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# ST. JAMES PARISH SCHOOLS

*Inspiring Hope and Purpose*

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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
As of and For the Year Ended June 30, 2017

ST. JAMES PARISH SCHOOL BOARD  
LUTCHER, LOUISIANA

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

Release Date JAN 10 2018

# St. James Parish

## SCHOOL BOARD

Lutcher, Louisiana

### COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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P. EDWARD CANCIENNE, JR., PH.D.  
SUPERINTENDENT

PREPARED BY  
James D. Mitchell  
ADMINISTRATIVE DIRECTOR OF BUSINESS OPERATIONS

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

Release Date JAN 10 2018

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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FINANCIAL REPORT  
As of and for the Year Ended June 30, 2017

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# ST. JAMES PARISH SCHOOLS

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INTRODUCTORY SECTION

Dr. P. Edward Cancienne  
Superintendent

George Nassar, President  
District 4

Dianne Spencer, Vice-  
President, District 5



# ST. JAMES PARISH SCHOOLS

*Inspiring Hope and Purpose*

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December 29, 2017

To the Citizens of  
St. James Parish, Louisiana

Louisiana law requires that certain entities of local government, including public school boards, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States, and audited in accordance with auditing standards generally accepted in the United States by a licensed certified public accountant or accounting firm. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the St. James Parish School Board (The Board), Lutcher, Louisiana, as of and for the fiscal year ended June 30, 2017.

This CAFR consists of management's representations concerning the finances of The Board. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented herein. To provide a reasonable basis for making these representations, management of The Board has established a comprehensive internal control framework that is designed to protect The Board's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of The Board's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, The Board's comprehensive framework of internal controls has been designed to provide reasonable but not absolute assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this CAFR is complete and reliable in all material respects.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, a list of principal officials, and The Board's organizational structure. The Financial Section includes the Independent Auditors' Report, the basic financial statements, required supplementary information including Management's Discussion and Analysis (MDA), and supplemental and other information. The Statistical Section contains selected financial and demographic data, generally presented for the past ten years.

The Board's financial statements have been audited by Kolder, Champagne, Slaven & Company, LLC, a firm of licensed certified public accountants headquartered in Lafayette, Louisiana. The goal of the independent audit was to provide reasonable assurance that the financial statements of the St. James Parish School Board as of and for the year ended June 30, 2017 are free from material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the St. James Parish School Board's financial statements as of and for the fiscal year ended June 30, 2017 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this CAFR.

The independent audit of the financial statements of the St. James Parish School Board, Lusher, Louisiana, was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also in the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in The Board's separately issued Single Audit Report. Accounting principles generally accepted in the United States require 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 Board's MD&A can be found in the financial section immediately following the report of the independent auditors.

## PROFILE

The twelve governing subdivisions of the original Louisiana territory were drawn along the same lines of the ecclesiastical subdivisions of the Roman Catholic Church and were known as "parishes." Following Louisiana's admission to the Union in 1812, state officials retained the term, and Louisiana thus became the only one of the 50 United States that does not use the term "county" for its political subdivisions.

St. James Parish, with the parish seat in Convent, is located roughly equidistant from Louisiana's state capitol of Baton Rouge and world-renowned New Orleans. Bisected by the Mississippi River, the 250-square mile parish is situated in the heart of the industrial corridor nurtured by one of the world's most important waterways. Approximately 150 miles from the mouth of the river and access to worldwide shipping commerce, St. James Parish's major economic activity has long centered on the chemical and refining industries as well as agriculture. Sugarcane is the foremost agricultural product and a major sugar refinery makes its home in St. James Parish. The parish boasts some 20 major industrial complexes that serve as the parish's primary employers. Virtually all of these industries are on or have direct access to the Mississippi River. The spring of 1995 brought the opening of the Veterans Memorial Bridge, a span linking the east bank community of Gramercy and Wallace (St. John the Baptist Parish) on the west bank. The long-awaited opening of the bridge ended an historic era in St. James Parish with the closure of the Lusher-Vacherie ferry, the primary mode of citizen transportation across the river for almost a century. The bridge helped usher in the modern industrial expansion era and has had a positive economic impact on both retail and industrial activity in the parish.

The Board is a political subdivision created under the authority of Louisiana Revised Statutes and is charged with governing the provision of public education to the citizenry of St. James Parish, Louisiana. Services provided include instructional personnel, instructional materials and supplies, instructional facilities, administrative support, business services, operations and maintenance, pupil transportation, and school food services.

The Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for parish children, and to determine the number of teachers employed. All government must be consistent with the laws of the State of Louisiana and the rules and regulations of the Louisiana Board of Elementary and Secondary Education (BESE), the governing authority of more than 100 school boards including parish, city, and charter school operations.

The Board is made up of seven members elected from seven single member districts who serve four-year concurrent terms. The term of the current Board members expires on December 31, 2018. The Board elects a president that is authorized to represent The Board at various functions, name committee assignments, sign legally binding documents and checks, and preside at Board meetings. A Vice-President is also elected by the members to serve in the absence of the President.

The Board is charged with selecting and employing a person who meets BESE certification requirements to be Superintendent of Schools. This person serves as the day-to-day administrator of the school system and performs all duties incumbent upon that office as specified in Title 17 of the Revised Statutes. State law also mandates that the Superintendent is the official Secretary and Treasurer of the school district.

The Board serves some 3,800 students and operates eight schools, two educational sites, and three support facilities throughout the parish. Total student enrollment has fluctuated between 3,700 and 4,000 over the past 20 years and a recent demographic study anticipates a consistent slight decline in enrollment over the next 20 years.

Of The Board's 600 full-time employees, approximately 400 of those are directly involved in the instructional process. In conjunction with the regular education programs, The Board also offers pre-kindergarten, special education, vocational education, and adult education programs. Some 80 percent of students meet federal qualification guidelines for free and reduced school meals.

The Board is considered a *primary government* under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*. As such, it is legally separate, has a separately elected governing board, and is fiscally independent of all other local governments. It has no component units as defined by this Statement, nor is it a component unit of any other government. In accordance with state law, The Board legally adopts annual budgets for its General Fund and Special Revenue Funds and effectively achieves budgetary control of other funds through bond covenants and Board-adopted construction contracts. Further information concerning budgetary practices can be found in the Notes to Basic Financial Statements in the Financial Section of the CAFR.

#### FACTORS AFFECTING FINANCIAL CONDITION

While Board policy and procedure - built on applicable laws, ordinances, rules and regulations - provide the framework for The Board's financial operations, The Board's revenue sources are the single most important component of its financial health. As further discussed under the "Budgetary Information" heading on page 27 of the Notes to Basic Financial Statements, The Board adopts its General Fund and Special Revenue Funds budgets prior to September 15 of each fiscal year. State law requires budget revisions when revenues are projected to fall five percent short of original expectations or when expenditures are deemed to be five percent in excess of the adopted plan. The Board sets the legal level of budgetary control at the fund level and revises those budgets annually whether or not those thresholds are met in any particular fiscal year.

Through the Minimum Foundation Program (MFP), the state's basic equalization formula, and various other grants and programs, the State of Louisiana provided The Board some \$13.2 million in 2017, an increase of roughly \$700,000 from 2016. Virtually all of that increase was in MFP funding based on the state formula that heavily weights local tax base and local tax revenue. Since 2009, state funding of the St. James Parish School Board has decreased by \$7.9 million; a 38 percent drop-off. State funding accounted for 25 percent of total General Fund revenues in 2017, down from the 40 percent funding level as recently as 2010. Considering the strangling budget shortfalls on the Louisiana Legislature's docket for 2018 and beyond, The Board must rely on its local tax base for its financial health.

St. James Parish is unlike most of Louisiana's other public school districts in its financial support structure. A total of \$38.3 million in locally-generated revenues produced 74 percent of The Board's 2017 General Fund revenue. That 74 percent local support stands in stark contrast to the MFP's conceptual framework of 65:35 state to local funding.

Sales and use tax collections rank as The Board's most volatile General Fund revenue source. St. James Parish has very little retail activity, with approximately 90 percent of sales and use tax collections coming from the industrial sector. Industrial activity in the parish, which translates into critical tax revenue for The Board, is highly sensitive to natural resources and raw materials prices as well as worldwide market conditions. As such, the financial condition of The Board is highly impacted by the vitality of the chemical, petrochemical, and refining industries.

Sales and use tax collections reached an all-time high of \$25.3 million in 2013 due primarily to the construction of a major steel plant on the east bank of the parish. Collection levels plummeted in the next two years to the \$16.2 million reported in 2015 but rebounded somewhat with the \$18 million and \$18.1 million booked in 2016 and 2017. Long-term tax revenue projections remain very bright based on the list of new industry exploring investment options in St. James Parish but The Board's \$5.4 million General Fund surplus can only support current service levels for one more year. If those industrial projections don't materialize The Board will be faced with the daunting task of reducing expenditure levels to its current revenue sources.

General Fund ad valorem tax collections totaled some \$18.4 million in 2017, down from the \$19.7 million collected in 2016. The decrease was due to a drop in crude oil market prices that reduced the parishwide assessed valuation of taxable inventory. While some of that loss has been regained in the current valuation, it is unclear at this time if and when the valuation will reach or exceed 2016 levels.

