,817
2022		72,817
2023		72,817
Thereafter		145,634

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 9 - ACCOUNTS, SALARIES, AND OTHER PAYABLES Payables at year-end are as follows:

	General	Sales Tax District 6	96 Sales Tax	Dubberly Heflin Sibley Capital Project	Nonmajor Governmental	Total
Salaries	\$ 3,006,565	\$ -	\$ 312,228	\$ -	\$ 590,983	\$ 3,909,776
Accounts	2,958,153	17,206	10,905	226,450	143,534	3,356,248
Total	<u>\$ 5,964,718</u>	<u>\$ 17,206</u>	<u>\$ 323,133</u>	<u>\$ 226,450</u>	<u>\$ 734,517</u>	<u>\$ 7,266,024</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2018, employees of the School Board have accumulated and vested \$2,239,503 of employee leave benefits, including \$32,009 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School Activities fund	\$ 800,134	\$ 3,079,083	\$ 3,091,158	\$ 788,059

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year:

	Beginning Balance as Restated	Additions	Deletions	Ending balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation bonds	\$ 59,793,000	\$ 7,370,000	\$ 10,833,000	\$ 56,330,000	\$ 3,770,000
Revenue bonds	13,105,000	-	540,000	12,565,000	565,000
Bond premiums	1,532,505	-	115,993	1,416,512	-
Other liabilities:					
OPEB liability	74,379,181	4,631,761	4,857,831	74,153,111	-
Net pension liability	81,694,643	-	13,483,231	68,211,412	-
Worker's compensation claims	81,874	208,136	193,087	96,923	96,923
Compensated absences	2,228,233	322,502	311,232	2,239,503	311,232
Governmental Activities					
Long-term liabilities	<u>\$ 232,814,436</u>	<u>\$ 12,532,399</u>	<u>\$ 30,334,374</u>	<u>\$ 215,012,461</u>	<u>\$ 4,743,155</u>

The School Board issues debt to acquire and/or improve lands for building sites and playgrounds including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities within the school district. All principal and interest requirements on general obligation bonds are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

Compensated absences are paid from the fund in which the salaries are paid. Compensated absences primarily have been paid from the General fund, Maintenance fund, and School Food Service. Bonded debt payments are paid from the debt service funds. The net pension liability is paid from the fund in which the salaries are paid. The OPEB liability and workers' compensation claims payable are paid by the General fund.

The individual bond issues are as follows:

	Original Issue	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding	Amounts Due Within One Year
<u>General Obligation Bonds:</u>						
Consolidated (District No. 1)						
June 15, 2016 - Refunding	\$ 2,780,000	2.29	2028	\$ 358,269	\$ 2,715,000	\$ 230,000
Sarepta (District No. 35)						
December 22, 2009	500,000	0.1 - 5.0	2019	3,000	60,000	60,000
June 15, 2016 - Refunding	2,795,000	2.29	2028	360,218	2,730,000	235,000
Cotton Valley (District No. 12)						
March 1, 2011	2,635,000	2.95	2021	53,098	890,000	285,000
Webster Parish District No. 6						
June 28, 2012 - Refunding	9,240,000	2.0-3.75	2029	1,886,912	8,925,000	690,000
January 22, 2013 - Refunding	7,835,000	1.0-3.0	2030	1,164,937	6,370,000	435,000
June 24, 2014 - Refunding	7,085,000	2.0-4.0	2031	1,764,687	6,330,000	370,000
March 23, 2016	7,000,000	2.0-3.125	2036	2,366,636	7,000,000	45,000
Doyline School District No. 7						
August 1, 2011	10,000,000	2.0-5.0	2031	142,750	1,425,000	450,000
December 15, 2017 - Refunding	7,370,000	2.58	2031	1,593,279	7,235,000	80,000
Springhill School (District No. 8)						
October 2, 2012 - Refunding	7,370,000	2.0-4.0	2030	1,438,040	6,035,000	415,000
May 9, 2013 - Refunding	7,840,000	2.0-3.75	2030	1,317,131	6,615,000	475,000
<u>Revenue Bonds:</u>						
Taxable QSCB						
December 16, 2009	3,000,000	1.0	2025	195,000	3,000,000	-
March 15, 2011	3,000,000	1.0	2026	232,500	3,000,000	-
District No. 6 Sales Tax School Bond						
December 1, 2015 - Refunding	6,685,000	2.025-2.325	2028	779,338	6,565,000	565,000
Total				<u>\$ 13,655,795</u>	<u>\$ 68,895,000</u>	<u>\$ 4,335,000</u>

**Webster Parish School Board
Notes to the Financial Statements
June 30, 2018**

Future bond requirements for payment of principal and interest are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2019	\$ 4,335,000	\$ 1,813,251	\$ 6,148,251
2020	4,440,000	1,703,967	6,143,967
2021	4,580,000	1,586,357	6,166,357
2022	4,410,000	1,461,586	5,871,586
2023	4,795,000	1,348,776	6,143,776
2024-2028	32,635,000	4,555,405	37,190,405
2029-2033	11,630,000	1,053,685	12,683,685
2034-2036	2,070,000	132,768	2,202,768
Total	<u>\$ 68,895,000</u>	<u>\$ 13,655,795</u>	<u>\$ 82,550,795</u>

In accordance with Louisiana Revised Statute 39:562(O), the School Board is legally restricted from incurring long-term bonded debt in excess of 50 percent of the assessed value of taxable property. At June 30, 2018, the statutory limit is \$155,736,360 and outstanding net bonded debt totals \$57,046,385.

Advanced Refundings

In December 2017, the School Board issued \$6,685,000 in sales tax school refunding bonds for District No. 7 to advance refund \$6,630,000 of the series 2011 general obligation bonds to reduce total future debt service payments. The proceeds were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded sales tax bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$618,007. This amount is considered a deferred outflow of resources and amortized over the life of the new bonds. The refunding resulted in savings of \$289,751 in future debt service payments over the next thirteen years for a net economic savings of \$239,776.

Defeasance of Debt

In prior years, the School Board defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statement. At June 30, 2018, \$6,630,000 of defeased bonds remain outstanding.

Pledged Revenues

The School Board has pledged future collections of the 1/2% sales and use tax to repay the Webster Parish District No. 6 Sales Tax Refunding Bonds, Series 2015, original bond issuance of \$6,685,000. Proceeds from the sales tax revenue bonds provided financing for the purpose of constructing, acquiring, improving and maintaining public school and school related facilities. The revenue bonds are payable through fiscal year ending 2028. Total principal and interest remaining to be paid are \$7,344,338. For the year ended June 30, 2018, the School Board received \$1,801,724 from the collection of the 1/2% sales tax and paid \$695,211 in debt service payments. The annual principal and interest payments are estimated to be 40.8% of the tax revenues over the next ten years.

The School Board has pledged future collections of the ad valorem 4.23 millage constitutional tax to repay the QSCB Revenue Bonds, Series 2009 and Series 2011. The original bond issuances were \$3,000,000 and \$3,000,000, respectively. Proceeds from the bonds provided financing for the purpose of constructing, acquiring, improving and maintaining public school and school related facilities. These revenue bonds are payable in fiscal year 2025 for Series 2009 and fiscal year 2026 for Series 2011. Total debt service sinking fund and interest payments remaining to be paid on the QSCB bonds are \$2,967,633 and \$427,500, respectively. For the year ended June 30, 2018, the

**Webster Parish School Board
Notes to the Financial Statements
June 30, 2018**

School Board received \$1,071,695 from the collection of the ad valorem 4.23 millage constitutional tax and paid \$405,323 to the sinking fund and \$60,000 in interest payments. The annual debt service sinking fund and interest payments are estimated to be 39.6% of the tax revenues over the next eight years.

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	\$ 2,287,544	Nonmajor Governmental	\$ 2,287,544
Nonmajor Governmental	13,766	General fund	13,766
Total	<u>\$ 2,301,310</u>		<u>\$ 2,301,310</u>

The purpose of interfund receivable/payables between the General fund and Title I and the Nonmajor Governmental funds is to cover expenditures on cost reimbursement programs until reimbursements are received from the Louisiana Department of Education.

Interfund transfers:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
General fund	\$ 1,388,427	96 Sales Tax	\$ 1,388,427
Nonmajor Governmental	699,394	Sales Tax District 6	699,394
Nonmajor Governmental	63,053	96 Sales Tax	63,053
Nonmajor Governmental	12,305	Dubberly Heflin Sibley	12,305
		Consolidated Capital Project	
Nonmajor Governmental	91,110	Nonmajor Governmental	91,110
Total	<u>\$ 2,254,289</u>		<u>\$ 2,254,289</u>

The purpose of interfund transfers was mainly to transfer sales tax to General fund, cover expenditures for school food services and to transfer funds to debt service funds.

NOTE 14 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The parish tax collector makes retirement remittances to the teacher’s retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher’s retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the tax collector’s office. For 2018, the tax collector paid the Teacher’s Retirement System of Louisiana \$265,603. These amounts are recognized as ad valorem revenue and as employer contributions to the TRSL pension plan.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$4,068. This amount was recognized as state revenue and as employer contributions to the TRSL pension plan.

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 15 – LITIGATION, CLAIMS AND COMMITMENTS

Litigation The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's combined financial position.

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. These programs are subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Tax Arbitrage Rebate Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage liability at year end.

Construction Commitments The School Board's construction commitment at June 30, 2018 is composed of the following:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended to June 30, 2018</u>	<u>Committed</u>
Lakeside Jr. High	\$ 1,023,000	\$ 541,601	\$ 481,399

NOTE 16 - RISK MANAGEMENT The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A risk management program for workers' compensation insurance was established by the School Board several years ago. Premiums are paid into the General fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. As of June 30, 2018 reimbursable expenditures did not exceed interfund premiums. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

An insurance policy covers individual claims in excess of \$400,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information and does not include incremental costs. The liability for claims and judgments is recorded in the General fund in the fund financial statements when amounts are due and payable. The remaining liability is reported in the Statement of Net Position. The total liability at June 30, 2018 was \$96,923.

Changes in the claims amount in previous fiscal years were as follows:

<u>Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments</u>	<u>Ending of Fiscal Year Liability</u>
2016	\$ 39,431	\$ 106,508	\$ 75,769	\$ 70,170
2017	70,170	54,136	42,432	81,874
2018	81,874	208,136	193,087	96,923

The total liability of \$96,923 is reported in Statement A – Governmental Activities Statement of Net Position and is considered long term, of which \$96,923 is reported as due within one year.

**Webster Parish School Board
Notes to the Financial Statements
June 30, 2018**

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 17 - FUND BALANCE CLASSIFICATION DETAILS The following are the details of the fund balance classifications for the year ended June 30, 2018:

	General	Sales Tax District 6	96 Sales Tax	Dubberly Heflin Sibley Capital Project	Nonmajor Governmental	Total
Nonspendable:						
Prepays	\$ 197,268	\$ -	\$ -	\$ -	\$ -	\$ 197,268
Inventory	-	-	-	-	107,701	107,701
Restricted:						
Protested taxes	30,118	-	-	20,934	14,820	65,872
Worker's compensation	275,000	-	-	-	-	275,000
Salaries and benefits	646,832	-	6,981,621	-	-	7,628,453
Retirees insurance	-	-	115,125	-	-	115,125
Technology	-	-	200,000	-	-	200,000
Utilities, buses and air conditioning	-	-	2,976,895	-	-	2,976,895
Debt service	-	-	-	-	3,736,494	3,736,494
School construction	-	-	-	5,878,502	5,636,438	11,514,940
Facility improvements	-	7,018,204	-	-	2,271,061	9,289,265
Grant funds	-	-	-	-	541,792	541,792
Committed:						
Fire insurance	124,673	-	-	-	-	124,673
Vocational education	225	-	-	-	-	225
Assigned:						
Facility improvements	-	-	-	-	216,971	216,971
Unassigned	7,344,819	-	-	-	-	7,344,819
Total	<u>\$ 8,618,935</u>	<u>\$ 7,018,204</u>	<u>\$ 10,273,641</u>	<u>\$ 5,899,436</u>	<u>\$ 12,525,277</u>	<u>\$ 44,335,493</u>

NOTE 18 - JOINTLY GOVERNED ORGANIZATION The Webster Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the Parish. The Commission is comprised of nine members, one each from the City of Minden, the City of Springhill, the Town of Cotton Valley, the Town of Cullen, the Town of Sarepta, the Town of Sibley, the Village of Dixie Inn, the Webster Parish School Board, and the Webster Parish School Board, in accordance with the joint agreement of the agencies. Sales taxes of \$14,555,944 were collected by the Commission and distributed to the School Board. The Tax Commission issues an audited annual financial report that can be obtained by contacting the Webster Parish Sales and Use Tax Commission.

NOTE 19 - TAX ABATEMENTS The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2018 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Assessed Valuate Lost to ITEP</u>	<u>Estimated Tax Dollar Lost to ITEP</u>
Parish-wide taxes:			
Constitutional	4.23	\$ 8,112,188	\$ 34,315
Special Maintenance & Operations	6.15	8,112,188	49,890
Building Maintenance	2.82	8,112,188	22,876
Building Maintenance	2.64	8,112,188	21,416
District taxes-Maintenance Taxes:			
Dubberly Heflin Sibley Consolidated District No. 3	26.42	1,758,592	46,462
Doyline District No. 7	5.56	545,950	3,035
Springhill District No. 8	7.74	3,319,791	25,695
Cotton Valley District No. 12	5.00	1,474,776	7,374
District taxes-Sinking Funds:			
Dubberly Heflin Sibley Consolidated District No. 3	15.00	1,758,592	26,379
Minden District No. 6	29.00	1,013,079	29,379
Doyline District No. 7	22.00	545,950	12,011
Springhill District No. 8	35.00	3,319,791	116,193
Cotton Valley District No. 12	10.00	1,474,776	14,748
			<u>\$ 409,773</u>

NOTE 20 - NEW GASB STANDARDS In fiscal year 2018, the School Board adopted the following new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The adoption of Statement No. 75 has no impact on the School Board’s governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board’s 2017 government-wide financial statements to reflect the reporting of total OPEB

Webster Parish School Board
Notes to the Financial Statements
June 30, 2018

liability in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$53,343,218 reflecting the cumulative retrospective effect of adoption.