At the urging of industry and its associated trade groups, the Louisiana Legislature has kicked around the idea of reducing or eliminating the taxability of inventories over the past few legislative sessions. St. James Parish is one of the state's leaders in inventory taxation and should that portion of the valuation be limited or eliminated, The Board will be forced to reevaluate its service delivery levels to compensate for what would be a material reduction in operating revenues.

In an effort to more efficiently utilize its financial resources, The Board has closed two schools within the past six years. While overall student enrollment has remained somewhat stable over the past several years, differing circumstances led to the closure of the two schools.

Vacherie Primary School was closed following the 2011 school year and the kindergarten through second grade students previously attending the school were merged into Vacherie Elementary School. A major additions and renovations project at Vacherie Elementary School accommodated the increased enrollment and made continued operation of the Primary facility impractical.

There are some minor identifiable demographic shifts impacting the Vacherie closure and it appears that population and enrollment counts in that attendance zone will decrease slightly over the next several years.

Dwindling enrollment at Romeville Elementary School led to that school ceasing operations at the close of the 2012 school year. Demographic analysis shows what is expected to be a significant reduction in population in this attendance zone over the next twenty years with an increased concentration of industry. Both of the former school facilities and sites have been sold.

The previously discussed industrial expansion in the parish has ultimately resulted in The Board's first new school construction since the existing St. James High School was built on its original and current site following a 1983 fire. The existing school site's attractiveness to industry prompted several different inquiries as the potential availability of the site and those inquiries spurred The Board to purchase a new plot of land more centrally located near Vacherie on the west bank of the river. Construction of the new facility commenced in the spring of 2016 and it is anticipated to be ready to welcome students for the first time in August 2018.

Financing for the new school construction will come from the \$56 million bond issue that St. James Parish voters approved in May 2015. Voters authorized The Board to borrow up to that additional amount on millages that are currently in existence; i.e. no new taxes. The capital outlay plan will also incorporate the \$10 million proceeds from the sale of the existing St. James High for a total package of \$66 million.

While the new St. James High School is the primary project in the capital outlay plan, all school facilities, each with its primary buildings now being over 30 years old, have undergone or are slated to undergo some upgrade, addition, or renovation project in an effort to more accurately align facility quality and capacity with the afore-mentioned demographic shifts within the parish.

Six years ago The Board commissioned a long-range education master plan and a national construction management firm delivered the report that encompassed demographic studies, facility condition analyses, repair/replacement cost projections, and educational specifications. The Board is utilizing that report as a guideline to meet the parish's projected educational needs for the next several years and serve as the backbone of the current capital outlay plan.

Recent state legislation has broadened opportunities for independent groups to operate charter schools in Louisiana with the approval of parish school boards and / or BESE. Following three unsuccessful attempts to garner Board approval, an independent charter group was authorized by BESE to begin operations for the 2016-2017 school year.

With that approval and in accordance with state law and Louisiana Department of Education protocol, the charter group was funded some \$775,000 of MFP funding that was previously earmarked for The Board. This material reduction in state funding is and will continue to be another blow to The Board's financial health and there can be no doubt as to the negative consequences this rerouting of state dollars will have on The Board.

On January 30, 2017, The Board entered into a consent decree with the plaintiffs and the United States Department of Justice in response to the 1967 desegregation lawsuit *Banks vs. St. James Parish School Board*. Terms of the decree include the reconfiguration of current PK-6 school assignments with clustering of grades PK-3 and grades 4-6 students at existing facilities as well as two new endeavors.

The St. Louis Reading and Math Academy will replace what is currently Fifth Ward Elementary School and will be open to all PK-3 students in the parish. The Cypress Grove Montessori Academy will open in the facility currently occupied by Lutcher Elementary School and will serve PK-3 students that will be selected using a lottery process.

While moving and some minor renovations will be necessary to implement this plan, the costs associated with this consent decree will not have a material impact on The Board's financial statements. This new service delivery model becomes effective with the opening of school in August 2018.

### LONG-TERM FINANCIAL PLANNING

As with all school districts, The Board's primary expenditures are employee salaries and related benefits. The Board has always strived to be in the top ten in teacher pay and the most recent state rankings bear witness to that effort. Assuming no significant reduction in staff, it is entirely reasonable to assume that the Board's salary expenditures will increase every year. As retirement contribution rates increase on a larger salary base and The Board maintains its strong commitment to the best available health care benefits for its employees, employee benefit costs will also increase annually.

The Board continued its ambitious classroom technology initiatives in 2017 with ongoing infrastructure upgrades as well as its focus on classroom technology. The tenth year of a one-to-one laptop computer program was completed during 2017 and a 2015 capital lease agreement that provides Apple computer products to every student and teacher in the system will continue on for the next two years.

While other non-employee costs essential to operating a school system – maintenance, transportation, food service – continue to rise, The Board anticipates no major ebbs and flows in those categories that would immediately alter the scope of General Fund operations. Market-driven cost increases will certainly rearrange the use of Board resources from time to time, but will not force rearrangement of services delivered in the immediate term. With The Board's capital needs being addressed by the current construction program, future planning on the expenditure side of the financial equation boils down to personnel cost and delivery of classroom instruction services and initiatives. The level of those services that The Board will be able to provide will be directly contingent on the well-being of its revenue sources.

### PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Substantially all Board employees belong to one of two statewide, cost-sharing, multiple employer retirement plans, the Teachers Retirement System of Louisiana (TRSL) and the Louisiana School Employee Retirement System (LSERS). The TRSL is open to all certified personnel, teacher aides, school clerical personnel, central office staff, and school lunch employees. Members may retire with as few as 20 years of service. The LSERS includes custodians, school bus drivers, and maintenance personnel. Members may retire at 20 years with a 2.5 percent benefit times the years of service times their highest average three years compensation. That credit rises to three percent per year for service in excess of 20 years.

School Board retirees have some 90 percent of the cost of their health insurance paid by The Board. The cost varies depending on whether or not Medicare is their primary health insurance provider. Retirees may continue their life insurance benefits and dental insurance at their own cost. Further information concerning the Board's post-employment benefit obligation for retiree health care is located in Note J on page 44 of the Notes to Basic Financial Statements.

## AWARDS

### Government Finance Officers Association (GFOA)

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the St. James Parish School Board for its Comprehensive Annual Financial Report for the year ended June 30, 2016. The certificate is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. In order to be awarded this certificate, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate is valid for a period of one year only and 2016 was The Board's twentieth such award. School Board administration believes that the 2017 Comprehensive Annual Financial Report continues to meet the certificate requirements, and as such, this report will be submitted to GFOA to determine its eligibility for another certificate.

### Association of School Business Officials (ASBO)

The St. James Parish School Board received the Association of School Business Officials *Certificate of Excellence in Financial Reporting* for the fiscal year ended June 30, 2016. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. This is the twentieth year that the St. James Parish School Board has been awarded this honor. The award is granted only after an intensive technical review of financial reports by an expert panel of certified public accountants and practicing school business officials. The *Certificate of Excellence in Financial Reporting* is the highest form of recognition in school financial reporting issued by ASBO. Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, which will be submitted to ASBO for review, continues to meet the standards prescribed by ASBO.

## ACKNOWLEDGEMENTS

Preparation of this report would not have been possible without the daily efforts of the Office of Business Services staff, particularly those staff whose services directly result in the accurate recordation, summarization, and reporting of financial transactions. We would like to take this opportunity to express our sincere appreciation to those individuals. We also wish to thank the members of the St. James Parish School Board and the administration for their support in our efforts to maintain fiscal accountability and responsibility for the St. James Parish School Board and the citizens of St. James Parish, Louisiana.