- Statement No. 85 – *Omnibus 2017*, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).
- Statement No. 86 – *Certain Debt Extinguishment Issues*, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

NOTE 21 – PRIOR PERIOD ADJUSTMENT The government-wide financial statements include a prior period adjustment decreasing net position of the governmental activities by \$53,343,218, which was related to the implementation of GASB 75. The pro forma amounts for fiscal year 2017 are not presented because the amounts are not readily determinable.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Webster Parish School Board

**SCHEDULE OF CHANGES IN THE SCHOOL BOARD'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2018**

EXHIBIT 1

Total OPEB Liability	<u>2018</u>
Service costs	\$ 1,238,823
Interest	2,810,402
Differences between expected and actual experience	582,536
Benefit payments	<u>(4,857,831)</u>
Net change in total OPEB liability	(226,070)
Total OPEB liability - beginning	<u>74,379,181</u>
Total OPEB liability - ending	<u><u>\$ 74,153,111</u></u>
Covered payroll	26,338,889
Total OPEB liability as a percentage of covered payroll	281.53%

Notes to Schedule:

Changes of Assumptions

Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following is the discount rate used:

2018	3.87%
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This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Webster Parish School Board

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Four Fiscal Years

Exhibit 2-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.979260%	\$ 5,686,027	\$ 2,740,876	207%	76.18%
2016	1.021735%	6,479,099	2,934,161	221%	74.49%
2017	1.015131%	7,657,613	2,885,301	265%	70.09%
2018	0.962366%	6,158,440	2,754,933	224%	75.03%
Teacher's Retirement System of Louisiana					
2015	0.63484%	\$ 64,890,011	\$ 28,542,650	227%	63.70%
2016	0.64667%	69,531,430	29,470,814	236%	62.50%
2017	0.63080%	74,037,030	29,260,653	253%	59.90%
2018	0.60528%	62,052,972	27,463,774	226%	65.60%

Notes:

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish School Board

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLANS

Last Four Fiscal Years

Exhibit 2-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 968,274	\$ 968,274	\$ -	\$ 2,934,161	33.0%
2016	871,361	871,361	-	2,885,301	30.2%
2017	752,096	752,096	-	2,754,933	27.3%
2018	767,122	\$ 767,122	-	2,779,428	27.6%
Teacher's Retirement System of Louisiana					
2015	\$ 8,571,001	\$ 8,571,001	\$ -	\$ 29,470,814	29.1%
2016	7,695,281	7,695,281	-	29,260,653	26.3%
2017	7,003,262	7,003,262	-	27,463,774	25.5%
2018	7,452,980	7,452,980	-	28,018,723	26.6%

Notes:

The amounts presented were determined as of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish School Board
June 30, 2018

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR PENSIONS

Louisiana School Employees' Retirement System

Changes in Benefit Terms: Amounts reported after 2015 include a change in benefit terms for members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015. These employees may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after June 30, 2010.

Changes in assumptions: For amounts reported for 2016, the valuation investment rate of return was reduced from the 7.25% reported in 2015 to 7.00%. The reduction was made to account for the funding of administrative expenses out of investment earnings. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. For amounts reported for 2017, based on Act 94 of the 2016 Regular Session of the Legislature, the explicit cost of projected noninvestment related administrative expense were included in the calculation of the actuarially required contribution for the plan. With this change, the valuation of plan liabilities based on valuation interest rate set for 0.25% below the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

Teacher's Retirement System of Louisiana

Changes in Benefit Terms: Amounts reported after 2015 include a change in benefit terms for members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015. These employees may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011.

Changes in assumptions: Amounts reported in 2017 and earlier were valued using a discount rate of 7.75%. For 2018, the discount rate was decreased from 7.75% to 7.70%.

**Webster Parish School Board
Budgetary Comparison Schedules**

General Fund and Any Major Special Revenue Funds With a Legally Adopted Annual Budget

GENERAL FUND The General fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

SALES TAX DISTRICT 6 To account for the proceeds of a one-half percent sales and use tax passed by the voters of District 6 effective April 1, 2004. The proceeds are to be used for facilities improvements in District 6 schools.

96 SALES TAX The 96 Sales Tax fund accounts for proceeds of a one percent sales tax to be used for salaries and benefits, retirees insurance, school supplies, technology and operation of schools.

WEBSTER PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Exhibit 3-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 5,733,638	\$ 7,549,203	\$ 7,549,203	\$ -
Resources (inflows)				
Local sources:				
Ad valorem taxes	2,874,882	3,004,856	2,895,437	(109,419)
Sales and use taxes	5,230,552	5,335,163	5,880,850	545,687
Interest earnings	30,122	29,822	36,214	6,392
Other	333,759	243,870	377,194	133,324
State sources:				
Equalization	37,906,308	36,900,832	37,066,792	165,960
Other	843,913	611,602	598,600	(13,002)
Federal sources	62,924	79,916	88,075	8,159
Transfers from other funds	1,381,062	1,381,062	1,388,427	7,365
Amounts available for appropriations	<u>54,397,160</u>	<u>55,136,326</u>	<u>55,880,792</u>	<u>744,466</u>
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	22,046,105	22,146,086	22,251,575	(105,489)
Special programs	7,293,644	7,213,031	7,001,557	211,474
Other instructional programs	2,359,414	2,428,829	2,345,884	82,945
Support services:				
Student services	1,900,326	1,993,345	1,967,183	26,162
Instructional staff support	1,898,738	1,705,062	1,686,252	18,810
General administration	435,945	342,184	497,570	(155,386)
School administration	3,293,704	3,342,996	3,436,928	(93,932)
Business services	495,686	511,401	537,287	(25,886)
Plant services	3,131,383	3,246,958	3,826,610	(579,652)
Student transportation services	3,518,039	3,456,705	3,492,975	(36,270)
Central services	200,484	198,266	196,899	1,367
Food services	2,264	2,314	1,137	1,177
Community service programs	20,000	20,000	20,000	-
Transfers to other funds	96,371	96,371	-	96,371
Total charges to appropriations	<u>46,692,103</u>	<u>46,703,548</u>	<u>47,261,857</u>	<u>(558,309)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 7,705,057</u>	<u>\$ 8,432,778</u>	<u>\$ 8,618,935</u>	<u>\$ 186,157</u>

WEBSTER PARISH SCHOOL BOARD

**SALES TAX DISTRICT 6
Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Exhibit 3-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 6,489,431	\$ 7,155,637	\$ 7,155,637	\$ -
Resources (inflows)				
Local sources:				
Sales and use taxes	1,562,382	1,744,333	1,801,724	57,391
Interest earnings	23,857	23,857	19,725	(4,132)
Federal sources	-	1,611,083	691,180	(919,903)
Amounts available for appropriations	<u>8,075,670</u>	<u>10,534,910</u>	<u>9,668,266</u>	<u>(866,644)</u>
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	12,199	-	2,575	(2,575)
Support services:				
General administration	49,143	35,361	31,143	4,218
Business services	-	-	126	(126)
Plant services	267,570	167,731	221,090	(53,359)
Capital outlay	1,763,952	1,756,027	1,695,734	60,293
Debt services:				
Interest and bank charges	4,025	4,025	-	4,025
Transfers to other funds	700,926	699,516	699,394	122
Total charges to appropriations	<u>2,797,815</u>	<u>2,662,660</u>	<u>2,650,062</u>	<u>12,598</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 5,277,855</u>	<u>\$ 7,872,250</u>	<u>\$ 7,018,204</u>	<u>\$ (854,046)</u>

WEBSTER PARISH SCHOOL BOARD

**96 SALES TAX
Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Exhibit 3-3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ 9,489,082	\$ 9,489,082	\$ -
Resources (inflows)				
Local sources:				
Sales and use taxes	5,665,257	5,784,227	6,377,110	592,883
Interest earnings	27,589	27,589	29,345	1,756
Transfers from other funds	1,410	1,410	-	(1,410)
Amounts available for appropriations	5,694,256	15,302,308	15,895,537	593,229
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	1,967,531	2,200,027	2,179,467	20,560
Special programs	497,934	474,640	470,511	4,129
Other instructional programs	89,614	93,986	94,696	(710)
Support services:				
Student services	127,655	122,523	118,821	3,702
Instructional staff support	117,860	123,331	121,676	1,655
General administration	130,228	136,199	176,385	(40,186)
School administration	230,426	202,803	197,576	5,227
Business services	44,580	43,353	43,294	59
Plant services	166,979	147,861	145,331	2,530
Student transportation services	600,392	406,487	408,210	(1,723)
Central services	13,419	11,006	12,086	(1,080)
Food services	258,269	214,671	202,363	12,308
Transfers to other funds	1,449,369	1,478,357	1,451,480	26,877
Total charges to appropriations	5,694,256	5,655,244	5,621,896	33,348
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ 9,647,064	\$ 10,273,641	\$ 626,577

Webster Parish School Board

**Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Note A. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

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

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

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved by the Board.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Legal Level of Budgetary Control The School Board approves budgets at the function level and management can transfer amounts between line items within a function for the General fund. Budgets are approved for special revenue funds at the fund level.

Note B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED APPROPRIATIONS

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2018:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 46,703,548	\$ 47,261,857	\$ (558,309)

This variance was the result of unanticipated expenditures after the last budget revision.

WEBSTER PARISH SCHOOL BOARD

**Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Note C - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>	<u>SALES TAX DISTRICT 6</u>	<u>96 SALES TAX</u>
<u>Sources/inflows of resources:</u>			
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$55,880,792	\$ 9,668,266	\$15,895,537
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(7,549,203)	(7,155,637)	(9,489,082)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,388,427)</u>	<u>-</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds	<u>46,943,162</u>	<u>2,512,629</u>	<u>6,406,455</u>
<u>Uses/outflows of resources:</u>			
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	47,261,857	2,650,062	5,621,896
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>-</u>	<u>(699,394)</u>	<u>(1,451,480)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$47,261,857</u>	<u>\$ 1,950,668</u>	<u>\$ 4,170,416</u>

**Webster Parish School Board
Nonmajor Special Revenue Funds**

SUPPLEMENTARY INFORMATION

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2018**

Exhibit 4

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 3,115,519	\$ 1,569,382	\$ 5,653,364	\$ 10,338,265
Investments	-	3,036,367	-	3,036,367
Receivables	2,087,490	1,142	-	2,088,632
Interfund receivables	-	13,766	-	13,766
Inventory	238,139	-	-	238,139
TOTAL ASSETS	<u>5,441,148</u>	<u>4,620,657</u>	<u>5,653,364</u>	<u>15,715,169</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	717,591	-	16,926	734,517
Interfund payables	1,403,381	884,163	-	2,287,544
Unearned revenue	167,831	-	-	167,831
Total Liabilities	<u>2,288,803</u>	<u>884,163</u>	<u>16,926</u>	<u>3,189,892</u>
Fund Balances:				
Nonspendable	107,701	-	-	107,701
Restricted	2,827,673	3,736,494	5,636,438	12,200,605
Assigned	216,971	-	-	216,971
Total Fund Balances	<u>3,152,345</u>	<u>3,736,494</u>	<u>5,636,438</u>	<u>12,525,277</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,441,148</u>	<u>\$ 4,620,657</u>	<u>\$ 5,653,364</u>	<u>\$ 15,715,169</u>

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2018**

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,667,245	\$ 5,709,771	\$ 535,690	\$ 7,912,706
Sales and use	496,260	-	-	496,260
Interest earnings	9,957	74,693	18,420	103,070
Food services	116,841	-	-	116,841
Other	33,782	13	-	33,795
State sources:				
Equalization	774,002	-	-	774,002
Other	196,451	-	-	196,451
Federal sources	8,889,508	-	-	8,889,508
Total revenues	<u>12,184,046</u>	<u>5,784,477</u>	<u>554,110</u>	<u>18,522,633</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	1,347,128	-	-	1,347,128
Other instructional programs	2,838,758	-	-	2,838,758
Support services:				
Student services	382,382	-	-	382,382
Instructional staff support	726,092	-	-	726,092
General administration	503,602	204,537	34,928	743,067
School administration	-	-	32,642	32,642
Business services	2,279	-	-	2,279
Plant services	1,646,271	-	138,165	1,784,436
Food services	4,512,142	-	-	4,512,142
Capital outlay	71,847	-	2,227,566	2,299,413
Debt service:				
Principal retirement	-	4,743,000	-	4,743,000
Interest and charges	-	1,967,707	-	1,967,707
Bond issuance costs	-	141,168	-	141,168
Total expenditures	<u>12,030,501</u>	<u>7,056,412</u>	<u>2,433,301</u>	<u>21,520,214</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 153,545</u>	<u>\$ (1,271,935)</u>	<u>\$ (1,879,191)</u>	<u>\$ (2,997,581)</u>

(CONTINUED)

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2018**

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 63,053	\$ 802,809	\$ -	\$ 865,862
Transfers out	(84,958)	-	(6,152)	(91,110)
Refunding bonds issued	-	7,370,000	-	7,370,000
Payment to refunded bond escrow agent	-	(7,248,007)	-	(7,248,007)
Total other financing sources (uses)	<u>(21,905)</u>	<u>924,802</u>	<u>(6,152)</u>	<u>896,745</u>
Net Change in Fund Balances	131,640	(347,133)	(1,885,343)	(2,100,836)
FUND BALANCES - BEGINNING	<u>3,020,705</u>	<u>4,083,627</u>	<u>7,521,781</u>	<u>14,626,113</u>
FUND BALANCES - ENDING	<u>\$ 3,152,345</u>	<u>\$ 3,736,494</u>	<u>\$ 5,636,438</u>	<u>\$ 12,525,277</u>

(CONCLUDED)

**Webster Parish School Board
Nonmajor Special Revenue Funds**

BUILDING MAINTENANCE TAX To account for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities.

SPRINGHILL DISTRICT MAINTENANCE To account for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities in the Springhill district.

SCHOOL FOOD SERVICE To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

TITLE I To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. This is primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment.

SPECIAL EDUCATION

IDEA To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

PRESCHOOL GRANTS To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

OTHER ESEA FUNDS

IMPROVING TEACHER QUALITY GRANTS To ensure that teachers, staff and administrators have access to sustained and intensive high-quality professional development. To challenge state content standards in core academic subjects.

STUDENT SUPPORT AND ACADEMIC ENRICHMENT To improve student's academic achievement by increasing the capacity of States, local education agencies, schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students

RURAL EDUCATION To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools

(Continued)

**Webster Parish School Board
Nonmajor Special Revenue Funds**

SPECIAL FEDERAL FUNDS

CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES To develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) To make grants available to assist low-income families with child care services. The purpose of the program is to increase the availability, affordability, and quality of child care and to increase the availability of early childhood development and before - and after-school programs.

COMPREHENSIVE LITERACY DEVELOPMENT To advance literacy skills, including pre-literacy skills, reading and writing for students from birth through grade 12, including English learner and students with disabilities.

EDUCATION EXCELLENCE To account for the tobacco settlement money received from the state.

COMPREHENSIVE SCHOOL REFORM To provide funding to initiate and expand counseling programs in elementary and secondary schools.

DISTRICT LEASES To account for royalty payments from School Board owned land. These funds can be used for any area of educational improvement in the school district.

Consolidated #3
Springhill
Shongaloo
Minden
Cotton Valley
Sarepta

(Concluded)

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2018

	BUILDING MAINTENANCE TAX	SPRINGHILL DISTRICT MAINTENANCE	SCHOOL FOOD SERVICE	TITLE I	SPECIAL EDUCATION
ASSETS					
Cash and cash equivalents	\$ 1,964,698	\$ 404,230	\$ 222,436	\$ -	\$ -
Receivables	67	63	256,506	964,649	380,494
Inventory	-	-	238,139	-	-
TOTAL ASSETS	1,964,765	404,293	717,081	964,649	380,494
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	68,514	14,663	226,927	179,347	97,012
Interfund payables	-	-	11,330	785,302	283,482
Unearned revenue	-	-	130,438	-	-
Total Liabilities	68,514	14,663	368,695	964,649	380,494
Fund Balances:					
Nonspendable	-	-	107,701	-	-
Restricted	1,896,251	389,630	240,685	-	-
Assigned	-	-	-	-	-
Total Fund Balances	1,896,251	389,630	348,386	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,964,765	\$ 404,293	\$ 717,081	\$ 964,649	\$ 380,494

Exhibit 6

OTHER ESEA FUNDS	SPECIAL FEDERAL FUNDS	EDUCATION EXCELLENCE	COMPREHENSIVE SCHOOL REFORM	DISTRICT LEASES	TOTAL
\$ -	\$ -	\$ 306,474	\$ 1,316	\$ 216,365	\$ 3,115,519
219,867	263,174	1,443	621	606	2,087,490
-	-	-	-	-	238,139
<u>219,867</u>	<u>263,174</u>	<u>307,917</u>	<u>1,937</u>	<u>216,971</u>	<u>5,441,148</u>
35,988	88,330	6,810	-	-	717,591
147,120	174,844	-	1,303	-	1,403,381
36,759	-	-	634	-	167,831
<u>219,867</u>	<u>263,174</u>	<u>6,810</u>	<u>1,937</u>	<u>-</u>	<u>2,288,803</u>
-	-	-	-	-	107,701
-	-	301,107	-	-	2,827,673
-	-	-	-	216,971	216,971
<u>-</u>	<u>-</u>	<u>301,107</u>	<u>-</u>	<u>216,971</u>	<u>3,152,345</u>
<u>\$ 219,867</u>	<u>\$ 263,174</u>	<u>\$ 307,917</u>	<u>\$ 1,937</u>	<u>\$ 216,971</u>	<u>\$ 5,441,148</u>

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

	BUILDING MAINTENANCE TAX	SPRINGHILL DISTRICT MAINTENANCE	SCHOOL FOOD SERVICE	TITLE I	SPECIAL EDUCATION
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 1,383,339	\$ 283,906	\$ -	\$ -	\$ -
Sales and use	68,278	-	427,982	-	-
Interest earnings	5,425	1,167	78	-	-
Food services	-	-	116,841	-	-
Other	3,250	-	3,250	-	-
State sources:					
Equalization	-	-	774,002	-	-
Other	103,744	-	-	-	-
Federal sources	-	-	3,354,909	2,826,605	1,458,854
Total revenues	1,564,036	285,073	4,677,062	2,826,605	1,458,854
EXPENDITURES					
Current:					
Instruction:					
Special programs	-	-	-	-	1,347,128
Other instructional programs	-	-	-	2,367,603	-
Support services:					
Student services	-	-	-	151,117	-
Instructional staff support	-	-	-	92,731	-
General administration	79,197	10,124	-	215,154	111,726
Business services	-	828	1,451	-	-
Plant services	1,468,004	178,267	-	-	-
Food services	-	-	4,512,142	-	-
Capital outlay	-	71,847	-	-	-
Total expenditures	1,547,201	261,066	4,513,593	2,826,605	1,458,854
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 16,835	\$ 24,007	\$ 163,469	\$ -	\$ -

Exhibit 7

<u>OTHER ESEA FUNDS</u>	<u>SPECIAL FEDERAL FUNDS</u>	<u>EDUCATION EXCELLENCE</u>	<u>COMPREHENSIVE SCHOOL REFORM</u>	<u>DISTRICT LEASES</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,667,245
-	-	-	-	-	496,260
-	-	974	-	2,313	9,957
-	-	-	-	-	116,841
-	-	-	-	27,282	33,782
-	-	-	-	-	774,002
-	-	92,707	-	-	196,451
<u>550,922</u>	<u>407,989</u>	<u>13,163</u>	<u>277,066</u>	<u>-</u>	<u>8,889,508</u>
<u>550,922</u>	<u>407,989</u>	<u>106,844</u>	<u>277,066</u>	<u>29,595</u>	<u>12,184,046</u>
-	-	-	-	-	1,347,128
-	376,158	94,997	-	-	2,838,758
26,955	-	-	204,310	-	382,382
478,868	7,382	89,548	57,563	-	726,092
45,099	24,449	-	15,193	2,660	503,602
-	-	-	-	-	2,279
-	-	-	-	-	1,646,271
-	-	-	-	-	4,512,142
-	-	-	-	-	71,847
<u>550,922</u>	<u>407,989</u>	<u>184,545</u>	<u>277,066</u>	<u>2,660</u>	<u>12,030,501</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,701)</u>	<u>\$ -</u>	<u>\$ 26,935</u>	<u>\$ 153,545</u>

(CONTINUED)

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2018

	<u>BUILDING MAINTENANCE TAX</u>	<u>SPRINGHILL DISTRICT MAINTENANCE</u>	<u>SCHOOL FOOD SERVICE</u>	<u>TITLE I</u>	<u>SPECIAL EDUCATION</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 9,166	\$ -	\$ 53,887	\$ -	\$ -
Transfers out	-	(84,958)	-	-	-
Total other financing sources (uses)	<u>9,166</u>	<u>(84,958)</u>	<u>53,887</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	26,001	(60,951)	217,356	-	-
FUND BALANCES - BEGINNING	<u>1,870,250</u>	<u>450,581</u>	<u>131,030</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,896,251</u>	<u>\$ 389,630</u>	<u>\$ 348,386</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 7

<u>OTHER ESEA FUNDS</u>	<u>SPECIAL FEDERAL FUNDS</u>	<u>EDUCATION EXCELLENCE</u>	<u>COMPREHENSIVE SCHOOL REFORM</u>	<u>DISTRICT LEASES</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,053
-	-	-	-	-	(84,958)
-	-	-	-	-	(21,905)
-	-	(77,701)	-	26,935	131,640
-	-	378,808	-	190,036	3,020,705
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,107</u>	<u>\$ -</u>	<u>\$ 216,971</u>	<u>\$ 3,152,345</u>

(CONCLUDED)

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018

Exhibit 8-1

*****BUILDING MAINTENANCE TAX*****

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,431,526	\$ 1,383,339	\$ (48,187)
Sales and use	60,743	68,278	7,535
Interest earnings	3,531	5,425	1,894
Other	3,250	3,250	-
State sources:			
Other	103,745	103,744	(1)
	1,602,795	1,564,036	(38,759)
Total revenues			
EXPENDITURES			
Current:			
Support services:			
General administration	52,674	79,197	(26,523)
Plant services	1,828,594	1,468,004	360,590
	1,881,268	1,547,201	334,067
Total expenditures			
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(278,473)	16,835	295,308
OTHER FINANCING SOURCES (USES)			
Transfers in	8,726	9,166	440
	8,726	9,166	440
Total other financing sources (uses)			
Net Change in Fund Balances	(269,747)	26,001	295,748
FUND BALANCES - BEGINNING	1,780,725	1,870,250	89,525
FUND BALANCES - ENDING	\$ 1,510,978	\$ 1,896,251	\$ 385,273

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2018

Exhibit 8-2

*****SPRINGHILL DISTRICT MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 286,467	\$ 283,906	\$ (2,561)
Interest earnings	1,348	1,167	(181)
Total revenues	<u>287,815</u>	<u>285,073</u>	<u>(2,742)</u>
EXPENDITURES			
Current:			
Support services:			
General administration	10,427	10,124	303
Business services	-	828	(828)
Plant services	169,043	178,267	(9,224)
Capital outlay	<u>73,397</u>	<u>71,847</u>	<u>1,550</u>
Total expenditures	<u>252,867</u>	<u>261,066</u>	<u>(8,199)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>34,948</u>	<u>24,007</u>	<u>(10,941)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(83,954)</u>	<u>(84,958)</u>	<u>(1,004)</u>
Total other financing sources (uses)	<u>(83,954)</u>	<u>(84,958)</u>	<u>(1,004)</u>
Net Change in Fund Balances	(49,006)	(60,951)	(11,945)
FUND BALANCES - BEGINNING	<u>450,581</u>	<u>450,581</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 401,575</u>	<u>\$ 389,630</u>	<u>\$ (11,945)</u>

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018

Exhibit 8-3

*****SCHOOL FOOD SERVICE*****

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 408,159	\$ 427,982	\$ 19,823
Interest earnings	105	78	(27)
Food services	99,916	116,841	16,925
Other	3,250	3,250	-
State sources:			
Equalization	774,183	774,002	(181)
Federal sources	3,250,744	3,354,909	104,165
Total revenues	4,536,357	4,677,062	140,705
EXPENDITURES			
Current:			
Support services:			
Business services	-	1,451	(1,451)
Food services	4,307,985	4,512,142	(204,157)
Total expenditures	4,307,985	4,513,593	(205,608)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	228,372	163,469	(64,903)
OTHER FINANCING SOURCES (USES)			
Transfers in	59,581	53,887	(5,694)
Total other financing sources (uses)	59,581	53,887	(5,694)
Net Change in Fund Balances	287,953	217,356	(70,597)
FUND BALANCES - BEGINNING	131,030	131,030	-
FUND BALANCES - ENDING	\$ 418,983	\$ 348,386	\$ (70,597)

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018**

Exhibit 8-4

*****TITLE I*****

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	3,573,465	2,826,605	(746,860)
Total revenues	3,573,465	2,826,605	(746,860)
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	3,301,145	2,367,603	933,542
Support services:			
Student services	-	151,117	(151,117)
Instructional staff support	-	92,731	(92,731)
General administration	272,320	215,154	57,166
Total charges to appropriations	3,573,465	2,826,605	746,860
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2018

Exhibit 8-5

*****SPECIAL EDUCATION*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Federal sources	\$ 1,927,052	\$ 1,458,854	\$ (468,198)
Total revenues	<u>1,927,052</u>	<u>1,458,854</u>	<u>(468,198)</u>
EXPENDITURES			
Current:			
Instruction:			
Special programs	1,779,165	1,347,128	432,037
Support services:			
General administration	<u>147,887</u>	<u>111,726</u>	<u>36,161</u>
Total expenditures	<u>1,927,052</u>	<u>1,458,854</u>	<u>468,198</u>
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018

Exhibit 8-6

*****OTHER ESEA FUNDS*****

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 677,510	\$ 550,922	\$ (126,588)
Total revenues	677,510	550,922	(126,588)
EXPENDITURES			
Current:			
Support services:			
Student services	-	26,955	(26,955)
Instructional staff support	625,516	478,868	146,648
General administration	51,994	45,099	6,895
Total expenditures	677,510	550,922	126,588
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018**

Exhibit 8-7

*****SPECIAL FEDERAL FUNDS*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Federal sources	\$ 442,855	\$ 407,989	\$ (34,866)
Total revenues	<u>442,855</u>	<u>407,989</u>	<u>(34,866)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	424,655	376,158	48,497
Support services:			
Instructional staff support	-	7,382	(7,382)
General administration	18,200	24,449	(6,249)
Total expenditures	<u>442,855</u>	<u>407,989</u>	<u>34,866</u>
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2018

Exhibit 8-8

*****EDUCATION EXCELLENCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 1,339	\$ 974	\$ (365)
State sources:			
Other	92,707	92,707	-
Federal sources	<u>15,732</u>	<u>13,163</u>	<u>(2,569)</u>
Total revenues	<u>109,778</u>	<u>106,844</u>	<u>(2,934)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	92,707	94,997	(2,290)
Support services:			
Instructional staff support	<u>92,073</u>	<u>89,548</u>	<u>2,525</u>
Total expenditures	<u>184,780</u>	<u>184,545</u>	<u>235</u>
Net Change in Fund Balances	(75,002)	(77,701)	(2,699)
FUND BALANCES - BEGINNING	<u>378,808</u>	<u>378,808</u>	<u>-</u>
FUND BALANCES - ENDING	<u><u>\$ 303,806</u></u>	<u><u>\$ 301,107</u></u>	<u><u>\$ (2,699)</u></u>

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2018

Exhibit 8-9

*****COMPREHENSIVE SCHOOL REFORM*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Federal sources	\$ 294,915	\$ 277,066	\$ (17,849)
Total revenues	<u>294,915</u>	<u>277,066</u>	<u>(17,849)</u>
EXPENDITURES			
Current:			
Support services:			
Student services	213,186	204,310	8,876
Instructional staff support	65,876	57,563	8,313
General administration	15,853	15,193	660
Total expenditures	<u>294,915</u>	<u>277,066</u>	<u>17,849</u>
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WEBSTER PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2018

Exhibit 8-10

*****DISTRICT LEASES*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 1,405	\$ 2,313	\$ 908
Other	23,580	27,282	3,702
Total revenues	<u>24,985</u>	<u>29,595</u>	<u>4,610</u>
EXPENDITURES			
Current:			
Support services:			
General administration	<u>2,660</u>	<u>2,660</u>	<u>-</u>
Total expenditures	<u>2,660</u>	<u>2,660</u>	<u>-</u>
Net Change in Fund Balances	22,325	26,935	4,610
FUND BALANCES - BEGINNING	<u>190,036</u>	<u>190,036</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 212,361</u>	<u>\$ 216,971</u>	<u>\$ 4,610</u>

Webster Parish School Board

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**Webster Parish School Board
Nonmajor Debt Service Funds**

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective districts. The School Board has the following debt service funds:

Shongaloo Evergreen Consolidated (District No. 1)

Dubberly Heflin Sibley Consolidated (District No. 3)

Minden (District No. 6)

Doyline (District No. 7)

Cotton Valley (District No. 12)

Sarepta (District No. 35)

Springhill (District No. 8)

WEBSTER PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2018

	SHONGALOO EVERGREEN CONSOLIDATED	DUBBERLY HEFLIN SIBLEY CONSOLIDATED	MINDEN	DOYLINE
ASSETS				
Cash and cash equivalents	\$ 500,910	\$ 16,010	\$ -	\$ -
Investments	-	80,746	2,339,962	-
Receivables	-	108	721	-
Interfund receivables	-	13,766	-	-
TOTAL ASSETS	500,910	110,630	2,340,683	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund payables	-	-	549,844	334,319
Total Liabilities	-	-	549,844	334,319
FUND BALANCES				
Restricted	500,910	110,630	1,790,839	(334,319)
Total Fund Balances	500,910	110,630	1,790,839	(334,319)
TOTAL LIABILITIES AND FUND BALANCES	\$ 500,910	\$ 110,630	\$ 2,340,683	\$ -