Respectfully Submitted,



P. Edward Cancienne, Jr., Ph.D.  
Superintendent



James D. Mitchell  
Administrative Director  
of Business Operations

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

SCHOOL BOARD MEMBERS



GEORGE NASSAR  
President, District 4



DIANA CANTILLO  
District 1



KENNETH FORET  
District 2



SUE BEIER  
District 3



DIANNE SPENCER  
Vice President, District 5



NICOLE FLORENT CHARLES  
District 6

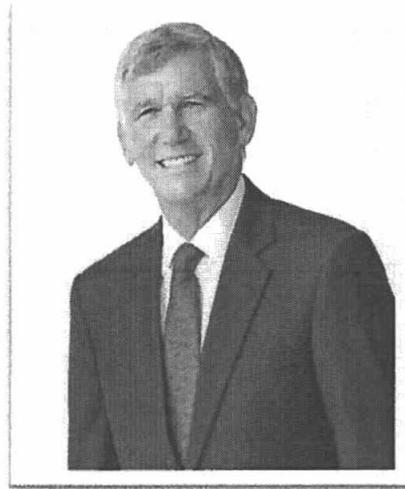


RAYMOND GROS  
District 7

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

**PRINCIPAL OFFICIALS**



**P. EDWARD CANSIENNE, JR., Ph.D.**  
Superintendent

**ANNE DETILLIER**

---

Administrative Director of Teaching and Learning

**CAROL WEBRE**

Administrative Director of Teacher Development and Human Resources

**GAYNELL ALBERT**

Administrative Director of Student Services

**JAMES D. MITCHELL**

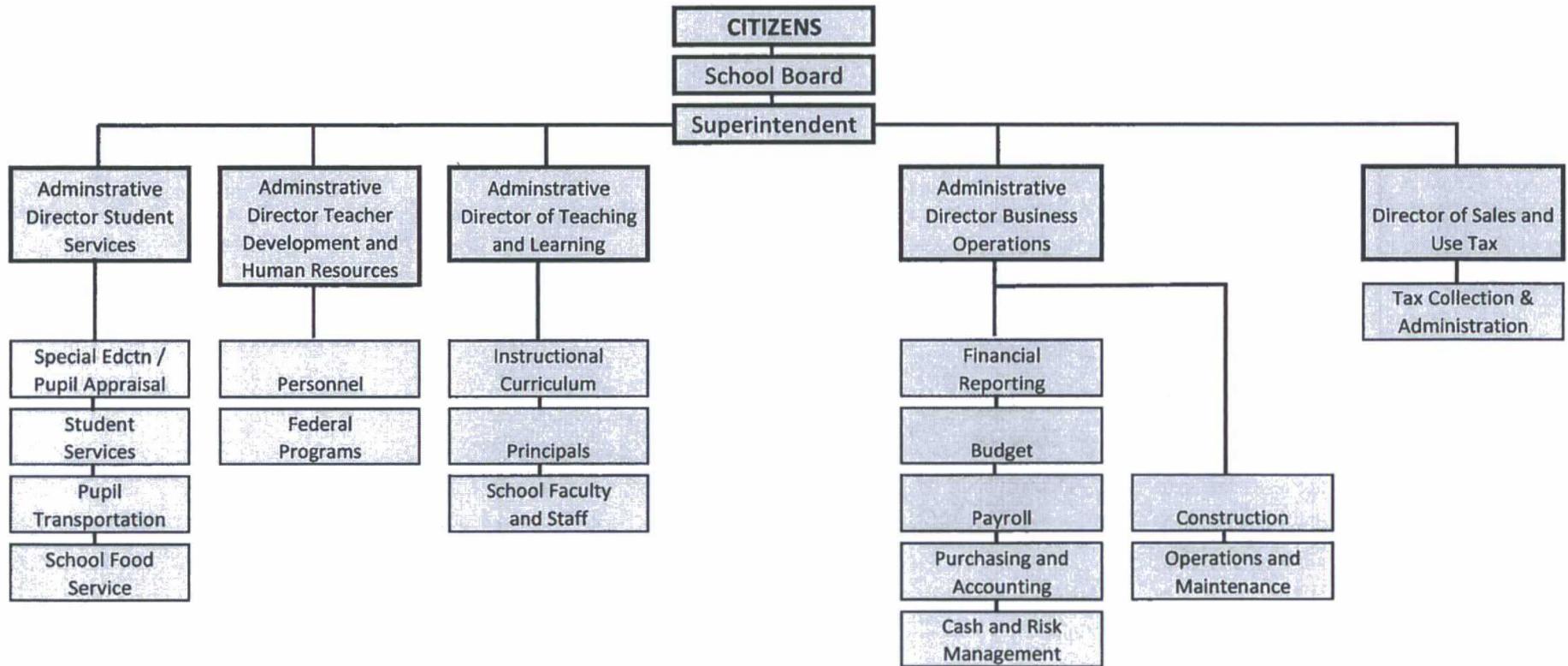
Administrative Director of Business Operations

**NESHILLE NOGESS**

Sales Tax Department Administrator

# ST. JAMES PARISH SCHOOL BOARD

## Organizational Structure





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**St. James Parish School Board**  
**Louisiana**

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For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**St. James Parish School Board, Litcher, Louisiana**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'. The signature is written over a horizontal line.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso'. The signature is written over a horizontal line.

**John D. Musso, CAE**  
Executive Director



# ST. JAMES PARISH SCHOOLS

*Inspiring Hope and Purpose*

---

FINANCIAL SECTION

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Retired:  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITOR'S REPORT

Dr. P. Edward Cancienne, Jr., Superintendent,  
and Members of the St. James Parish School Board  
Lutcher, 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 St. James Parish School Board (hereinafter, "School Board"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Board'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 School Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2017, and the respective changes in financial position 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 management's discussion and analysis, budgetary comparison schedules for each major fund, and schedules for funding progress (postemployment benefits other than pensions), employer's proportionate share of net pension liability, and employer pension contributions 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 supplementary information required to accompany the basic financial statements because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, nonmajor budgetary comparison schedules, agency fund schedule of changes in assets and liabilities, schedules of compensation paid to board members and compensation, benefits and other payments to superintendent, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, nonmajor budgetary comparison schedules, agency fund schedule of changes in assets and liabilities, and schedules of compensation paid to board members and compensation, benefits and other payments to superintendent are the responsibility of the School Board's management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have 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 to them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

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

Morgan City, Louisiana  
December 29, 2017

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

The Management's Discussion and Analysis (MDA) of the St. James Parish School Board's (The Board's) financial performance presents a narrative overview and analysis of St. James Parish School Board's financial activities for the year ended June 30, 2017. The intent of the MDA is to assist readers in assessing The Board's overall financial performance and position and accordingly should be read in conjunction with the Letter of Transmittal (page iv), the Financial Section (page 1), and the Notes to Basic Financial Statements (page 20) contained in this Comprehensive Annual Financial Report (CAFR).

#### FINANCIAL HIGHLIGHTS

- The Board's total liabilities exceeded total assets by \$44,384,886 on June 30, 2017 with the unrestricted portion of the net deficit at \$(84,547,200). The severity of the negative unrestricted portion is primarily due to The Board's Net Pension Liability of \$79 million, its Other Post-Employment Benefits liability of \$18.9 million, and the \$56 million in debt issuance in 2016.
- Net position decreased by \$8,598,620 during the year ended June 30, 2017. The Board's fund balances decreased by some \$26.8 million with \$20.1 million of that decrease coming from the new Capital Projects Fund that's accounting for the construction of a new St. James High School and various other renovation and upgrade projects throughout the school system. The \$4.9 million operating deficit in the General Fund was the other major contributor to that decrease. The capitalization of \$19.6 million in Capital Outlay helped offset the fund balance decreases.
- The Board's governmental funds reported fund balances of \$35,338,646 in 2017 compared to the \$62,173,545 in 2016. The afore-mentioned Capital Projects Fund represented the bulk of that increase while The Board's other major funds, the General Fund and Debt Service Fund, also saw decreases in fund balance during 2017.
- Cash and Cash Equivalents and Investments decreased from the 2016 balance of \$67,321,855 to \$43,409,709 in 2017. Some 75 percent of the \$23,912,146 decrease was due to the Capital Projects Fund activity.
- Total Governmental Funds revenues dropped from the 2016 amount of \$66,733,847 to \$63,696,394 in 2017 with most of that decrease attributable to the General Fund. Ad Valorem tax revenue dipped some \$1.3 million due to a market-driven reduction in assessed valuation of parish property, a one-time 2016 General Fund revenue was not present in 2017, and certain grant funding accounted for in the General Fund was eliminated.
- Sales and use tax collections rose to \$18,127,949, up from the 2016 collections of \$17,978,856. The Board reported an all-time high of \$25,285,692 in 2013 but the subsequent 24 months saw a precipitous drop to \$16.2 million in 2015. The dramatic spike in 2013 revenue was due to the completion of a major steel plant that was under construction during that fiscal year. While that spike helped build The Board's General Fund surplus and fund several capital outlay projects, that revenue level was just that – a spike. With the 2013 anomaly removed from the

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

calculation, sales and use tax revenues have averaged roughly \$17.9 million since 2011. Hence it appears that \$18 million is a reasonable planning benchmark absent significant active construction in the parish.

- Ad Valorem tax collections totaled \$23,677,579, down 6.5 percent from the \$25,328,862 reported in 2016. The 2016 revenue is the most ever collected on behalf of The Board and that total came in the ninth consecutive year that The Board has rolled back its millage rates. St. James Parish voters over the years have authorized a maximum of 45.06 mills for The Board but The Board has levied only 43.56 mills for 2017, 43.67 mills each year from 2012 to 2016, and 43.96 mills for the three years preceding that. It is estimated that The Board has left some \$5 million in the pockets of parish taxpayers over that time by rolling back millage rates.
- The \$1,651,283 in reduced Ad Valorem tax collections in 2017 came about due to a significant market-driven reduction in the valuation of oil inventories housed in the parish. The assessed valuation for the 2018 fiscal year has recovered most, but not all, of that valuation decrease.
- Funding provided by the State of Louisiana increased some \$600,000 in 2017 with virtually all of that increase coming in MFP funding, Louisiana's basic equalization funding. All indicators point to that being a one-time increase; the tentative 2018 MFP formula has decreased funding some \$500,000 and the overall state financial construct – a "structural deficit" according to Moody's Investors Service – does not bode well for increases in state funding sources. The first charter school in St. James Parish opened for the 2016-17 school year and siphoned off some \$775,000 of The Board's MFP funding; it is unknown at this time how much the charter will be funded for the current school year.
- Total 2017 Governmental Funds expenditures increased \$10,806,326 to \$90,531,293 from the 2016 spending level of \$79,724,967. Construction in the Capital Projects Fund accounted for 81 percent of that increase with the balance of the increase coming in the Debt Service Fund due to the new construction debt.
- In 2016 The Board received some \$3.9 million from a chemical manufacturing concern that is building a methanol plant on the west bank of St. James Parish. The company purchased the existing St. James High School site and facility to use in its operation and agreed to pay the \$10 million purchase price in three installments. The second and third installments of the payment are due at different mileposts of the plant construction and The Board's construction of the new St. James High School. Since terms of the agreement have not yet been fully satisfied by either party, the first installment has been reported as Unearned Revenue in the Capital Projects Fund.