Exhibit 9

COTTON VALLEY	SAREPTA	SPRINGHILL	TOTAL
\$ 273,277	\$ 87,625	\$ 691,560	\$ 1,569,382
-	46,352	569,307	3,036,367
30	-	283	1,142
-	-	-	13,766
<u>273,307</u>	<u>133,977</u>	<u>1,261,150</u>	<u>4,620,657</u>
-	-	-	884,163
-	-	-	884,163
<u>273,307</u>	<u>133,977</u>	<u>1,261,150</u>	<u>3,736,494</u>
<u>273,307</u>	<u>133,977</u>	<u>1,261,150</u>	<u>3,736,494</u>
<u>\$ 273,307</u>	<u>\$ 133,977</u>	<u>\$ 1,261,150</u>	<u>\$ 4,620,657</u>

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

	SHONGALOO EVERGREEN CONSOLIDATED	DUBBERLY HEFLIN SIBLEY CONSOLIDATED	MINDEN	DOYLINE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 245,590	\$ 622,269	\$ 2,546,823	\$ 482,966
Interest earnings	1,562	1,728	50,469	33
Other	-	-	13	-
Total revenues	<u>247,152</u>	<u>623,997</u>	<u>2,597,305</u>	<u>482,999</u>
EXPENDITURES				
Current:				
Support services:				
General administration	8,605	23,421	90,621	17,535
Debt service:				
Principal retirement	225,000	540,000	1,985,000	565,000
Interest and charges	73,225	20,177	1,087,632	272,745
Bond issuance costs	-	-	-	141,168
Total expenditures	<u>306,830</u>	<u>583,598</u>	<u>3,163,253</u>	<u>996,448</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(59,678)</u>	<u>40,399</u>	<u>(565,948)</u>	<u>(513,449)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	12,305	699,394	-
Refunding bonds issued	-	-	-	7,370,000
Payment to refunded bond escrow agent	-	-	-	(7,248,007)
Total other financing sources (uses)	<u>-</u>	<u>12,305</u>	<u>699,394</u>	<u>121,993</u>
Net Change in Fund Balances	(59,678)	52,704	133,446	(391,456)
FUND BALANCES - BEGINNING	<u>560,588</u>	<u>57,926</u>	<u>1,657,393</u>	<u>57,137</u>
FUND BALANCES - ENDING	<u>\$ 500,910</u>	<u>\$ 110,630</u>	<u>\$ 1,790,839</u>	<u>\$ (334,319)</u>

Exhibit 10

COTTON VALLEY	SAREPTA	SPRINGHILL	TOTAL
\$ 259,378	\$ 268,491	\$ 1,284,254	\$ 5,709,771
917	5,342	14,642	74,693
-	-	-	13
<u>260,295</u>	<u>273,833</u>	<u>1,298,896</u>	<u>5,784,477</u>
9,068	9,506	45,781	204,537
270,000	288,000	870,000	4,743,000
34,495	80,291	399,142	1,967,707
-	-	-	141,168
<u>313,563</u>	<u>377,797</u>	<u>1,314,923</u>	<u>7,056,412</u>
<u>(53,268)</u>	<u>(103,964)</u>	<u>(16,027)</u>	<u>(1,271,935)</u>
-	6,152	84,958	802,809
-	-	-	7,370,000
-	-	-	(7,248,007)
<u>-</u>	<u>6,152</u>	<u>84,958</u>	<u>924,802</u>
(53,268)	(97,812)	68,931	(347,133)
<u>326,575</u>	<u>231,789</u>	<u>1,192,219</u>	<u>4,083,627</u>
<u>\$ 273,307</u>	<u>\$ 133,977</u>	<u>\$ 1,261,150</u>	<u>\$ 3,736,494</u>

Webster Parish School Board

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**Webster Parish School Board
Nonmajor Capital Project Funds**

SCHOOL BUILDING FUNDS

Sarepta
Shongaloo
Cotton Valley
Doyline
Minden School Building

The school building funds account for financial resources to be used to acquire, construct, or improve facilities within the respective districts.

MOORE FIRE INSURANCE The Moore Fire Insurance fund accounts for insurance proceeds from a fire loss at Jerry A. Moore School to be used to acquire, construct, or improve facilities.

LOCAL GOVERNMENT SUPPORT The local government support fund accounts for funds received from the Local Government Assistance Program of the State of Louisiana to be used to acquire, construct, or improve facilities.

SPRINGHILL SCHOOL BUILDING This fund accounts for financial resources to be used to acquire, construct or improve facilities within the Springhill district.

WEBSTER PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS

Combining Balance Sheet

June 30, 2018

	<u>SAREPTA</u>	<u>SHONGALOO</u>	<u>COTTON VALLEY</u>	<u>DOYLINE</u>
ASSETS				
Cash and cash equivalents	\$ 1,899,235	\$ 666,833	\$ 112,947	\$ 2,567,104
TOTAL ASSETS	<u>1,899,235</u>	<u>666,833</u>	<u>112,947</u>	<u>2,567,104</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	9,874	-	6,279	-
Total Liabilities	<u>9,874</u>	<u>-</u>	<u>6,279</u>	<u>-</u>
Fund balances:				
Restricted	1,889,361	666,833	106,668	2,567,104
Total Fund Balances	<u>1,889,361</u>	<u>666,833</u>	<u>106,668</u>	<u>2,567,104</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,899,235</u>	<u>\$ 666,833</u>	<u>\$ 112,947</u>	<u>\$ 2,567,104</u>

Exhibit 11

<u>MINDEN SCHOOL BUILDING</u>	<u>MOORE FIRE INSURANCE</u>	<u>LOCAL GOVERNMENT SUPPORT</u>	<u>SPRINGHILL SCHOOL BUILDING</u>	<u>TOTAL</u>
\$ 303,742	\$ 11,688	\$ 58,602	\$ 33,213	\$ 5,653,364
<u>303,742</u>	<u>11,688</u>	<u>58,602</u>	<u>33,213</u>	<u>5,653,364</u>
773	-	-	-	16,926
<u>773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,926</u>
<u>302,969</u>	<u>11,688</u>	<u>58,602</u>	<u>33,213</u>	<u>5,636,438</u>
<u>302,969</u>	<u>11,688</u>	<u>58,602</u>	<u>33,213</u>	<u>5,636,438</u>
<u>\$ 303,742</u>	<u>\$ 11,688</u>	<u>\$ 58,602</u>	<u>\$ 33,213</u>	<u>\$ 5,653,364</u>

WEBSTER PARISH SCHOOL BOARD

**NONMAJOR CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

	<u>SAREPTA</u>	<u>SHONGALOO</u>	<u>COTTON VALLEY</u>	<u>DOYLINE</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 283,988	\$ -	\$ 129,674	\$ 122,028
Interest earnings	5,162	2,000	174	7,437
Total revenues	289,150	2,000	129,848	129,465
EXPENDITURES				
Current:				
Support services:				
General administration	10,065	-	14,911	9,952
School administration	-	-	-	32,642
Plant services	17,550	94,685	15,805	10,125
Capital outlay	-	-	-	-
Total expenditures	27,615	94,685	30,716	52,719
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	261,535	(92,685)	99,132	76,746
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,152)	-	-	-
Total Other Financing Sources (Uses)	(6,152)	-	-	-
Net Change in Fund Balances	255,383	(92,685)	99,132	76,746
FUND BALANCES - BEGINNING	1,633,978	759,518	7,536	2,490,358
FUND BALANCES - ENDING	\$ 1,889,361	\$ 666,833	\$ 106,668	\$ 2,567,104

Exhibit 12

<u>MINDEN SCHOOL BUILDING</u>	<u>MOORE FIRE INSURANCE</u>	<u>LOCAL GOVERNMENT SUPPORT</u>	<u>SPRINGHILL SCHOOL BUILDING</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 535,690
3,344	34	172	97	18,420
<u>3,344</u>	<u>34</u>	<u>172</u>	<u>97</u>	<u>554,110</u>
-	-	-	-	34,928
-	-	-	-	32,642
-	-	-	-	138,165
<u>2,227,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,227,566</u>
<u>2,227,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,433,301</u>
<u>(2,224,222)</u>	<u>34</u>	<u>172</u>	<u>97</u>	<u>(1,879,191)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,152)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,152)</u>
<u>(2,224,222)</u>	<u>34</u>	<u>172</u>	<u>97</u>	<u>(1,885,343)</u>
<u>2,527,191</u>	<u>11,654</u>	<u>58,430</u>	<u>33,116</u>	<u>7,521,781</u>
<u>\$ 302,969</u>	<u>\$ 11,688</u>	<u>\$ 58,602</u>	<u>\$ 33,213</u>	<u>\$ 5,636,438</u>

**Webster Parish School Board
Agency Fund**

SCHOOL ACTIVITIES FUND The activities of the various individual school accounts are accounted for in the School Activities fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

WEBSTER PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2018

Exhibit 13

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, Ending</u>
ASSETS				
Cash and cash equivalents	<u>\$ 800,134</u>	<u>\$ 3,079,083</u>	<u>\$ 3,091,158</u>	<u>\$ 788,059</u>
Total Assets	<u>800,134</u>	<u>3,079,083</u>	<u>3,091,158</u>	<u>788,059</u>
LIABILITIES				
Deposits due others	<u>800,134</u>	<u>3,079,083</u>	<u>3,091,158</u>	<u>788,059</u>
Total Liabilities	<u>\$ 800,134</u>	<u>\$ 3,079,083</u>	<u>\$ 3,091,158</u>	<u>\$ 788,059</u>

WEBSTER PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2018

Exhibit 14

<u>School</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Brown Upper Elementary	\$ 24,037	\$ 83,906	\$ 102,744	\$ 5,199
Browning Elementary	45,759	70,845	86,932	29,672
Central Elementary	37,424	126,884	120,765	43,543
Doyline High	21,027	222,916	193,312	50,631
Harper Elementary	26,234	76,119	75,844	26,509
Jones Elementary	16,800	175,850	156,574	36,076
Lakeside Junior-Senior High	83,625	375,541	377,766	81,400
Minden High	126,191	694,766	711,699	109,258
North Webster High	129,186	564,337	591,231	102,292
North Webster Junior High	69,326	168,236	172,668	64,894
North Webster Lower Elementary	85,515	60,246	52,601	93,160
North Webster Upper Elementary	38,568	67,838	62,694	43,712
Phillips Middle	42,609	39,389	49,298	32,700
Richardson Elementary	3,741	150,447	144,565	9,623
Webster Junior High	50,092	201,763	192,465	59,390
Total	<u>\$ 800,134</u>	<u>\$ 3,079,083</u>	<u>\$ 3,091,158</u>	<u>\$ 788,059</u>

Webster Parish School Board

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2018**

Exhibit 15

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month and the President receives \$700 per month.

<u>Board Member</u>	<u>Amount</u>
Johnnye Kennon, President	\$ 8,400
Charles Strong, Vice President	7,200
Ronnie Broughton	7,200
Brandon Edens, July 1, 2017 – February 10, 2018	4,800
Margaret Edens, April 9, 2018 – June 30, 2018	1,800
Linda Kinsey	7,200
Penny Long	7,200
Jerry Lott	7,200
John Madden	7,200
Frankie Mitchell	7,200
Jeri O’Neal	7,200
Malachi Ridgel	7,200
Ronnie Rhymes	<u>7,200</u>
Total	<u>\$87,000</u>

Webster Parish School Board

**Schedule Of Compensation, Benefits And Other Payments To Agency Head
For the Year Ended June 30, 2018**

Exhibit 16

Agency Head Name: Johnny Rowland Jr., Superintendent

Purpose	Amount
Salary	\$ 121,167
Benefits-insurance	11,108
Benefits-retirement	33,826
Car allowance	6,000
Cell phone	275
Dues	425
Registration fees	475
Conference travel	1,135
Special meals	815

STATISTICAL SECTION

**Webster Parish School Board
Statistical Section
Contents**

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Financial Trends		
These schedules contain trend information to help the reader understand how the School Board's financial performance and well being has changed over time.		
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These schedules contain information to help the reader assess the School Board's most significant local revenue sources, property tax and sales tax.		
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These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue debt in the future.		
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**Webster Parish School Board
Statistical Section
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.		
Demographic and Economic Statistics	15	151
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Operating Information		
These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.		
School Personnel	17	153
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Net Position by Component
Fiscal Years Ended June 30, 2009 through June 30, 2018
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018 (2)
Governmental Activities										
Net investment in capital assets	\$ 23,493,132	\$ 25,437,330	\$ 15,209,054	\$ 15,817,694	\$ 16,177,328	\$ 14,274,091	\$ 13,966,234	\$ 12,589,785	\$ 15,643,215	\$ 19,040,626
Restricted	12,986,009	14,236,090	22,962,812	24,814,922	26,638,167	30,496,108	31,854,433	34,467,684	34,746,377	35,466,747
Unrestricted	1,867,685	(4,735,317)	(11,576,112)	(15,849,138)	(16,646,283)	(18,386,187)	(88,627,041)	(84,811,766)	(85,321,920)	(133,452,220)
Total governmental activities net position	<u>\$ 38,346,826</u>	<u>\$ 34,938,103</u>	<u>\$ 26,595,754</u>	<u>\$ 24,783,478</u>	<u>\$ 26,169,212</u>	<u>\$ 26,384,012</u>	<u>\$ (42,806,374)</u>	<u>\$ (37,754,297)</u>	<u>\$ (34,932,328)</u>	<u>\$ (78,944,847)</u>

Source: Comprehensive Annual Financial Report

Notes:

- (1) GASB Statements No. 68 was implemented for the year ended 6/30/2015. Beginning net position was decreased by \$74,691,218 as result of the implementation.
(2) GASB Stsatement No. 75 was implemented for the year ended 6/30/2018. Beginning net postion was decreased by \$53,343,218 as a result of the implementation.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Changes in Net Position
Fiscal Years Ended June 30, 2009 through June 30, 2018
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Instruction:										
Regular programs	\$ 29,368,611	\$ 28,614,311	\$ 28,344,280	\$ 26,986,177	\$ 24,224,240	\$ 26,803,783	\$ 24,268,068	\$ 24,682,243	\$ 25,364,109	\$ 25,631,496
Special programs	14,776,186	15,211,543	15,264,827	13,033,335	11,683,580	11,843,363	11,010,082	11,450,559	12,090,408	9,484,954
Other instructional programs	4,809,972	3,992,660	3,378,934	3,193,725	3,095,730	3,160,600	2,607,249	2,723,529	2,940,861	5,377,918
Support services:										
Student support services	2,901,248	2,940,142	3,271,866	3,034,383	2,569,647	2,411,454	2,227,713	2,558,519	2,569,016	2,584,251
Instructional staff support	3,470,480	3,545,520	3,377,665	3,351,315	2,737,366	2,637,071	2,590,126	2,541,126	2,691,035	2,665,810
General administration	1,684,178	1,450,474	1,177,405	1,236,676	2,183,427	1,719,274	1,484,844	1,606,039	1,360,419	1,703,277
School administration	4,331,926	4,596,677	4,068,993	4,017,945	3,911,314	4,047,638	3,689,695	3,455,558	3,696,855	3,820,343
Business services	634,414	657,644	590,054	758,300	881,508	722,648	644,832	603,377	571,558	604,802
Plant services	5,763,973	5,828,058	6,509,653	5,858,352	5,702,373	6,372,682	5,809,900	5,632,521	6,278,445	4,941,247
Student transportation services	4,328,344	3,710,391	3,889,295	3,953,923	3,817,173	3,976,834	4,024,158	3,745,468	4,037,606	2,175,065
Central services	221,225	308,871	267,280	255,647	278,559	271,343	187,272	205,324	204,735	205,181
Food services	5,473,891	6,179,790	5,069,107	5,489,517	5,194,980	5,256,191	5,091,749	5,120,696	5,052,817	4,903,372
Community services	12,700	102,092	31,238	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Interest on long-term debt	3,630,544	3,323,026	3,214,862	3,308,755	2,866,162	2,460,752	2,256,077	2,307,494	2,346,542	2,086,921
Total expenses	<u>81,407,692</u>	<u>80,461,199</u>	<u>78,455,459</u>	<u>74,498,050</u>	<u>69,166,059</u>	<u>71,703,633</u>	<u>65,911,765</u>	<u>66,652,453</u>	<u>69,224,406</u>	<u>66,204,637</u>
Program Revenues										
Charges for services:										
Food Service Operations	830,991	731,941	744,095	727,913	611,498	534,504	486,985	483,736	455,279	116,841
Operating Grants and Contributions	11,792,682	12,568,814	10,631,012	9,199,815	8,525,907	8,258,171	7,817,334	9,080,100	8,758,749	9,457,086
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	691,180
Total program revenues	<u>12,623,673</u>	<u>13,300,755</u>	<u>11,375,107</u>	<u>9,927,728</u>	<u>9,137,405</u>	<u>8,792,675</u>	<u>8,304,319</u>	<u>9,563,836</u>	<u>9,214,028</u>	<u>10,265,107</u>
Net (Expense) / Revenue	<u>(68,784,019)</u>	<u>(67,160,444)</u>	<u>(67,080,352)</u>	<u>(64,570,322)</u>	<u>(60,028,654)</u>	<u>(62,910,958)</u>	<u>(57,607,446)</u>	<u>(57,088,617)</u>	<u>(60,010,378)</u>	<u>(55,939,530)</u>
General Revenues and Other Changes in Net Position										
Taxes										
Property taxes levied for general purposes	4,028,313	4,418,544	2,565,058	2,646,464	2,619,094	2,720,452	2,854,340	3,007,424	2,994,718	2,895,437
Property Taxes levied for construction & maintenance	-	-	2,696,460	2,837,535	2,792,610	2,980,897	2,398,469	3,284,813	5,908,115	3,299,134
Property taxes levied for debt services	6,008,704	6,566,578	6,288,274	6,162,811	6,260,775	6,459,640	5,685,081	5,162,713	3,260,236	5,709,771
Sales taxes	15,277,929	13,864,372	14,308,089	14,520,504	13,756,233	14,143,026	14,651,681	13,136,562	12,935,132	14,555,944
Grants and contributions not restricted to specific programs	40,313,904	38,238,972	38,104,927	35,913,584	35,393,690	36,332,623	37,690,484	36,982,877	37,075,404	38,156,342
Interest and investment earnings	584,306	155,857	177,762	153,160	129,532	121,910	180,812	182,892	204,779	206,663
Miscellaneous	635,722	507,398	373,683	523,988	462,456	367,207	(352,589)	383,413	453,963	446,938
Total	<u>66,848,878</u>	<u>63,751,721</u>	<u>64,514,253</u>	<u>62,758,046</u>	<u>61,414,390</u>	<u>63,125,755</u>	<u>63,108,278</u>	<u>62,140,694</u>	<u>62,832,347</u>	<u>65,270,229</u>
Change in Net Position	<u>\$ (1,935,141)</u>	<u>\$ (3,408,723)</u>	<u>\$ (2,566,099)</u>	<u>\$ (1,812,276)</u>	<u>\$ 1,385,736</u>	<u>\$ 214,797</u>	<u>\$ 5,500,832</u>	<u>\$ 5,052,077</u>	<u>\$ 2,821,969</u>	<u>\$ 9,330,699</u>

Source: Comprehensive Annual Financial Report

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 907,771	\$ 765,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,641,857	9,606,958	-	-	-	-	-	-	-	-
Nonspendable	-	-	233,634	186,479	162,675	216,467	149,556	157,908	210,456	197,268
Restricted	-	-	940,003	897,151	837,914	1,007,759	856,607	819,150	951,718	951,950
Committed	-	-	124,898	124,898	124,898	124,898	124,898	124,898	124,898	124,898
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	6,518,458	3,667,295	3,396,651	3,377,494	3,773,903	4,840,386	6,262,131	7,344,819
Total General fund	<u>11,549,628</u>	<u>10,371,960</u>	<u>7,816,993</u>	<u>4,875,823</u>	<u>4,522,138</u>	<u>4,726,618</u>	<u>4,904,964</u>	<u>5,942,342</u>	<u>7,549,203</u>	<u>8,618,935</u>
All Other Governmental Funds										
Reserved	10,860,809	11,122,199	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,967,031	4,820,554	-	-	-	-	-	-	-	-
Capital projects funds	6,466,948	5,856,052	-	-	-	-	-	-	-	-
Nonspendable	-	-	19,207	50,645	38,555	39,644	70,010	118,839	127,267	107,701
Restricted	-	-	27,540,707	34,175,783	33,365,287	33,182,958	34,042,861	41,306,126	36,977,490	35,391,886
Committed	-	-	-	-	-	-	-	-	-	-
Assigned - Special revenue funds	-	-	166,114	130,418	142,350	153,458	166,927	188,823	190,036	216,971
Unassigned	-	-	(137,123)	-	-	-	-	-	-	-
Total all other governmental funds	<u>21,294,788</u>	<u>21,798,805</u>	<u>27,588,905</u>	<u>34,356,846</u>	<u>33,546,192</u>	<u>33,376,060</u>	<u>34,279,798</u>	<u>41,613,788</u>	<u>37,294,793</u>	<u>35,716,558</u>
Grand Total of funds	<u>\$ 32,844,416</u>	<u>\$ 32,170,765</u>	<u>\$ 35,405,898</u>	<u>\$ 39,232,669</u>	<u>\$ 38,068,330</u>	<u>\$ 38,102,678</u>	<u>\$ 39,184,762</u>	<u>\$ 47,556,130</u>	<u>\$ 44,843,996</u>	<u>\$ 44,335,493</u>

Source: Comprehensive Annual Financial Report

- (1) GASB Statement No. 54 was implemented for the year ended June 30, 2011
- (2) The reserved fund balance in the General Fund and all other governmental funds in prior years before the implementation of GASB 54 are reported as restricted after GASB 54.

Table 4

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Revenue from local sources:										
Ad valorem taxes	\$ 10,037,017	\$ 10,985,122	\$ 11,549,792	\$ 11,646,810	\$ 11,672,479	\$ 12,160,989	\$ 10,937,890	\$ 11,454,950	\$ 12,163,069	\$ 11,904,342
Sales & use taxes	15,277,929	13,864,372	14,308,089	14,520,504	13,756,233	14,143,026	14,651,681	13,136,562	12,935,132	14,555,944
Interest earnings	584,306	155,857	177,762	153,160	129,532	121,910	180,812	182,892	204,779	206,663
Food services	830,991	731,941	744,095	727,913	611,498	534,504	486,985	483,736	455,279	116,841
Other	669,770	479,274	473,355	550,899	571,892	595,174	422,300	341,351	412,829	446,938
Total revenues from local sources	27,400,013	26,216,566	27,253,093	27,599,286	26,741,634	27,555,603	26,679,668	25,599,491	26,171,088	27,230,728
Revenue from state sources:										
Equalization	39,990,263	37,921,904	36,131,502	35,573,826	35,088,990	35,607,382	37,373,685	36,768,395	36,567,053	37,840,794
Other	3,447,973	1,692,723	994,789	770,770	752,543	1,723,183	920,925	1,128,539	999,370	795,051
Total revenue from state sources	43,438,236	39,614,627	37,126,291	36,344,596	35,841,533	37,330,565	38,294,610	37,896,934	37,566,423	38,635,845
Revenue from federal sources	8,668,350	11,193,159	11,609,648	8,768,803	8,078,064	7,260,229	7,213,208	8,166,043	8,267,730	9,668,763
Total Revenues	79,506,599	77,024,352	75,989,032	72,712,685	70,661,231	72,146,397	72,187,486	71,662,468	72,005,241	75,535,336
Expenditures:										
Current:										
Instruction services	43,156,576	42,720,748	43,552,599	39,766,023	36,329,876	38,243,536	38,010,272	38,174,502	36,768,742	38,635,837
Student services	2,472,633	2,414,442	3,035,981	2,767,092	2,352,471	2,115,610	2,214,825	2,506,199	2,269,022	2,468,386
Instructional staff support	3,347,429	3,090,800	3,140,302	3,175,897	2,519,676	2,363,528	2,556,075	2,466,009	2,422,647	2,534,020
General administration	1,133,213	1,239,943	1,112,521	1,168,072	1,445,846	1,320,607	1,222,710	1,345,320	1,284,942	1,506,864
School administration	3,973,818	4,203,747	3,792,335	3,714,538	3,651,422	3,722,383	3,703,527	3,386,495	3,364,283	3,667,146
Business services	559,662	596,089	551,961	715,193	843,502	675,950	640,404	593,555	522,171	582,986
Plant services	5,752,454	5,511,301	6,157,156	5,498,924	5,348,506	5,977,481	5,797,183	5,551,648	5,764,938	6,087,353
Student transportation services	3,768,449	3,400,904	3,644,291	3,688,254	3,580,883	3,690,634	4,207,468	4,042,862	3,861,762	3,901,185
Central services	202,330	291,143	262,974	250,240	276,216	264,423	200,598	215,324	196,921	208,985
Food services	5,061,828	5,177,154	4,761,280	5,157,674	4,895,365	4,902,190	5,024,637	5,004,585	4,681,623	4,715,642
Community services	12,700	102,092	31,238	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capital Outlay	7,034,251	6,842,063	1,030,037	6,423,947	3,833,098	3,124,591	928,255	458,609	7,024,847	4,985,553
Debt service:										
Principal	2,651,000	3,084,000	3,457,000	3,362,000	3,657,000	3,912,000	4,119,000	4,123,000	4,406,000	4,743,000
Interest and charges	3,390,571	3,375,030	3,325,683	3,475,203	2,957,927	2,679,312	2,460,448	2,296,240	2,170,611	1,967,707
Bond issuance costs	-	-	-	-	414,876	137,517	-	211,852	-	141,168
Total Expenditures	82,516,914	82,049,456	77,855,358	79,183,057	72,126,664	73,149,762	71,105,402	70,396,200	74,758,509	76,165,832
Excess of revenues over (under) expenditures	(3,010,315)	(5,025,104)	(1,866,326)	(6,470,372)	(1,465,433)	(1,003,365)	1,082,084	1,266,268	(2,753,268)	(630,496)
Other Financing Sources (Uses)										
Transfers in	5,951,272	2,811,641	6,029,897	2,922,267	2,985,036	2,904,750	3,008,189	2,782,529	1,863,827	2,254,289
Transfers out	(5,951,272)	(2,811,641)	(6,029,897)	(2,922,267)	(2,985,036)	(2,904,750)	(3,008,189)	(2,782,529)	(1,863,827)	(2,254,289)
Insurance proceeds	-	43,945	-	-	-	-	-	42,062	41,134	-
Bond premium	-	-	-	643,669	911,868	424,927	-	59,151	-	7,370,000
Proceeds from borrowing	-	3,500,000	5,635,000	19,240,000	23,045,000	7,085,000	-	19,260,000	-	-
Payments to escrow agent	-	-	(2,545,000)	(9,586,526)	(23,655,772)	(7,472,217)	-	(12,256,113)	-	(7,248,007)
Total other financing sources (uses)	-	3,543,945	3,090,000	10,297,143	301,096	37,710	-	7,105,100	41,134	121,993
Net change in fund balances	\$ (3,010,315)	\$ (1,481,159)	\$ 1,223,674	\$ 3,826,771	\$ (1,164,337)	\$ (965,655)	\$ 1,082,084	\$ 8,371,368	\$ (2,712,134)	\$ (508,503)
Debt service as a percentage of noncapital expenditures	8.0%	8.6%	8.8%	9.4%	9.7%	9.4%	9.4%	9.2%	9.7%	9.5%

Source: Comprehensive Annual Financial Report

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property		Homestead Exempt Property				
2009	\$ 88,008,650	\$ 135,579,480	\$ 18,790,680	\$ 50,542,439	\$ 191,836,371	299.37	\$ 1,859,112,420	13.04%
2010	91,603,050	104,981,890	68,913,500	51,541,028	213,957,412	284.88	1,891,563,767	14.04%
2011	93,665,250	113,615,660	72,935,360	52,209,019	228,007,251	273.25	1,985,831,673	14.11%
2012	95,626,040	122,659,500	68,655,630	52,467,769	234,473,401	263.25	2,048,612,920	14.01%
2013	97,773,890	126,382,930	65,227,990	53,015,039	236,369,771	262.53	2,081,203,727	13.90%
2014	99,645,569	132,456,880	66,362,390	53,123,426	245,341,413	266.02	2,144,951,117	13.91%
2015	101,885,029	141,957,800	67,971,980	53,162,316	258,652,493	194.02	2,237,123,543	13.94%
2016	103,896,620	140,779,940	77,663,260	53,536,337	268,803,483	193.02	2,387,370,327	13.50%
2017	106,172,940	77,488,420 (4)	133,208,250 (4)	54,116,345	262,753,265	225.97	2,362,412,820	13.41%
2018	108,180,360	78,320,160	124,972,200	54,546,194	256,926,526	229.97	2,334,353,060	13.34%

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Source: Webster Parish Tax Assessor Agency

Notes:

- (1) Property in the parish is reassessed every four years.
- (2) Assessed values are established by the Assessor each year on a uniform basis at the following ratios of assessed value to actual value:
 - 10% land
 - 10% residential improvements
 - 15% industrial improvements
 - 15% machinery
 - 15% commercial improvements
 - 25% public service properties, excluding land
- (3) Tax rates are per \$1,000 of assessed value.
- (4) Some properties were previously listed in the commercial category, and are now listed as personal personal property which accounts for the differences from previous years listing.