### OVERVIEW OF THE FINANCIAL STATEMENTS

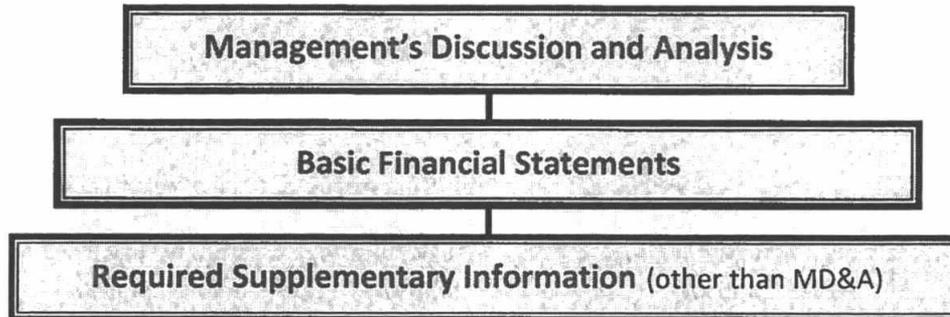
The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As of June 30, 2017



These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the Notes to Basic Financial Statements), and required supplementary information.

Government-wide Financial Statements. The *Government-wide Financial Statements* are designed to provide readers with a broad overview of The Boards’ finances, in a manner similar to private sector business.

The *Statement of Net Position* presents information on all of The Board’s assets and liabilities. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of The Board is improving or deteriorating.

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

Both of the government-wide financial statements present functions of The Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The Board, which served some 3,800 students during the 2016-2017 school year, has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system.

The governmental activities of The Board included regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of The Board's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund, and the Debt Service Fund, which are considered The Board's major funds. The remaining funds are combined into a single, aggregated presentation under the label of nonmajor funds, which contains all other governmental funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The Board adopts annual appropriated budgets for the General Fund and Special Revenue Funds as required by state law. Budgets are not adopted for the Debt Service and Capital Projects Funds, which effectively achieve budgetary control through bond indenture provisions and Board-adopted construction plans. Accordingly, budget to actual comparisons were not prepared for these fund types.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support The Board's programs. The Board's Fiduciary Fund consists of the Sales and Use Tax department and the School Activity Funds, which are school-based cash accounts.

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

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information*. Included therein is this MDA, a General Fund budget to actual comparative statement, the combining statements referred to earlier in connection with nonmajor governmental funds, financial information on The Board's Other Postemployment Benefit (retiree health and life insurance), and financial information on The Board's Net Pension Liability in accordance with the implementation of GASB Statements 68 and 71. Additionally, the *Other Supplementary Information* section contains certain financial data on individual funds and other required topics are presented.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, over time Net Position serves as a useful indicator of a government's financial condition. On June 30, 2017, The Board's Net Deficit was \$(44,384,886), a decrease of \$8,598,620 from the June 30, 2016 Net Deficit of \$(35,786,266). The 2016 Restricted and Unrestricted components of Net Position have been restated to facilitate comparison with a 2017 reporting change:

#### St. James Parish School Board, Lutcher Louisiana

##### NET POSITION

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Current and Other Assets	\$ 47,208,011	\$ 72,289,914	\$ (25,081,903)
Non-Depreciable Capital Assets			-
Land and Work in Progress	21,712,771	8,183,316	13,529,455
Capital Assets, net of accumulated depreciation	68,598,903	66,026,721	2,572,182
<b>TOTAL ASSETS</b>	<u>137,519,685</u>	<u>146,499,951</u>	<u>(8,980,266)</u>
Deferred Outflows of Resources	16,484,646	10,095,536	6,389,110
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>154,004,331</u>	<u>156,595,487</u>	<u>(2,591,156)</u>
<hr/>			
Current Liabilities	18,177,400	18,014,205	(163,195)
Long-Term Liabilities	178,241,200	171,346,105	(6,895,095)
<b>TOTAL LIABILITIES</b>	<u>196,418,600</u>	<u>189,360,310</u>	<u>(7,058,290)</u>
Deferred Inflows of Resources	1,970,617	3,021,443	1,050,826
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>198,389,217</u>	<u>192,381,753</u>	<u>(6,007,464)</u>
Net Position:			
Net Investment in Capital Assets	31,922,330	28,682,923	3,239,407
Restricted	8,239,984	10,096,601	(1,856,617)
Unrestricted (Deficit)	(84,547,200)	(74,565,790)	(9,981,410)
<b>NET DEFICIT</b>	<u>\$ (44,384,886)</u>	<u>\$ (35,786,266)</u>	<u>\$ (8,598,620)</u>

The Board's decrease in Net Position during 2017 is further detailed in the comparative table included on the next page:

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

### St. James Parish School Board, Lutcher Louisiana

#### CHANGES IN NET POSITION

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Program Revenues:			
Charges for Services	\$ 122,352	\$ 227,591	\$ (105,239)
Operating grants	6,926,062	7,676,507	(750,445)
General Revenues:			
Sales and Use Taxes	18,127,949	17,978,856	149,093
Ad Valorem Taxes	23,677,579	25,328,862	(1,651,283)
Minimum Foundation Program (equalization)	12,754,266	12,139,957	614,309
Other	<u>2,088,183</u>	<u>3,382,074</u>	<u>(1,293,891)</u>
TOTAL REVENUES	<u>63,696,391</u>	<u>66,733,847</u>	<u>(3,037,456)</u>
Expenses:			
Instruction	35,150,036	31,598,954	3,551,082
Student and Staff Support	7,972,121	7,273,256	698,865
Administration	10,239,012	10,918,721	(679,709)
Plant Services	6,233,568	6,333,888	(100,320)
Pupil Transportation	4,509,780	4,347,238	162,542
Food Service	3,679,691	3,482,555	197,136
Debt Service	2,590,442	1,667,006	923,436
Other	<u>1,920,361</u>	<u>1,862,436</u>	<u>57,925</u>
TOTAL EXPENSES	<u>72,295,011</u>	<u>67,484,054</u>	<u>4,810,957</u>
INCREASE (DECREASE) IN NET DEFICIT	(8,598,620)	(750,207)	(7,848,413)
NET DEFICIT, BEGINNING OF YEAR	<u>(35,786,266)</u>	<u>(35,036,059)</u>	<u>(750,207)</u>
NET DEFICIT, END OF YEAR	<u>\$ (44,384,886)</u>	<u>\$ (35,786,266)</u>	<u>\$ (8,598,620)</u>

Of the 2017 net position, \$31,922,330 is reflected as its investment in capital assets (e.g. land, buildings and improvements, furniture, fixtures and equipment) less any related debts used to acquire those assets that remain outstanding. The Board uses these capital assets in the delivery of services to its students and citizens and consequently, these assets are not available for future spending. Although The Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those related liabilities.

Another component of The Board's net position represents resources that are subject to external and legal restrictions on how those resources may be used (e.g. tax dedications, bond indenture provisions, construction contracts). Accordingly, \$8,239,984 of The Board's net position is reported as restricted since it is available only for retirement of long-term bonded debt.

### FINANCIAL ANALYSIS OF THE BOARD'S FUNDS

As previously noted, The Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of The Board's *governmental funds* is to provide

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing The Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For 2017, The Board's governmental funds reported a combined ending fund balance of \$35,338,646, down by \$26,834,899 from the \$62,173,545 reported in 2016. Of the 2017 balance, 84 percent is restricted for specifically designated purposes. \$21,569,790 resides in the Capital Projects Fund and is restricted to capital outlay associated with the \$56 million bond issue. The Debt Service Fund reports a fund balance of \$8,239,984 and that money is restricted for the payment of long-term debt principal and interest.

The General Fund, the chief operating fund of The Board, reported a fund balances of \$5,426,853, a figure that represents 15 percent of the total fund balance reported in the governmental funds. The Nonspendable portion of the General Fund fund balance, \$262,131, represents monies that have already been expended for prepaid insurances and curriculum and technology services for the upcoming fiscal year. The Committed amount of \$2,168,835 is set aside to fund The Board's partially self-funded group health and workers compensation insurance plans. The remainder of the General Fund fund balance, \$2,995,887, is unassigned.

The Board's *major funds*, the General Fund, Capital Projects Fund, and Debt Service Fund, have been previously discussed throughout the MDA. The *nonmajor* funds consist entirely of The Board's Special Revenue Funds. With the exception of the School Food Service Fund, all the Special Revenue Funds are federal grant programs that are operated on a dollar-for-dollar cost reimbursement basis. The School Food Service Fund, while receiving federal grant dollars for meals served, also has a user charge component that accounts for food sales for those not meeting federal free or reduced meal price eligibility requirements. Additionally, this fund receives an operating transfer from the General Fund to support its financial operations. The Nonspendable fund balance reported in the nonmajor funds, \$102,019, represents food inventory reported in the School Food Service Fund.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

State law mandates that Louisiana governmental units must revise their budgets when projected revenues decrease five percent from original budget amounts and when projected expenditures increase five percent from original budget amounts. Budgets included in this report are presented as originally adopted adjusted for revisions adopted by The Board during the fiscal year.