Table 6

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total School Millage	Webster Parish Police Jury	City of Minden	
2009	47.37	252.00	299.37	28.59	5.83	333.79
2010	47.88	237.00	284.88	28.44	5.83	319.15
2011	48.25	225.00	273.25	28.44	5.83	307.52
2012	48.25	215.00	263.25	28.44	5.83	297.52
2013	46.53	216.00	262.53	26.41	5.83	294.77
2014	52.02	214.00	266.02	25.76	7.61	299.39
2015	77.02	117.00	194.02	26.41	7.61	228.04
2016	77.02	116.00	193.02	25.41	7.61	226.04
2017	80.97	145.00	225.97	28.48	7.61	262.06
2018	85.97	144.00	229.97	28.22	7.67	265.86

Source: Webster Parish Tax Assessor Agency

Notes:

- (1) School district debt service millage is for individual school districts.
- (2) The above schedule does not include water districts, fire districts, forestry districts, or levee districts.
- (3) Overlapping rates are those of city and parish governments that apply to property owners within Webster Parish. Not all overlapping rates apply to all property owners.
- (4) The operating millage includes district maintenance taxes.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Principal Property Taxpayers
June 30, 2018 and Nine Years Ago

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Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
XTO ENERGY	\$ 15,377,430	1	5.99 %	\$ 3,209,980	4	1.67 %
ETC FIELD SERVICES-MINDEN	10,494,600	2	4.08			
ENERGY LOUISIANA LLC	7,937,400	3	3.09	5,002,980	2	2.61
MIDCONTINENT EXPRESS	6,346,680	4	2.47			
GULF PIPELINE CROSSING	6,265,880	5	2.44			
FIBREBOND CORP	6,216,210	6	2.42	2,901,020	7	1.51
CALUMET LUBRICANTS CO	5,098,020	7	1.98	2,984,930	6	1.56
KEY ENERGY SERVICES, LLC	4,404,520	8	1.71			
TANOS ENERGY HOLDINGS	3,854,750	9	1.50			
REGENCY INTRASATE	3,773,280	10	1.47			
DPC MIDSTREAM				5,789,870	1	3.02
SAMSON CONTOUR ENERGY E&P, LLP				2,296,880	9	1.20
INTERNATIONAL PAPER CO.				2,507,960	8	1.31
CENTERPOINT ENERGY GAS				3,167,020	5	1.65
GEORGIA PACIFIC				3,979,520	3	2.07
CONOCOPHILLIPS CO				2,034,880	10	1.06
Totals	\$ 69,768,770		27.16 %	\$ 33,875,040		17.66 %

Source: Webster Parish Tax Assessor Agency

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 10,426,226	\$ 9,837,559	94.35%	\$ 953	\$ 9,838,512	94.36%
2010	10,888,416	10,749,834	98.73%	5,653	10,755,487	98.78%
2011	11,388,985	11,308,730	99.30%	14,713	11,323,443	99.42%
2012	11,441,527	11,399,427	99.63%	2,363	11,401,790	99.65%
2013	11,438,920	11,429,274	99.92%	3,667	11,432,941	99.95%
2014	11,853,291	11,841,438	99.90%	3,716	11,845,154	99.93%
2015	10,677,872	10,621,537	99.47%	3,945	10,625,482	99.51%
2016	11,119,965	11,074,733	99.59%	3,534	11,078,267	99.63%
2017	11,913,347	11,886,516	99.77%	4,588	11,891,104	99.81%
2018	11,904,342	11,891,387	99.89%	N/A	11,891,387	99.89%

N/A - Information is not yet available.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Sales and Use Tax Rates and Collections - All Governments
Last Ten Calendar Years

Calendar Year	Sales and Use Tax Rates								Tax Collections					
	Parishwide				Municipalities				Parishwide			Municipalities		
	School Board	Police Jury	Law Enforcement District	School District 6	Total Rate	Minden	Minden EDD #1#2#3#4	Other	School Board	Police Jury	Sheriff Office	Minden	Other	Total Collections
2008	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		11.00%	\$ 14,796,578	\$ 3,294,200	\$ 3,293,023	\$ 5,455,113	\$ 3,316,028	\$ 30,154,942
2009	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		11.00%	14,527,789	3,216,883	3,204,465	5,475,942	2,937,858	29,362,937
2010	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		11.50%	14,053,124	3,115,419	3,104,543	5,388,220	4,317,083	29,978,389
2011	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		11.50%	14,041,970	3,104,558	3,103,392	5,597,339	3,416,974	29,264,233
2012	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		11.50%	14,653,967	3,226,991	3,224,195	6,186,900	3,479,195	30,771,248
2013	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		11.50%	13,736,045	3,024,921	3,021,211	5,787,803	3,410,239	28,980,219
2014	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		11.50%	14,566,092	3,224,168	3,222,951	5,854,030	3,587,852	30,455,093
2015	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		12.50%	14,384,304	3,192,636	3,184,681	5,793,673	3,659,989	30,215,283
2016	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%		12.50%	12,622,206	2,771,907	2,770,782	5,450,380	3,451,485	27,066,760
2017	2.00%	0.50%	0.50%	0.50%	3.50%	2.00%	2.00%	12.50%	13,825,788	3,043,116	3,043,396	5,943,709	3,480,841	29,336,850

Notes:

- (1) Information provided by Webster Parish Sales and Use Tax Agency.
- (2) Total rate represents the maximum amount that may be assessed by local taxing authorities. These rates do not include the state sales and use tax rate.
- (3) The Municipalities - Other column includes 1% each for Cotton Valley, Sarepta and Doyline, 2% for Dixie Inn, 2.5% each for Sibley, Cullen and Springhill.
- (4) Sales tax collections reported by the Webster Sales and Use Tax Agency are on the cash basis.
- (5) Minden Economic Development District includes 2.00% each District #1, #2, #3 & #4 - Effective 1/1/2017

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds (1)	QSCB Debt	Revenue Bonds	Total Bonds Outstanding	Percentage of Personal Income	Per Capita
2009	\$ 65,413,000	\$ 0	\$ 9,700,000	\$ 75,113,000	6.28%	\$ 1,843
2010	63,144,000	3,000,000	9,385,000	75,529,000	5.87%	1,863
2011	60,312,000	6,000,000	9,050,000	75,362,000	5.36%	1,829
2012	68,705,585	6,000,000	8,700,000	83,405,585	6.22%	2,020
2013	68,554,445	6,000,000	8,335,000	82,889,445	5.90%	2,025
2014	65,524,406	6,000,000	7,950,000	79,474,406	5.47%	1,954
2015	61,697,338	6,000,000	7,545,000	75,242,338	5.14%	1,866
2016	65,352,497	6,000,000	7,600,000	78,952,497	5.48%	1,973
2017	61,325,505	6,000,000	7,105,000	74,430,505	5.21%	1,544
2018	57,746,512	6,000,000	6,565,000	70,311,512	4.87%	1,466

Notes:

- (1) Presented net of original issuance discounts and premiums.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	\$ 65,413,000	\$ 4,560,431	\$ 60,852,569	3.27%	\$ 1,493
2010	63,144,000	4,377,452	58,766,548	3.11%	1,449
2011	60,312,000	4,388,608	55,923,392	2.82%	1,357
2012	68,705,585	4,382,127	64,323,458	3.14%	1,558
2013	68,554,445	4,572,812	63,981,633	3.07%	1,563
2014	65,524,406	4,617,627	60,906,779	2.84%	1,497
2015	61,697,338	3,336,451	58,360,887	2.61%	1,447
2016	65,352,497	3,336,452	62,016,045	2.60%	1,550
2017	61,325,505	1,456,583	59,868,922	2.53%	1,508
2018	57,746,512	700,127	57,046,385	2.44%	1,449

Notes:

- (1) Presented net of original issuance discounts and premiums
- (2) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements.
- (3) General Obligation Bonds column excludes QSCB and revenue bonds.
- (4) See the Schedule of Demographic and Economic Statistics (Table 14) for population data.
- (5) See Schedule of Assessed Value and Estimated Actual Value of Taxable Property (Table 5) for property value data.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Webster Parish Police Jury	\$ 1,805,000	100.00%	\$ 1,805,000
City of Minden	1,330,000	100.00%	<u>1,330,000</u>
Subtotal, overlapping debt			<u>3,135,000</u>
Webster Parish School Board Direct Debt	70,311,512	100.00%	<u>70,311,512</u>
Total direct and overlapping debt			<u><u>\$ 73,446,512</u></u>

Sources: Debt outstanding data extracted from annual financial report of respective governments.

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School Board. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School Board.
- (2) Various tax districts exist within Webster Parish that involve a small percentage of parish taxpayers. These districts' debt is not included as the amounts and impact on this schedule is not significant.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 121,189,405	\$ 132,749,220	\$ 140,108,135	\$ 143,470,585	\$ 144,692,405	\$ 149,232,420	\$ 155,907,405	\$ 161,169,910	\$ 161,169,910	\$ 155,736,360
Total net debt applicable to limit	<u>60,852,569</u>	<u>58,766,548</u>	<u>55,923,392</u>	<u>64,323,458</u>	<u>63,981,633</u>	<u>60,906,779</u>	<u>58,360,887</u>	<u>62,016,045</u>	<u>63,128,205</u>	<u>57,046,385</u>
Legal debt margin	<u>\$ 60,336,836</u>	<u>\$ 73,982,672</u>	<u>\$ 84,184,743</u>	<u>\$ 79,147,127</u>	<u>\$ 80,710,772</u>	<u>\$ 88,325,641</u>	<u>\$ 97,546,518</u>	<u>\$ 99,153,865</u>	<u>\$ 98,041,705</u>	<u>\$ 98,689,975</u>
Total net debt applicable to the limit as a percentage of debt limit	50.21%	44.27%	39.91%	44.83%	44.22%	40.81%	37.43%	38.48%	39.17%	36.63%

Legal Debt Margin Calculation

Assessed value	\$ 256,926,526
Add back: exempt real property	<u>54,546,194</u>
Total assessed value	<u>311,472,720</u>
Debt limit (50% of total assessed value)	<u>155,736,360</u>
Debt applicable to limit:	
General Obligation bonds, net	57,746,512
Less: Amount set aside for repayment of general obligation debt	<u>700,127</u>
Total net debt applicable to limit	<u>57,046,385</u>
Legal debt margin	<u>\$ 98,689,975</u>

Source: Comprehensive Annual Financial Report

Notes:

(1) The debt limit is 50% of total assessed value. This percentage is in accordance with Act 103 or 1980 Regular Session of the Louisiana Legislature R.S. 39:562 (C).

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Pledged Revenue Coverage
For the Fiscal Years Ended June 30, 2009 through June 30, 2018

Sales Tax Revenue Bond

Fiscal Year Ended June 30	Sales Tax Collections	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2009	\$ 1,684,057	\$ 211,460	\$ 1,472,597	\$ 300,000	\$ 455,062	\$ 755,062	1.95
2010	1,572,096	392,709	1,179,387	315,000	436,612	751,612	1.57
2011	1,619,050	354,462	1,264,588	335,000	417,112	752,112	1.68
2012	1,747,687	629,040	1,118,647	350,000	396,562	746,562	1.50
2013	1,638,969	405,244	1,233,725	365,000	375,113	740,113	1.67
2014	1,665,705	354,121	1,311,584	385,000	353,094	738,094	1.78
2015	1,620,903	453,926	1,166,977	405,000	330,381	735,381	1.59
2016	1,591,482	380,048	1,211,434	425,000	214,555	639,555	2.68
2017	1,562,382	384,517	1,177,865	495,000	174,734	669,734	3.68
2018	1,801,724	254,934	1,546,790	540,000	155,211	695,211	4.68

Source: Webster Parish School System

Table 15

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	0 Personal Income	Per Capita Personal Income	School Enrollment	Percentage on Free & Reduced Meals	Unemployment Rate
2009	40,754	\$ 1,196,333,670	\$ 29,355	6,995	62.79 %	6.0 %
2010	40,544	1,286,501,664	31,731	6,901	63.52	7.9
2011	41,207	1,405,694,391	34,113	6,833	61.20	8.8
2012	41,288	1,340,580,072	32,469	6,753	60.60	7.9
2013	40,940	1,403,914,480	34,292	6,716	60.70	7.2
2014	40,678	1,452,285,956	35,702	6,520	69.70	7.1
2015	40,333	1,464,410,564	36,308	6,332	71.11	8.4
2016	40,021	1,440,195,706	35,986	6,207	70.53	8.7
2017	39,710	1,427,336,240	35,944	6,162	75.40	8.6
2018	39,378	1,444,306,284	36,678	6,088	66.71	6.9

Sources:

- (1) Population data obtained from U. S. Census Bureau.
- (2) School enrollment and free and reduced meals obtained from Louisiana Department of Education.
- (3) Unemployment rate obtained from U. S. Department of Labor.
- (4) Personal Income data obtained from www.stats.indiana.edu.

Table 16

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Principal Employers
Current Year and 2009 Fiscal Year

	Fiscal Year 2018		Fiscal Year 2009			
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment		
Webster Parish School Board	765	1	5.52%	985	1	5.49%
Calumet Lubricants Co. LTD P	713	2	5.15%			
Wal-Mart/Sam's	605	3	4.37%	425	4	2.37%
Fibrebond Corporation	550	4	3.97%			
Minden Medical Center	390	5	2.82%	513	2	2.86%
State of Louisiana Civil Service	312	6	2.25%			
Springhill Medical Center	225	7	1.62%	232	7	1.29%
Minden City	220	8	1.59%	203	8	1.13%
Continental Structural Plastics	180	9	1.30%			
CW&W Contractors	170	10	1.23%			
International Paper-container div/				161	9	0.90%
Kenyan Enterprises				500	3	2.79%
Fleming Subway Restaurants				358	5	2.00%
Trane Company				260	6	1.45%
McInnis Construction				160	10	0.89%

Source: NLEP Employer surveys; Louisiana Economic Development 2016, Webster Parish School Board CAFR 2009 report

Notes:

(1) Employment data obtained from U.S. Department of Labor.

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

School Personnel
Fiscal Years Ended June 30, 2009 through June 30, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Teachers										
Less than a Bachelor's degree	1	1	1	1	2	1	1	1	1	1
Bachelor	303	310	298	273	242	234	242	241	246	245
Master	105	107	96	93	91	94	90	92	85	82
Master +30	61	59	58	49	42	40	38	36	36	29
Specialist in Education	4	5	3	4	1	0	0	1	0	0
Ph.D or Ed.D	1	1	1	2	3	2	1	2	0	0
Total	<u>475</u>	<u>483</u>	<u>457</u>	<u>422</u>	<u>381</u>	<u>371</u>	<u>372</u>	<u>373</u>	<u>368</u>	<u>357</u>
Principals & Assistants										
Bachelor	0	0	0	0	0	0	0	0	0	11
Master	6	5	6	6	5	5	5	7	10	13
Master +30	17	18	20	18	18	17	16	15	12	0
Specialist in Education	1	1	0	0	0	0	0	0	0	0
Ph.D or Ed.D	0	0	0	0	0	1	1	1	0	0
Total	<u>24</u>	<u>24</u>	<u>26</u>	<u>24</u>	<u>23</u>	<u>23</u>	<u>22</u>	<u>23</u>	<u>22</u>	<u>24</u>

Source:
2009-2017 Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.
2018 Webster Parish School Board

Note: This table only includes teachers, principals and assistant principals of the School Board

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

School Building Information
June 30, 2018

Instructional Sites	Date Constructed	Enrollment	Grades Taught
High Schools:			
Doyline	1973	480	6-12
Lakeside	2001	576	7-12
Minden	2009	823	8-12
North Webster High	2008	540	9-12
Middle Schools:			
Webster Junior High	2009	374	7-8
North Webster Jr. High	2010	425	6-8
Elementary Schools:			
Brown	1951	275	5-6
Browning	1964	320	Pre K-2
Central	1967	448	Pre K-6
E. S. Richardson	1964	444	K-5
J. A. Phillips	1972	225	Pre K & 6
J. E. Harper	1975	407	K-5
J. L. Jones	1961	414	Pre K-5
North Webster Upper Elementary	1976	184	3-5
North Webster Lower Elementary	1962	153	K-2
Total		6,088	

Sources:

- (1) Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.
- (2) Webster Parish School Board - LDOE

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Operating Statistics
For the Fiscal Years Ended June 30, 2009 through June 30, 2018

Fiscal Year Ended June 30	Expenses (1)	Enrollment (2)	Cost Per Pupil	Percentage Change	Teaching Staff (3)	Pupil/ Teacher Ratio
2009	\$ 81,407,692	6,995	\$ 11,638	23.08%	475	14.73
2010	80,461,199	6,901	11,659	0.18%	483	14.29
2011	78,455,459	6,833	11,482	-1.52%	457	14.95
2012	74,498,050	6,753	11,032	-3.92%	422	16.00
2013	69,166,059	6,716	10,299	-6.65%	381	17.63
2014	71,703,633	6,520	10,997	6.79%	371	17.57
2015	65,911,765	6,332	10,409	-5.35%	372	17.02
2016	66,652,453	6,207	10,738	3.16%	373	16.64
2017	69,224,406	6,162	11,234	4.62%	368	16.74
2018	66,204,637	6,088	10,875	-3.20%	357	17.05

Notes:

- (1) Expenses are on full accrual and is extracted from Table 2, Changes in Net Position.
- (2) Enrollment is extracted from Table 18, School Building Information.
- (3) Teaching staff is extracted from Table 17, School Personnel.

Webster Parish School Board

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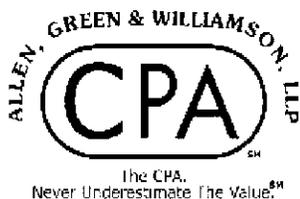
**Webster Parish School Board
Minden, Louisiana**

**Single Audit Report
and Other Information
For the Year Ended June 30, 2018**

**Webster Parish School Board
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ALLEN, GREEN & WILLIAMSON, LLP



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Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board Members
Webster Parish School Board
Minden, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Webster Parish School Board as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 30, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

Compliance and Other Matters

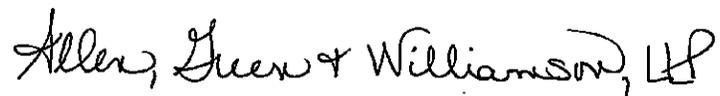
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

The School Board's Response to Findings

The School Board's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

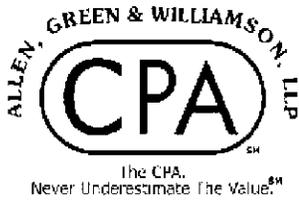
Purpose of this Report

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 30, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Board Members
Webster Parish School Board
Minden, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Webster Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

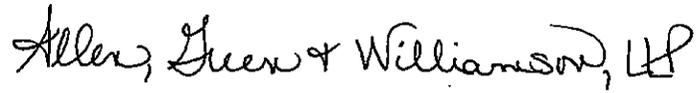
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated December 30, 2018 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 30, 2018

Webster Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Non-cash awards:			
Food Distribution (Commodities)	10.555	60	\$ 310,753
Cash awards:			
National School Lunch Program	10.555	60	2,332,594
School Breakfast Program	10.553	60	<u>711,562</u>
Total Child Nutrition Cluster			\$ 3,354,909
Passed Through Louisiana Department of Treasury:			
Schools and Roads - Grants to States (National Forest Lands)	10.665		<u>17,834</u>
Total United States Department of Agriculture			<u>3,372,743</u>
United States Department of Education			
Direct Program:			
Fund for the Improvement of Education	84.215E		219,503
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies	84.010A	28-18-T1-60 28-18-RD18-60	2,839,303
Special Education Cluster (IDEA):			
Special Education Grants to States (IDEA B)	84.027A	28-18-B1-60 28-18-PA-60 28-18-BPT6-60	1,427,705
Special Education Preschool Grants (IDEA Preschool)	84.173A	28-18-P1-60 28-18-CY-60	<u>34,239</u>
Total Special Education Cluster			1,461,944
Career and Technical Education - Basic Grants to States	84.048A	28-18-02-60	81,986
Supporting Effective Instruction State Grants (Title II, Part A)	84.367A	28-18-50-60	508,385
Striving Readers/Comprehensive Literacy Development	84.371C	28-18-SR03-60	81,471
Rural Education	84.358B	28-18-RE-60	13,343
Student Support and Academic Enrichment Program	84.424A	28-18-71-60	<u>29,194</u>
Total United States Department of Education			<u>5,235,129</u>
United States Department of Health and Human Services			
Passed Through Louisiana Department of Education:			
TANF Cluster:			
Temporary Assistance for Needy Families (TANF)	93.558	28-18-36-60	<u>237,150</u>
Total TANF Cluster			237,150
CCDF Cluster:			
Child Care and Development Block Grant	93.575	28-17-CO-60	<u>10,073</u>
Total CCDF Cluster			10,073
Passed Through Louisiana Department Health and Human Services - Office of Addictive Disorders:			
Prevention and Treatment of Substance Abuse	93.959	676631	<u>57,563</u>
Total Department of Health and Human Services			<u>304,786</u>

(Continued)

**Webster Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Homeland Security Passed Through Louisiana Department of Homeland Security and Emergency Preparedness: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW420	<u>691,180</u>
United States Department of Defense Direct Programs: Flood Control Projects JROTC	12.106 12.609		88 <u>64,837</u>
Total United States Department of Defense			<u>64,925</u>
TOTAL FEDERAL AWARDS			<u>\$ 9,668,763</u>
			(Concluded)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

Webster Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Webster Parish School Board under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the School Board, it is not intended to and does not present the financial position or changes in net position of the School Board.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the modified accrual basis of accounting which is described in Note 1 of the Notes to the Financial Statements of the School Board’s Comprehensive Annual Financial Report. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board’s basic financial statements as follows:

	Federal Sources
Major Funds:	
General Fund	\$ 88,075
Sales Tax District 6	691,180
Nonmajor Funds:	
School Food Service	3,354,909
Title I	2,826,605
Special Education	1,458,854
Other ESEA Funds	550,922
Special Federal Funds	407,989
Education Excellence	13,163
Comprehensive School Reform	277,066
Total	\$ 9,668,763

NOTE 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.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 7 - INDIRECT COST RATE The School Board has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Webster Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unmodified.
- ii. There was one significant deficiency required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America. The significant deficiency was not considered to be a material weakness.
- iii. There was one instance of noncompliance, as defined by *Government Auditing Standards*, to the financial statement.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report in accordance with 2 CFR 200.516(a).
- vii. The major federal programs are:
 - Special Education Cluster (IDEA):
 - Special Education Grants to States (IDEA, Part B) CFDA #84.027A
 - Special Education Preschool Grants (IDEA Preschool) CFDA #84.173A
 - Disaster Grants – Public Assistance (Presidentially Declared Disasters) CFDA #97.036
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in Uniform Guidance was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance.

**Webster Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Governmental auditing Standards* generally accepted in the United States of America.

Reference # and title: 2018-001 State Compliance - Sinking Fund Requirements

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: Louisiana Revised Statute 39:569 states that the governing authority of a subdivision issuing bonds hereunder shall impose and collect annually, in excess of all other taxes, a tax on all property subject to taxation by the subdivision sufficient in amount to pay the interest annually or semiannually and the principal falling due each year, or such amount as may be required, for any sinking fund necessary to retire said bonds at maturity.

Condition found: In testing the debt service funds' ending fund balance, it was noted that the Shongaloo Evergreen Consolidated District #1 Debt Service Fund had a remaining excess fund balance of \$208,735 after the next year's principal and interest payments of \$292,175 were subtracted out. In addition, Doyline District #7 has a deficit fund balance of \$343,319 at June 30, 2018.

Context: The Shongaloo Evergreen Consolidated District #1 and Doyline District #7 tax is two of seven millages assessed for debt service.

Possible asserted effect (cause and effect):

Cause: The School Board did not consider each debt service fund's ending fund balance when assessing the 2017 millage.

Effect: Millages for two debt service funds were not set at rates sufficient to meet the annual debt service requirements.

Recommendation to prevent future occurrences: The School Board should consider each debt service fund's ending fund balance when setting millage rates.

Origination date and prior year reference (if applicable) This finding is first reported in the fiscal year ended June 30, 2017. The prior year finding reference was 2017-002.

View of responsible official: It has been very difficult to estimate the fund balance when millages are due before year end close is completed.

Reference # and title: 2018-002 Student Activity Funds Management

Entity-wide or program/department specific: This finding is specific to student activity funds.

Criteria or specific requirement: Testing was performed at five schools within the parish. A sample of bank reconciliations, receipts and disbursements for all five schools were tested. A sample of deposits were tested to determine that amounts received per the general ledger for all sports events could be traced to proper supporting documentation, the total per receipt books were traced to deposits in the bank statement and the general ledger posting, and the game schedules were pulled and traced to the gate receipts. The fundraising procedures were reviewed and a sample was tested to ensure that procedures were followed. A sample of Booster Clubs at each

**Webster Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Governmental auditing Standards* generally accepted in the United States of America.

school were tested to ensure the Club was in good standing under section 501(c)(3) of the Internal Revenue Code, if any school employees were authorized check signers, and if any school employees were officers.

Condition found: A summary of the results of the testing are as follows:

Bank Reconciliations:

- Two of the five schools had exceptions where the outstanding checks could not be traced to subsequent clearing and were not being properly investigated.

Gate Receipts:

- One of the five schools had exceptions where game receipts were not deposited timely and reconciliations were not properly prepared.

Receipt Books:

- Three of the five schools had exceptions where deposits was not made timely.

Disbursements:

- Four of the five schools had exceptions where the payments were not supported by proper documentation.
- One of the five schools had exceptions where the expenditure was not in accordance with the School Board's financial policies, particularly the purchasing policy.
- One of the five schools had exceptions where the invoice was not paid timely.
- One of the five schools had exceptions where there was no evidence of receipt of goods or services.

Fundraisers:

- One of the five schools had an exception were the fundraiser was not properly approved by the principal.

Context: Five schools of the School Board's 15 schools were selected to test procedures over student activity funds.

Possible asserted effect (cause and effect):

Cause: Personnel at schools were unaware of proper procedures in some instances and not following proper procedures in other instances.

Effect: School Board policies and procedures for student activity funds were not always followed.

Recommendation to prevent future occurrences: Meetings on student activity fund procedures should be held with school bookkeepers, principals, coaches and club and class sponsors. In addition, we recommend that central office personnel do site visits to ensure that the proper procedures are followed.

Origination date and prior year reference: This finding originated in fiscal year ended June 30, 2008. The prior year finding reference was 2017-003.

View of responsible official: Internal audit site visits are conducted on a rotating basis each year. The district's annual finance workshop is conducted each year in August for school secretaries, principals, coaches and sponsors.

OTHER INFORMATION



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Dr. Daniel R. Rawls
Superintendent

**Status of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018**

Reference # and title: 2017-001 Five Percent Budget Variance

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Louisiana Revised Statute 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more. The resulting budget amendment shall only be statutorily required for a special revenue fund with anticipated expenditures that equal or exceed five hundred thousand dollars and whose revenues are not expenditure driven.

Total actual expenditures exceeded budgeted expenditures by five percent or more in the following fund that was required to amend its budget:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Sales Tax District 6	\$ 1,780,702	\$2,391,961	\$(611,259)

Corrective action taken: This fund is occasionally used to cover the capital outlay projects for the Minden district. It can be very difficult to estimate how much and when contractors will submit requests for payment. Will attempt to be more diligent in estimating. This finding is considered to be cleared.

Reference # and title: 2017-002 State Compliance - Sinking Fund Requirements

Origination date and prior year reference (if applicable): This finding is first reported in the fiscal year ended June 30, 2017.

Entity-wide or program/department specific: This finding is entity wide.

Condition: Louisiana Revised Statute 39:704 requires each sinking fund issue to ascertain that the amount of millages levied is reasonable. The balance in the fund should not be more than one year of debt service requirements. The proceeds of any special tax shall constitute a trust fund to be used exclusively for the object purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.

In testing the fund balance remaining in the sinking fund, it was noted that the Shongaloo Evergreen Consolidated District #1 Debt Service Fund had a remaining excess fund balance of \$265,106 after the next year's principal and interest payments of \$295,482 were subtracted out.

Corrective planned: See current year finding 2018-001.

**Status of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018 (continued)**

Reference # and title: **2017-003** **Student Activity Funds Management**

Entity-wide or program/department specific: This finding is specific to student activity funds.

Condition: Testing was performed at five schools within the parish. A sample of bank reconciliations, receipts and disbursements for all five schools were tested. A sample of deposits were tested to determine that amounts received per the general ledger for all sports events could be traced to proper supporting documentation, the total per receipt books were traced to deposits in the bank statement and general ledger posting, and the game schedules were pulled and traced to the gate receipts. The fundraising procedures were reviewed and a sample was tested to ensure that schools were tested to ensure the Club was in good standing under section 501(c)(3) of the Internal Revenue Code, if any school employees were authorized check signers, and if any school employees were officers.

A summary of the results of the testing are as follows:

Bank Reconciliations:

- One of the five schools had exceptions where the outstanding checks could not be traced to subsequent clearing and were not being properly investigated.

Gate Receipts:

- One of the five schools had an exception for the ticket reconciliations not being completed properly.

Receipt Books:

- One of the five schools had an exception where the deposit could not be traced to a receipt book due to a teacher losing their book.

Disbursements:

- One of the five schools had an exception where the check amount did not agree to the invoice.
- One of the five schools had an exception where the payment was not supported by proper documentation.
- One of the five schools had an exception where the invoice was not paid timely.
- Two of the five schools had an exception where the payment included a charge that was not considered necessary and reasonable.
- Three of the five schools had an exception where the expenditure was not in accordance with the School Board's financial policies, particularly the purchasing policy.