Material revisions were made to the General Fund revenue budget to accommodate a reduction of some \$1.8 million in Ad Valorem tax revenue due to a precipitous drop in the assessed valuation of oil inventories at parish petrochemical facilities as well as a significant reduction in federal grant funding. An increase of \$1.3 million in budgeted state equalization funding offset some of that funding decrease. On the expenditure side, additional allocations were made for increased maintenance activity necessary

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

on Board facilities and personnel costs in excess of original expectations, primarily in instructional services.

Expenditures exceeded budget allocations in the General Fund by some \$3 million due to a budgeting error that omitted a sizable portion of The Board's contributions to its employees' group health and life insurance coverages. The discrepancy was absorbed by The Board's existing General Fund fund balance and the error has been corrected in the 2018 budget. Two Special Revenue Funds, Head Start and School Food Service, also exceeded budgeted expenditures. The \$85 overage in the Head Start was offset by a matching reduction in Indirect Cost transferred to the General Fund while the \$143,945 overage in the School Food Service Fund was offset by revenues that exceeded expectations by \$209,566.

### CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Board's investment in capital assets on June 30, 2017 amounted to \$90,311,674, net of accumulated depreciation. A summary of The Board's capital assets for the past two fiscal years follows:

<u>St. James Parish School Board, Lutcher Louisiana</u>			
<u>CHANGES IN CAPITAL ASSETS</u>			
	<u>2017</u>	<u>2016</u>	<u>Change</u>
Non-Depreciable Capital Assets:			
Land	\$ 2,402,231	\$ 2,402,231	\$ -
Work in Progress	19,310,540	5,781,085	13,529,455
Non-Depreciable Capital Assets	<u>21,712,771</u>	<u>8,183,316</u>	<u>13,529,455</u>
Depreciable Capital Assets:			
Buildings and Improvements	103,704,464	97,667,065	6,037,399
Furniture, Fixtures, and Equipment	8,421,943	8,785,241	(363,298)
Accumulated Depreciation	(43,527,504)	(40,425,585)	(3,101,919)
Depreciable Capital Assets, net of Accumulated Depreciation	<u>68,598,903</u>	<u>66,026,721</u>	<u>2,572,182</u>
TOTAL CAPITAL ASSETS, net of depreciation	<u>\$ 90,311,674</u>	<u>\$ 74,210,037</u>	<u>\$ 16,101,637</u>

Additional information pertaining to capital assets is in Note C in the Notes to Basic Financial Statements on page 30 of this report.

Long-Term Debt. On June 30, 2017, The Board reported outstanding bonded debt, premium, and capital leases of \$83,499,426, a decrease of \$6,474,769 from the prior year amount of \$89,974,195. The changes were comprised of \$6,387,839 in debt principal payments and amortization of the debt

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2017

premium of \$86,930. Further information on bonded indebtedness, premium, capital lease, and compensated absences payable is contained in Note F on page 32 of this CAFR.

In accordance with Governmental Accounting Standards Board (GASB) Statement 45, The Board reported a 2017 Other Post-Employment Benefits obligation of \$18,856,789, an increase of \$3,473,187 from the 2016 liability of \$15,383,602. Further information pertaining to The Board's postemployment obligation for health and life insurance on behalf of its retirees can be found in Note J on page 44 of this CAFR.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In July 2017 The Board adopted a 2018 General Fund budget that called for some \$900,000 in surplus monies to fund the fiscal year. Since that adoption there have been both positive and negative indicators concerning the spending plan. On the dark side, The Board approved a group health consultant's recommendation to increase its group health funding by some \$800,000 and state and grant funding may be reduced by as much as \$1,000,000. On the bright side, November 2017 sales tax collections were the highest reported since August 2013 and based on assessed valuation reports Ad Valorem tax revenue appears as if it will exceed budgeted projections by a significant amount.

Regardless, The Board's General Fund surplus can no longer absorb deficits of any material amount. If blue sky forecasts for local industrial expansion and the pursuant revenues don't materialize in the latter half of fiscal year 2018, The Board will be forced to materially alter its delivery of educational services for the 2018 fiscal year.

### REQUESTS FOR INFORMATION

Questions concerning this CAFR or other financial information should be addressed to Mr. James D. Mitchell, Administrative Director of Business Operations, St. James Parish School Board, P.O. Box 338, Lutcher, Louisiana, 70071. Mr. Mitchell can be reached at 225-258-4520 or [jmitchell@stjames.k12.la.us](mailto:jmitchell@stjames.k12.la.us).

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

## STATEMENT OF NET POSITION

As of June 30, 2017

Statement A

ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$	14,675,942
Investments		28,733,767
Receivables		3,434,152
Inventory		102,019
Other Assets		262,131
Capital Assets:		
Non-Depreciable - Land and Work in Progress		21,712,771
Buildings and Equipment, net of accumulated depreciation		68,598,903
	TOTAL ASSETS	137,519,685
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows Related to Pension Liability		15,867,688
Deferred Amount on Refunding Bond Issue		616,958
	TOTAL DEFERRED OUTFLOW OF RESOURCES	16,484,646
	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 154,004,331
LIABILITIES:		
Current Liabilities:		
Accounts, Salaries, and Other Payables	\$	7,997,698
Interest Payable		871,350
Current Portion of Compensated Absences Payable		74,183
Current Portion of Long Term Debt		5,362,502
Unearned Revenue		3,871,667
Non-Current Liabilities:		
Compensated Absences Payable		2,086,556
Long Term Debt		78,136,924
Other Post-Employment Benefits		18,856,789
Net Pension Liability		79,160,931
	TOTAL LIABILITIES	196,418,600
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows Related to Pension Liability		1,970,617
	TOTAL DEFERRED INFLOW OF RESOURCES	1,970,617
NET POSITION:		
Net Investment in Capital Assets		31,922,330
Restricted:		
Debt Service		8,239,984
Unrestricted (Deficit)		(84,547,200)
	TOTAL NET POSITION (DEFICIT)	(44,384,886)
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 154,004,331

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Statement B

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		<u>NET (EXPENSE)REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b><u>FUNCTIONS / PROGRAMS:</u></b>				
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular Programs	\$ 23,624,104	\$ -	\$ 11,296	\$ (23,612,808)
Special Programs	5,249,480	-	419,451	(4,830,029)
Vocational Programs	1,223,251	-	28,311	(1,194,940)
All Other Programs	5,053,201	-	2,169,221	(2,883,980)
<b>Support Services:</b>				
Pupil Support	4,591,254	-	466,430	(4,124,824)
Instructional Staff Support	3,380,867	-	1,167,486	(2,213,381)
General Administration	5,022,066	-	-	(5,022,066)
School Administration	4,510,222	-	5,851	(4,504,371)
Business Services	706,724	-	-	(706,724)
Plant Services	6,233,568	-	-	(6,233,568)
Pupil Transportation	4,509,780	-	12,263	(4,497,517)
Central Services	1,868,417	-	-	(1,868,417)
Food Services	3,679,691	122,352	2,644,258	(913,081)
Community Services	51,944	-	1,495	(50,449)
Interest on Long-Term Debt	2,590,442	-	-	(2,590,442)
<b>Total Governmental Activities</b>	<b>\$ <u>72,295,011</u></b>	<b>\$ <u>122,352</u></b>	<b>\$ <u>6,926,062</u></b>	<b><u>(65,246,597)</u></b>
<b>General Revenues</b>				
<b>Taxes:</b>				
Property taxes, levied for general purposes				18,392,216
Property taxes, levied for debt service				5,285,363
Sales and use taxes, levied for general purposes				18,127,949
<b>Grants and contributions not restricted to specific purposes:</b>				
Minimum Foundation Program				12,754,266
State Revenue Sharing				83,012
Interest and investment earnings				223,903
Miscellaneous				<u>1,781,268</u>
<b>Total General Revenues</b>				<b><u>56,647,977</u></b>
Change in Net Position				(8,598,620)
Net Position (Deficit) - June 30, 2016				<u>(35,786,266)</u>
<b>NET POSITION (DEFICIT) - June 30, 2017</b>				<b>\$ <u>(44,384,886)</u></b>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Statement C

GOVERNMENTAL FUNDS

Balance Sheet

As of June 30, 2017

With Comparative Totals for June 30, 2016

	<u>MAJOR FUNDS</u>			<u>NON- MAJOR FUNDS</u>	<u>2017</u>	<u>2016</u>
	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>			
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 6,369,308	\$ 40,943	\$ 8,239,901	\$ 25,790	\$ 14,675,942	\$ 19,685,264
Investments	199,700	28,534,067	-	-	28,733,767	47,636,591
Receivables	2,080,959	-	83	1,353,110	3,434,152	4,556,926
Interfund Receivables	1,205,676	-	-	-	1,205,676	1,253,853
Inventory	-	-	-	102,019	102,019	71,665
Other Assets	262,131	-	-	-	262,131	339,468
<b>TOTAL ASSETS</b>	<b>\$ 10,117,774</b>	<b>\$ 28,575,010</b>	<b>\$ 8,239,984</b>	<b>\$ 1,480,919</b>	<b>\$ 48,413,687</b>	<b>\$ 73,543,767</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts, Salaries, and Other Payables	\$ 4,690,921	\$ 3,133,553	\$ -	\$ 173,224	\$ 7,997,698	\$ 6,244,703
Interfund Payables	-	-	-	1,205,676	1,205,676	1,253,853
Unearned Revenue	-	3,871,667	-	-	3,871,667	3,871,666
<b>Total Liabilities</b>	<b>4,690,921</b>	<b>7,005,220</b>	<b>-</b>	<b>1,378,900</b>	<b>13,075,041</b>	<b>11,370,222</b>
Fund Balances:						
Nonspendable	262,131	-	-	102,019	364,150	411,133
Restricted:						
Debt Service	-	-	8,239,984	-	8,239,984	10,096,601
Salaries	-	-	-	-	-	-
Capital Outlay / Maintnce	-	21,569,790	-	-	21,569,790	41,667,577
Committed - Self-Insurances	2,168,835	-	-	-	2,168,835	5,637,657
Unassigned	2,995,887	-	-	-	2,995,887	4,360,577
<b>Total Fund Balances</b>	<b>5,426,853</b>	<b>21,569,790</b>	<b>8,239,984</b>	<b>102,019</b>	<b>35,338,646</b>	<b>62,173,545</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,117,774</b>	<b>\$ 28,575,010</b>	<b>\$ 8,239,984</b>	<b>\$ 1,480,919</b>	<b>\$ 48,413,687</b>	<b>\$ 73,543,767</b>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement D

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

Total Fund Balances at June 30, 2017 - Governmental Funds		\$	35,338,646
Cost of capital assets at June 30, 2017	\$	133,839,178	
Less: Accumulated Depreciation as of June 30, 2017:			
Buildings		(40,185,780)	
Furniture, Fixtures, and Equipment		<u>(3,341,724)</u>	
			90,311,674
Deferred Amount on Refunding Bond Issue			616,958
Long-Term Liabilities at June 30, 2017:			
Long-Term Debt		(83,499,426)	
Accrued Interest Payable		(871,350)	
Other Post-Employment Benefits		(18,856,789)	
Compensated Absences Payable		<u>(2,160,739)</u>	
			(105,388,304)
Pension Liability, Deferred Inflows and Deferred Outflows of Resources			
Net Pension Liability		(79,160,931)	
Deferred Amounts Related to Pension Liability		<u>13,897,071</u>	
			<u>(65,263,860)</u>
NET POSITION - Governmental Activities		\$	<u><u>(44,384,886)</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement E

**GOVERNMENTAL FUNDS**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended June 30, 2017  
 With Comparative Totals for the Year Ended June 30, 2016

	MAJOR FUNDS			NON- MAJOR FUNDS	TOTALS	
	GENERAL	CAPITAL PROJECTS	DEBT SERVICE		2017	2016
<b>REVENUES</b>						
Local Sources:						
Taxes: Ad Valorem	\$ 18,392,216	\$ -	\$ 5,285,363	\$ -	\$ 23,677,579	\$ 25,328,862
Sales and Use	18,127,949	-	-	-	18,127,949	17,978,856
Charges for Services	-	-	-	122,352	122,352	227,591
Interest Earnings	20,670	198,669	4,564	-	223,903	57,090
Other	1,729,920	17,826	-	-	1,747,746	3,167,242
Total Local Sources	<u>38,270,755</u>	<u>216,495</u>	<u>5,289,927</u>	<u>122,352</u>	<u>43,899,529</u>	<u>46,759,641</u>
State Sources:						
Minimum Foundation Program	12,754,266	-	-	-	12,754,266	12,139,957
Other	407,516	-	-	27,585	435,101	407,719
Total State Sources	<u>13,161,782</u>	<u>-</u>	<u>-</u>	<u>27,585</u>	<u>13,189,367</u>	<u>12,547,676</u>
Federal Sources	337,238	-	-	6,270,260	6,607,498	7,426,530
<b>TOTAL REVENUES</b>	<u>51,769,775</u>	<u>216,495</u>	<u>5,289,927</u>	<u>6,420,197</u>	<u>63,696,394</u>	<u>66,733,847</u>
<b>EXPENDITURES</b>						
Current:						
Instruction:						
Regular Programs	21,271,602	-	-	-	21,271,602	20,715,993
Special Programs	4,253,283	-	-	421,700	4,674,983	5,084,021
Vocational Programs	1,094,416	-	-	26,601	1,121,017	1,100,463
All Other Programs	3,188,659	-	-	1,489,512	4,678,171	4,815,442
Support Services:						
Pupil Support	3,754,263	-	-	438,256	4,192,519	4,204,435
Instructional Staff Support	2,070,883	-	-	1,040,070	3,110,953	3,094,244
General Administration	2,121,101	-	188,480	-	2,309,581	2,914,791
School Administration	4,031,520	-	-	5,498	4,037,018	3,962,139
Business Services	626,033	-	-	-	626,033	666,331
Plant Services	5,926,413	-	-	-	5,926,413	6,298,939
Pupil Transportation	4,199,218	-	-	11,522	4,210,740	4,263,153
Central Services	1,755,625	-	-	-	1,755,625	1,861,344
Food Services	-	-	-	3,292,350	3,292,350	3,362,374
Community Services	50,540	-	-	1,404	51,944	14,535
Capital Outlay	-	20,314,282	-	-	20,314,282	11,568,717
Debt Service:						
Principal Retirement	1,969,109	-	4,418,730	-	6,387,839	4,606,348
Interest and Bank Charges	30,889	-	2,539,334	-	2,570,223	1,191,698
<b>TOTAL EXPENDITURES</b>	<u>56,343,554</u>	<u>20,314,282</u>	<u>7,146,544</u>	<u>6,726,913</u>	<u>90,531,293</u>	<u>79,724,967</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

Continued

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Statement E

GOVERNMENTAL FUNDS

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

	MAJOR FUNDS			NON- MAJOR FUNDS	TOTALS	
	GENERAL	CAPITAL PROJECTS	DEBT SERVICE		2017	2016
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(4,573,779)</u>	<u>(20,097,787)</u>	<u>(1,856,617)</u>	<u>(306,716)</u>	<u>(26,834,899)</u>	<u>(12,991,120)</u>
OTHER FINANCING SOURCES (USES):						
Debt Issuance	-	-	-	-	-	56,000,000
Premium on Debt Issuance	-	-	-	-	-	1,738,592
Interfund Transfers In	219,024	-	-	556,094	775,118	3,667,442
Interfund Transfers Out	<u>(556,094)</u>	-	-	<u>(219,024)</u>	<u>(775,118)</u>	<u>(3,667,442)</u>
TOTAL OTHER FINANCING SOURCES / (USES)	<u>(337,070)</u>	-	-	337,070	-	57,738,592
NET CHANGES IN FUND BALANCES	(4,910,849)	(20,097,787)	(1,856,617)	30,354	(26,834,899)	44,747,472
FUND BALANCES - BEGINNING	<u>10,337,702</u>	<u>41,667,577</u>	<u>10,096,601</u>	<u>71,665</u>	<u>62,173,545</u>	<u>17,426,073</u>
FUND BALANCES - ENDING	<u>\$ 5,426,853</u>	<u>\$ 21,569,790</u>	<u>\$ 8,239,984</u>	<u>\$ 102,019</u>	<u>\$ 35,338,646</u>	<u>\$ 62,173,545</u>

Concluded

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement F

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

Total Net Changes in Fund Balances for the year ended June 30, 2017		\$	(26,834,899)
Capital Assets:			
Capital Outlay Capitalized	19,605,299		
Depreciation Expense	<u>(3,503,662)</u>		
			16,101,637
Excess of Interest Accrued over Interest Paid			(38,598)
Change in Net Pension Liability and Deferred Inflows / Outflows of Resources			(737,664)
Long-Term Debt:			
Principal Portion of Debt Service Payments	6,387,839		
Change in Estimate - Debt Principal	49,603		
Amortization of Debt Premium	86,930		
Amortization of Deferred Amount on Refunding Issue	(68,551)		
Increase in Other Post-Employment Benefits	(3,473,187)		
Excess of Compensated Absences Earned over Amounts Used	<u>(71,730)</u>		
			<u>2,910,904</u>
CHANGE IN NET POSITION - Governmental Activities		\$	<u><u>(8,598,620)</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement G

FIDUCIARY FUND

Statement of Fiduciary Assets and Liabilities

As of June 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>2,969,736</u>
TOTAL ASSETS	\$ <u><u>2,969,736</u></u>
LIABILITIES	
Deposits Due Others	\$ <u>2,969,736</u>
TOTAL LIABILITIES	\$ <u><u>2,969,736</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Introduction

The St. James Parish School Board (The Board) is a political subdivision of the State of Louisiana. It was created by Louisiana Statutes Annotated Revised Statute (LSA-R.S.) 17:51 to provide public education for the children of St. James Parish. The 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 Board is composed of seven members elected concurrently from seven single-member districts for terms of four years. The terms of the current Board members expire on December 31, 2018.

The Board operated eight schools, two educational sites, a Central Office, and five support facilities within the Parish and served an enrollment of some 3,800 students. In conjunction with the regular educational programs, all or some schools offer special education and vocational education instructional services. The Board also operates an Alternative Center, which serves those students that opt for this educational opportunity in lieu of expulsion from the system. In addition to these educational services, The Board provides transportation and food service for its students.

##### B. Basis of Presentation

The financial statements of The Board have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued its *Codification of Governmental Accounting and Financial Reporting Standards* dated June 30, 2002. This Codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments in the United States. This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999.