Booster Clubs:

- One Booster club let their 501(c)(3) lapse.
- One Booster club board member is a school employee.
- One Booster club was incorrectly identified as a booster club.

Two of the five schools had an exception where the fundraiser was not properly approved by the principal.

Corrective action planned: See current year finding 2018-002.

**Status of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018 (continued)**

Reference # and title: **2017-004** **Late Submission of Audit Report to the Legislative Auditor**

Entity-Wide or program /department specific: This finding is entity wide.

Condition: R.S. 24:513 A (5)(a)(i) requires that "...audits shall be completed within six months of the close of the entity's fiscal year." The School Board's audit report should be submitted to the Louisiana Legislative Auditor by December 31st each year.

The School Board's audit report for the fiscal year ending June 30, 2018 was not completed within the six month deadline as per R.S. 24:513 A (5)(a)(i).

Corrective action taken: We will request the OPEB actuarial evaluation at the beginning of the year. This finding is considered to be cleared.

Reference # and title: **2017-005** **Allowable Costs**

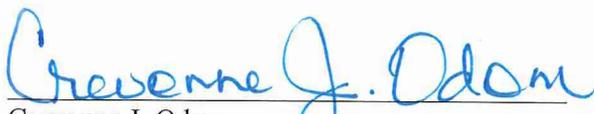
Entity-wide or program/department specific: This finding relates to the Fund for Improvement of Education Grant CFDA #84.215E for the Federal Award Year 2015 received from Federal Agency: U.S. Department of Education.

Condition: *Title 2 U.S. Code of Federal Regulations* section 200.403 establishes criteria that costs must meet to be considered allowable under federal awards and states the costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity. Accordingly, the School Board's policies and procedures should be applied consistently to expenses paid for program costs and other costs incurred for the same activities. The grant's program guidelines required the project director and one additional staff member to attend the Office of Safe and Healthy Students National Conference.

In testing travel expenses related to the attendance at the Office of Safe and Healthy Students National Conference, it was noted the grant paid the expenses for a nonemployee of the School Board to attend the conference. The grant guidelines are specific that the director and an employee is to attend the national leadership convention yearly. Furthermore, it was noted that on employee was not paid in accordance with the School Board's salary policy.

Corrective action taken: The grant supervisor wasn't aware that the project evaluator couldn't go in her absence. This finding is considered to be cleared.

Respectfully Submitted,


Crevonne J. Odom
Director of Business & Finance



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**Corrective Action Plan for Current Year Findings and Questioned Costs
For Fiscal Year Ended June 30, 2018**

Reference # and title: 2018-001 State Compliance - Sinking Fund Requirements

Entity-wide or program/department specific: This finding is entity wide.

Condition: Louisiana Revised Statute 39:569 states that the governing authority of a subdivision issuing bonds hereunder shall impose and collect annually, in excess of all other taxes, a tax on all property subject to taxation by the subdivision sufficient in amount to pay the interest annually or semiannually and the principal falling due each year, or such amount as may be required, for any sinking fund necessary to retire said bonds at maturity.

In testing the debt service funds' ending fund balance, it was noted that the Shongaloo Evergreen Consolidated District #1 Debt Service Fund had a remaining excess fund balance of \$208,735 after the next year's principal and interest payments of \$292,175 were subtracted out. In addition, Doyline District #7 has a deficit fund balance of \$343,319 at June 30, 2018.

Corrective action planned: Will try to better estimate when setting millage and keep calculation file updated.

Person responsible for corrective action:

Crevonne Odom, Business Manager
P. O. Box 520
Minden, LA 71058-0520

Telephone: 318-377-7052
Fax: 318-377-9492

Anticipated completion date: July 2019

Reference # and title: 2018-002 School Activity Funds Management

Entity-wide or program/department specific: This finding is specific to student activity funds.

Criteria or specific requirement: Testing was performed at five schools within the parish. A sample of bank reconciliations, receipts and disbursements for all five schools were tested. A sample of deposits were tested to determine that amounts received per the general ledger for all sports events could be traced to proper supporting documentation, the total per receipt books were traced to deposits in the bank statement and the general ledger posting, and the game schedules were pulled and traced to the gate receipts. The fundraising procedures were reviewed and a sample was tested to ensure that procedures were followed. A sample of Booster Clubs at each school were tested to ensure the Club was in good standing under section 501(c)(3) of the Internal Revenue Code, if any school employees were authorized check signers, and if any school employees were officers.

**Corrective Action Plan for Current Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018 (Continued)**

Condition found: A summary of the results of the testing are as follows:

Bank Reconciliations:

- Two of the five schools had exceptions where the outstanding checks could not be traced to subsequent clearing and were not being properly investigated.

Gate Receipts:

- One of the five schools had exceptions where game receipts were not deposited timely and reconciliations were not properly prepared.

Receipt Books:

- Three of the five schools had exceptions where deposits was not made timely.

Disbursements:

- Four of the five schools had exceptions where the payments were not supported by proper documentation.
- One of the five schools had exceptions where the expenditure was not in accordance with the School Board's financial policies, particularly the purchasing policy.
- One of the five schools had exceptions where the invoice was not paid timely.
- One of the five schools had exceptions where there was no evidence of receipt of goods or services.

Fundraisers:

- One of the five schools had an exception where the fundraiser was not properly approved by the principal.

Corrective action planned: We are revamping our annual finance workshop. We will conduct the annual training with smaller groups.

Person responsible for corrective action:

Crevonne Odom, Business Manager
P. O. Box 520
Minden, LA 71058-0520

Telephone: 318-377-7052
Fax: 318-377-9492

Anticipated completion date: August 2019

Respectfully Submitted,



Crevonne J. Odom
Director of Business & Finance

ALLEN, GREEN & WILLIAMSON, LLP



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Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 20002000

Management Letter

Board Members
Webster Parish School Board
Minden, Louisiana

In planning and performing our audit of financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish School Board as of and for the year ended June 30, 2018, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during the performance of our procedures, we noted certain matters that are presented for your consideration. This letter does not affect our report dated December 30, 2018 on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School Board. We will review the status of this comment during our next audit engagement. Our comments and recommendations, all of which has been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response are summarized as follows:

2018-M1 **Financial Reporting**

Comment: Sound internal controls over financial reporting require that accounting records contain accurate, complete, and up-to-date information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Additionally, the financial close process should ensure that accounting records are reviewed and balance sheet accounts are reconciled in a timely to manner to ensure that transactions are properly recorded and classified in the accounting records. When performing substantive audit work on the School Board's financial records, the following account variances were noted:

- Ending payroll liabilities were not reconciled. It was noted that multiple accounts have balances that continue to increase because the payment of the liability is posted to a different account than the one in which the liability was accrued. There were several accounts in which beginning balances are not valid.
- Ending balance for accounts receivable were not adjusted to actual at year-end. The balance contain prior year balances that are not valid.
- Prior year audit adjustments were recorded to wrong balance sheet accounts. An audit adjustment was required to correct.
- The bank reconciliation included a reconciling item for an entry that was posted to cash instead of accounts receivable. The entry to correct was not made.
- The journal entries to record School Lunch commodities revenues were not reviewed and an audit adjustment was required to correct.

Recommendation: The School Board should establish policies and procedures over the financial close process to ensure that ending balances are valid, complete and accurate for financial reporting.

Management's response: We have been researching older transactions. All current year transactions are being reconciled. Other concerns are noted.

2018-M2 Capital Assets

Comment: Good internal controls over capital assets require procedures to be implemented, to ensure additions and deletions are properly recorded on the capital asset listing per the School Board's capitalization policy.. Due care should be taken when calculating the amounts to be included in the construction in progress accounts to ensure accurate and complete information is reported and to ensure that only valid construction expenses are included in the construction in progress information.

In the testing of the construction in progress for capital assets we noted the following differences;

- Bond issuance costs were included in construction in progress
- The purchase of furniture and equipment was included in the cost of the building and depreciated over 45 years. Five to seven years would be more of a reasonable useful life for furniture and equipment.
- Current year additions to construction in progress included expenses that incurred in the next fiscal year. An audit adjustment was made to remove from current year additions.

Recommendation: The School Board should establish policies and procedures to ensure that only valid construction expenses are capitalized and furniture and equipment depreciated at a more reasonable useful life.

Management's response: Noted.

Our audit procedures are designed primarily to enable us to form our opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Webster Parish School Board as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Also included are management's responses to our current year management letter item. We have performed no audit work to verify the content of the responses.

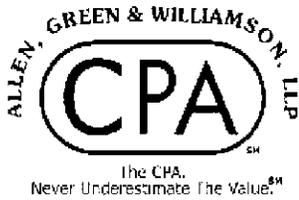
This report is intended solely for the information and use of the Board members, management, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



Allen, Green & Williamson, LLP

Monroe, Louisiana
December 30, 2018

AGREED-UPON PROCEDURES



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Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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

Board Members
Webster Parish School Board
Minden, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Webster Parish School Board, and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2017 through March 31, 2018. The School Board's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

Comment: When reviewing the applicable written policies and procedures for the required elements, the following exceptions were noted:

- **Payroll/Personnel** – Procedures did not contain the required elements of (1) reviewing and approving time and attendance records.
- **Credit Cards** – No written documentation of required approvers or processes on monitoring card.

Management's Response: The Superintendent and Assistant Superintendent will start reviewing and approve time and attendance records. The Board approved the district credit card policy during the December 2018 meeting.

Board or Finance Committee

- 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.

Comment: The financial information is presented to the Board quarterly not monthly.

Management's Response: The Board started receiving monthly copies of the financials in August 2018.

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.

Comment: Reviewed monthly bank reconciliations for eleven bank accounts were reviewed. The bank reconciliations for five accounts (school cafeteria depository accounts) did not have any evidence that they had been reviewed. Five bank accounts had reconciling items that have been outstanding for more than six months. No documentation retained that the outstanding items were reviewed, resolved and/or investigated for these bank accounts.

Management's Response: Noted.

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. 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.

Comment: Ten locations were tested. At all locations tested, the person collecting cash either made the deposit or recorded the transaction or both. At six of the locations, the same person collecting the cash is reconciling the bank statement. One location did not maintain a check receipt log so the testing was based on the check date. Six locations had exceptions where collections were not deposited within one day of collection

Management's Response: Noted.

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

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

Comment: Tested disbursements at nine locations. At eight of these locations tested, the person with signatory authority for the disbursement was also responsible for initiation or recording of purchases. At four of the locations tested, the personnel responsible for processing payments was not prohibited from adding vendors to the purchasing system. At eight of the locations tested, the unused checks are kept in a secured location but the personnel who with signature authority also has access to the secured location. In testing 25 disbursements, three exceptions were noted because approval was not obtained before the expenditure occurred.

Management's Response: Noted.

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

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

Comment: One exception was noted where the cardholder also approves the supporting documentation and one exception for a late fees being assessed on the credit card statement.

Management's Response: Secretaries will sign when principals make credit card purchases.

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.

Comment: One exception was noted because the travel reimbursement did not follow the School Board's policy.

Management's Response: Noted.

Contracts

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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.

Comment: Of the 25 employees tested, 2 did not document their daily attendance and 16 employee's attendance records were not approved by their supervisor.

Management's Response: Noted.

Ethics (excluding nonprofits)

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

Comment: One employee tested did not have documentation for verification that ethics training was completed.

Management’s Response: Noted.

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.

Comment: There was one exception noted where the debt service fund’s ending fund balance exceeded the next year’s required debt service by more than 10%.

Management’s Response: Noted.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

Comment: The School Board does not have the fraud hotline notice posted on its website.

Management's Response: Fraud hotline notice was added to website in November 2018.

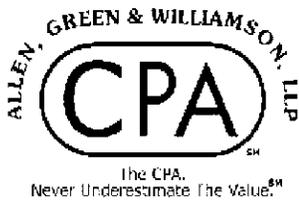
We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed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

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

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

Allen, Green & Williamson, LLP

Monroe, Louisiana
December 30, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

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

Board Members
Webster Parish School Board
Minden, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Webster Parish School Board, Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Webster Parish School Board for the year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I. Management of the School Board is responsible for the performance and statistical data. 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*, issued by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

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

Comment: There were no exceptions noted as a result of applying the agreed-upon procedures.

Class Size Characteristics (Schedule 2)

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

Comment: There were no exceptions noted as a result of applying the agreed-upon procedures.

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

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

Comment: There were no exceptions noted as a result of applying the agreed-upon procedures.

Public School Staff Data: Average Salaries (NO SCHEDULE)

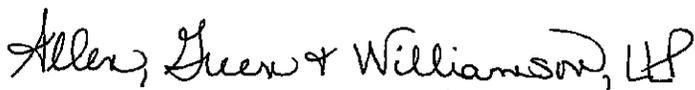
4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation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

Comment: There was one exception noted where the employee was not identified on the PEP report as a ROTC instructor.

Management's Response: Noted.

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

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 30, 2018

**WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana**

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2018**

Schedule 1

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 17,446,763	
Other Instructional Staff Activities	1,788,386	
Instructional Staff Employee Benefits	10,703,430	
Purchased Professional and Technical Services	388,976	
Instructional Materials and Supplies	653,257	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 30,980,812
Other Instructional Activities		211,278
Pupil Support Activities	2,162,821	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	2,162,821
Instructional Staff Services	1,703,643	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	1,703,643
School Administration	3,436,928	
Less: Equipment for School Administration	-	
Net School Administration	-	3,436,928
Total General Fund Instructional Expenditures (Total of Column B)		38,495,482
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		-
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		1,071,695
Renewable Ad Valorem Tax		4,857,274
Debt Service Ad Valorem Tax		5,709,771
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		265,603
Sales and Use Taxes		14,555,945
Total Local Taxation Revenue		26,460,288
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		1,886
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		1,886
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		84,039
Revenue Sharing - Other Taxes		213,587
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		297,626
Nonpublic Textbook Revenue		10,847
Nonpublic Transportation Revenue		\$ -

WEBSTER PARISH SCHOOL BOARD
Minden, Louisiana

Class Size Characteristics
As of October 1, 2017

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	32.08%	357	52.83%	588	15.09%	168	0.00%	0
Elementary Activity Classes	23.58%	25	54.72%	58	18.87%	20	2.83%	3
Middle/Jr. High	41.38%	108	36.78%	96	19.54%	51	2.30%	6
Middle/Jr. High Activity Classes	35.71%	10	3.57%	1	21.43%	6	39.29%	11
High	55.70%	396	16.17%	115	25.60%	182	2.53%	18
High Activity Classes	88.35%	182	3.40%	7	6.80%	14	1.46%	3
Combination	59.07%	127	33.95%	73	4.19%	9	2.79%	6
Combination Activity Classes	52.00%	13	36.00%	9	4.00%	1	8.00%	2

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