##### C. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and component units, which should be included within the reporting entity. Under provisions of this section, The Board is considered a *primary government* since it is a single purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Codification Section 2100, the term “fiscally independent” means that The 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 Board has no *component units*, defined by GASB Section 2100 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which The Board has a significant relationship.

##### D. Government-Wide and Fund Financial Statements

Under GASB Statement No. 34, the government-wide financial statements (i.e. the statements of net position and the statement of changes in net position) report information on all the non-fiduciary activities of The Board. The interfund activity that results in duplicate reporting of the source or use of resources has been eliminated in the consolidation process. Operational interfund activity, including any services provided or used, has not been eliminated in consolidation. The statement of activities demonstrates the degree to which the direct expenses of a

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: 1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a given function, and 2) grants restricted to meeting the operational or capital requirements of a particular function. Taxes or other items not included among program revenues are reported as *general revenues*. Separate financial statements are provided for the governmental funds and the fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Board implemented Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the 2011 fiscal year. GASB Statement 54 requires that governmental fund balances must be reported in as many as five classifications. 1) *Nonspendable* – permanently nonspendable balances that are not expected to be converted to cash. 2) *Restricted* – balances where constraints have been established by parties outside of The Board or by enabling legislation. 3) *Committed* – Balances constrained by formal action of The Board; i.e. adoption of a resolution. Modification or rescission of the Board action committing the funds would likewise require Board adoption of a resolution decommitting the funds. 4) *Assigned* – Balances where informal constraints have been established by The Board or the Superintendent acting under the authority of a Board resolution. 5) *Unassigned* – Balances for which there are no constraints. When both restricted and unrestricted resources are available for use, The Board's practice is to use restricted resources first, then unrestricted resources as necessary. When committed, assigned, and unassigned amounts are available for use, The Board's policy is to utilize committed, then assigned, then unassigned balances.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales and use taxes are recognized as revenues when collected. Grants and similar items, including the state Minimum Foundation Program (MFP) distribution are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, The Board considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, sales and use taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available when cash has been received by The Board.

The Board reports the following *major funds*:

The **General Fund** is The Board's primary operating fund. It accounts for all financial resources of The Board, except those required to be accounted for in another fund.

The **Capital Projects Fund** accounts for \$56 million in debt issuance and the related construction activity for a capital outlay plan approved by parish voters in 2015. The two borrowings - \$20 million dated September 1, 2015 and \$36 million dated April 1, 2016 - will be repaid through the avails of previously

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

existing ad valorem tax millages. While all Board facilities will be renovated or upgraded under the plan, the bell cow project is the construction of a new St. James High School.

The **Debt Service Fund** is used to account for the accumulation of resources for and ultimately the retirement of long-term indebtedness. The fund's primary revenue source is Ad Valorem taxes that are collected to pay the principal and interest associated with voter-approved long-term borrowings.

*Nonmajor* funds include The Board's Special Revenue Funds that account for The Board's federal grant programs. Fiduciary fund activity reported herein consists of the receipts and disbursements of school activity funds maintained at each school site as well as sales and use tax collections and distributions to the taxing bodies in the parish. The Board accounts for its fiduciary funds using the accrual basis of accounting. The sales and use tax department is housed in The Board's Central Office. While tax collection and distribution activities are reported in the fiduciary fund, all other departmental financial activity is reported in The Board's General Fund.

#### F. Assets, Liabilities, and Net Position or Equity

##### 1) Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, interest-bearing demand deposits, and short-term investments (usually time certificates of deposit), including investments in the Louisiana Asset Management Pool (LAMP). All of these cited instruments are considered cash equivalents, as long as their original maturities are of three months or less from the date of acquisition. Also, certificates of deposit having a maturity date in excess of three months are considered cash equivalents if they are covered by federal deposit insurance.

Statutes authorize The Board to invest in fully collateralized certificates of deposit issued by qualified commercial banks, federal credit unions, or savings and loan associations located in Louisiana, direct obligations of the United States government, or repurchase agreements made with 36 select dealers regulated by the Federal Reserve Bank of New York. The Board is also authorized to invest in LAMP, a non-profit corporation organized under state law and operated by the State Treasurer as a local government investment pool. LAMP investments may be liquidated at any time at par and therefore the cost of LAMP investments are the fair value of the investments.

##### 2) Receivables and Payables

Activity between funds that indicates lending or borrowing arrangements outstanding at the end of the fiscal year is referred to as "Interfund Receivables / Payables". There is an assumed obligation on the part of the borrowing fund to repay that amount to the lending fund.

##### 3) Ad Valorem Taxes

Ad valorem (property) taxes were levied by The Board on July 12, 2016, based on assessed valuation of property as of January 1, 2016. These taxes become due and payable on November 15 of each year, and become delinquent after December 31 of the year levied. However, before the taxes can be collected, the assessment list (i.e. tax roll) must be submitted to the Louisiana Tax Commission for approval. From the day the tax roll is filed with the St. James Parish Clerk of Court's Office, it shall act as a lien on each specific piece of real estate thereon assessed, which shall be subject to a legal mortgage after the 31<sup>st</sup> day of December of the current year for the payment of the taxes due thereon. Over 98% of ad valorem taxes are generally collected in December, January, and February of the fiscal year. A list of property on which taxes have not been paid is published in the official journal by the St. James Parish Tax Collector, which is a division of the St. James Parish Sheriff's Office (in Louisiana, the Sheriff's Office is the legally authorized collection agency for property taxes in each parish). If taxes are not paid within the

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

time stipulated in the public notice, the property is sold for taxes due at a tax sale, usually held prior to the end of The Board's fiscal year. Consequently, any taxes left unpaid at June 30 of each year are usually immaterial. The Board authorized and levied the following ad valorem taxes on the 2016 tax rolls:

<u>Parishwide Taxes</u>	<u>Authorized Mills</u>	<u>Levied Mills</u>
Constitutional	4.02	3.84
Maintenance	6.04	5.83
Salaries and Benefits 1994	6.00	5.73
Salaries and Benefits 1997	9.00	8.60
Early Childhood Development 1997	3.00	2.87
Salaries and Benefits 2003	7.00	6.69
Debt Service	10.00	10.00

Under the Louisiana Constitution, ad valorem taxes other than the Constitutional Tax must be renewed by popular vote every ten years. The bonded indebtedness tax (Debt Service) remains in effect until all bond principal, interest and associated fees have been paid in full.

4) Sales and Use Taxes

The Board is authorized to collect a two and one-half (2.5) percent sales and use tax within St. James Parish. The first one percent, approved by parish voters on August 17, 1965, is dedicated to the payment of teacher salaries and / or operation of the public schools in St. James Parish. The next one percent, approved by voters on January 17, 1981, is dedicated for two purposes, with 60 percent of the proceeds used for the payment of salaries of teachers and other school employees and the remaining 40 percent used for operations and maintenance costs and / or capital improvements to the public schools of the parish. The additional one-half percent was approved by parish voters in May 2003 for employee salaries and or operation of the public schools. The Board is also authorized to collect a one percent sales and use tax levied by the St. James Parish Council (The Council) and a two percent sales tax levied by the River Parish Tourist Commission. The Board imposes a collection fee based on the ~~pro-rata share of administrative and collections costs attributable to the sales and use tax collected on behalf of~~ The Council and the Commission. Collection and distribution of taxes are accounted for in the Agency Fund fiduciary fund type while all department operational financial activity is accounted for in the General Fund. All sales and use taxes are levied in perpetuity and do not require renewal by parish voters.

5) Inventories

Inventories of the School Food Service Special Revenue Fund consist of food purchased by The Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at cost using the "first-in, first-out" (FIFO) method. Costs are recorded as expenditures at the time the individual items are consumed (consumption method). Commodities are assigned values based on information provided by the USDA, also on a FIFO basis.

6) Other Assets

Other Assets consist of prepaid insurances, a multi-year instructional services agreement, and certain prepaid technology licensing and supplies. Expenditures are booked as the services expire (consumption method).

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#### 7) Capital Assets

Capital assets, which include land, buildings and improvements, and furniture, fixtures, and equipment, are reported in the government-wide financial statements. Capital assets are not subject to depreciation unless they cost \$5,000 or more on an individual basis and have an estimated useful life of five or more years. The reporting threshold of \$5,000 is based on guidelines promulgated by The Board's primary oversight agency, the Louisiana Department of Education. Items costing less than \$5,000 are "expensed" at the time of purchase rather than depreciated. Depreciable assets do not have an assigned salvage value since any such amount would generally be immaterial. However, for purposes of insurance and maintaining an accountability of items generally subject to theft or misuse, The Board keeps a separate inventory of those particular items not meeting the dollar and useful life threshold but having "street value" (e.g., computers).

Capital assets purchased or constructed are recorded at historical cost, or, estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over useful lives of 5 to 15 years for furniture, fixtures, and equipment and up to 40 years for buildings and improvements. The Board does not possess any material amounts of infrastructure assets, such as sidewalks and parking lots. Amounts expended prior to June 30, 2002 for such items were considered to be part of the cost of the buildings or other immovable property such as stadiums. In the future, if such items are built or constructed, and are material in relation to the class of assets, they will be capitalized and depreciated.

#### 8) Compensated Absences

Sick Leave - Teachers and other school employees accrue ten days of sick leave per year, which may be accumulated without limitation. Upon death or retirement, however, unused accumulated sick leave of a maximum of 25 days is paid to employees or their heirs at the employee's current rate of pay. The accrual computation for earned sick leave is calculated on, or any portion thereof, a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Under the Teachers Retirement System of Louisiana (TRSL), the total unused sick leave (including any amount which may be compensated as mentioned above), is used in retirement benefit calculations as earned service for leave earned prior to July 1, 1988. For sick leave earned after June 30, 1988 under the TRSL and for sick leave earned under the School Employees Retirement System (LSERS), all unpaid sick leave, which excludes the above state compensated days, is used in retirement benefit computations as earned service. Sick leave may be accumulated without limitation and is earned on a June 30 fiscal year basis. Certified employees may carry their accumulated sick leave from one public school district to another public school district in Louisiana. Amounts reported as compensated absences include only the salary component and not related benefits (e.g., the Medicare portion of social security), since any such benefit amounts would be immaterial.

Vacation - Full-time employees who work 12-month schedules are granted vacations in varying amounts as established by Board policy. Vacation time cannot be carried forward into a succeeding fiscal year and in the event of termination, an employee receives salary and related benefit compensation for any unused earned vacation.

Sabbatical Leave - Any employee with a teaching certificate is entitled to one semester of sabbatical leave after three or more years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Unused sabbatical leave may be carried forward to one or more periods subsequent to that in which it is earned, but not more than two semesters of leave may be accumulated. Sabbatical leave does not vest. Sabbatical leave may only be taken for rest and recuperation (with a doctor's approval) or for professional and cultural improvement. Persons on sabbatical leave are paid 65 percent of their daily rate of pay for the number of

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days they are on sabbatical leave. Board policy concerning sabbatical leave is determined by and in accordance with state law. According to the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, sabbatical leave that involves professional and cultural improvement provides a continuing benefit to The Board and should not be accrued. Sabbatical leave granted for rest and recuperation is essentially considered an extended sick leave benefit and should not be accrued as sabbatical leave benefits. Accordingly, sabbatical leave benefits are recorded as current expenditures in the period the leave is taken and are not reflected as a liability on the government-wide financial statements.

#### 9) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premium or discount, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums is reported as "Other Financing Sources" while discounts on debt issuances are reported as "Other Financing Uses". Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as an Other Financing Use in the Debt Service Fund.

#### 10) Pension Plans

The Board is a participating employer in three defined benefit pension plans (plans) as further described in Note G. For the purposes of measuring Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

#### 11) Fund Equity and Net Position

**Restricted Net position:** For the government-wide statement of net position, net position is reported as restricted when constraints are placed on net position by creditors, grantors, contributors, laws, or regulations of other governments or by laws through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, The Board's practice is to use restricted resources first, then unrestricted resources as necessary.

**Fund Equity of Fund Financial Statements:** Fund equity of governmental funds was previously discussed in item D. Government-Wide and Fund Financial Statements on page 21 of the Notes to Basic Financial Statements.

#### 12) Comparative Data / Reclassifications

Comparative data for prior years have been presented in fund financial statements in order to facilitate the making of comparisons between years and to reconcile changes in financial position from year-to-year. Also, certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

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#### 13) Use of Estimates

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

#### 14) New Accounting Standards

During the year ended June 30, 2017, The Board implemented GASB Statement No. 77 (GASB 77), *Tax Abatement Disclosures*. Tax abatements are widely used by state and local governments to induce behavior by individuals and entities that is beneficial to the government or its citizens, particularly to encourage economic development. This Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens and requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. Budgetary Information

The Board follows these procedures in establishing the budgetary data contained in the financial statements. Prior to September 15 of each year, The Superintendent submits to The Board proposed annual budgets for the General Fund and all Special Revenue Funds. The General Fund budget includes all proposed general operational expenditures and the means of financing those expenditures. With the exception of the School Food Service program, all Special Revenue Funds budgets are based on grantor-approved project applications. The School Food Service program is reimbursed by state and federal grantors based on the number of meals served during the year and as such, proposed expenditures and the means of financing the proposed expenditures are budgeted in a manner similar to the proposed General Fund budget. In accordance with state law, a summary of the proposed budgets is published in The Board's Official Journal and The Board makes the proposed budgets available for public inspection. After a public hearing(s), The Board then acts on the proposed budgets, and through the adoption process, legally appropriates funding for the fiscal year in accordance with the adopted budgets.

Formal budgetary integration is employed as a management control device for the General Fund and the Special Revenue Funds. Formal budgetary integration is not employed for the Debt Service and Capital Projects Funds, which effectively achieve budgetary control through bond indenture provisions and Board-adopted construction plans, respectively. The General Fund budget and Special Revenue Funds budgets as adopted are prepared on a modified accrual basis of accounting. All appropriations lapse at the end of the fiscal year, and any material current year transactions directly related to the prior year's budget are rebudgeted in the current year. All budgets are prepared and presented in accordance with the provisions of the Louisiana Uniform Accounting Guide and Handbook (Bulletin 1929) issued by the Louisiana Department of Education. The legal level of budgetary control is set at the fund level.

State law mandates that governmental units must revise their budgets when projected revenues decrease five percent from original budget amounts and when projected expenditures increase five percent from original budget

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amounts. Budgets included in this report are presented as originally adopted adjusted for revisions adopted by The Board during the fiscal year. Material revisions were made to the General Fund revenue budget to accommodate a reduction of some \$1.8 million in Ad Valorem tax revenue due to a precipitous drop in the assessed valuation of oil inventories at parish petrochemical facilities as well as a significant reduction in federal grant funding. An increase of \$1.3 million in budgeted state equalization funding offset some of that funding decrease. On the expenditure side, additional allocations were made for increased maintenance activity necessary on Board facilities and personnel costs in excess of original expectations in instructional services.

Expenditures exceeded budget allocations in the General Fund by some \$3 million due to a budgeting error that omitted a sizable portion of The Board's contributions to its employees' group health and life insurance coverages. The discrepancy was absorbed by The Board's existing General Fund fund balance and the error has been corrected in the 2018 budget. Two Special Revenue Funds, Head Start and School Food Service, also exceeded budgeted expenditures. The \$85 overage in the Head Start was offset by a matching reduction in Indirect Cost transferred to the General Fund while the \$143,945 overage in the School Food Service Fund was offset by revenues that exceeded expectations by \$209,566.

Encumbrance accounting is employed in the governmental funds, however, due to operating philosophy and the nature of grant funding, encumbrances at year end are generally immaterial. For those encumbrances that do cross fiscal years, liabilities and expenditures are recorded and related encumbrances are liquidated as goods and services are received and contracts are executed.

III. DETAILED NOTES ON ALL FUNDS

A. Equity in Pooled Cash, Deposits and Investments

1. Equity in Pooled Cash

The Board maintains a consolidated cash pool used by all funds. Positive book balances are reported as "Cash and Cash Equivalents" while negative book balances are reflected as "Interfund Payables."

2. Deposits

On June 30, 2017 the Board had cash (book balances) totaling \$17,645,678. Included in the Cash and Cash Equivalents line item are the following:

Cash Deposits	\$	16,863,803
LAMP		<u>781,875</u>
TOTAL	\$	<u>17,645,678</u>

As of June 30, 2017, the Board's bank balance was \$18,056,488. Of the bank balance, \$534,127 was covered by Federal depository insurance and the Securities Investor Protection Corporation, and \$17,522,361 was covered by collateral held by the Board's fiscal agent in the Board's name.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Board's deposits may not be recovered or the Board will not be able to recover collateral securities that are in the possession of an outside party. Since the Board's uninsured bank balances were collateralized with securities held in the name of the Board by the pledging financial institution's agent, deposits in the amount of \$17,522,361 are exposed to custodial credit risk.

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At June 30, 2017, the Board also had invested \$781,875 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2017 is not categorized in the three risk categories evidenced by securities that exist in physical or book entry form. Due to the short-term nature of the LAMP portfolio and the immediate access at par feature, investments in LAMP are considered cash equivalents by the Board.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
  
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
  
- Concentration of credit risk: Pooled investments are excluded for the 5 percent disclosure requirement.
  
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.
  
- Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**3. Investments**

On June 30, 2017, The Board had the following investments and maturities:

U.S. Agencies Securities	Maturities		TOTALS
	Less Than 1 Yr	1-5 Yrs	
General Fund	\$ 199,700	\$ -	\$ 199,700
Capital Projects Fund	28,534,067	-	28,534,067
TOTALS	\$ 28,733,767	\$ -	\$ 28,733,767

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

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**Credit Risk** – Under Louisiana R.S. 33:2955, as amended, The Board may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP) and other investments as provided in the statute. The Board has no investment policy that would further limit its investment choices. As of June 30, 2017, The Board's investment in U.S. Agencies was rated AAA by Moody's Investors Service.

**Concentration of Credit Risk** – The Board places no limit on the amount The Board may invest in any one issuer. All of The Board's investments are in U.S. Government securities. More than five percent of The Board's investments are in securities issued by the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and the Federal Farm Credit Bank. These investments represent 65% and 35%, respectively, of The Board's investments.

**Fair Value Measurements** – The Board measures and records its investments using fair value guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 – quoted prices for identical investments in active markets
- Level 2 – observable inputs other than quoted market prices
- Level 3 – unobservable inputs

The Board's investments are measured at fair value on a recurring basis. On June 30, 2017, The Board's investments are valued using quoted market prices (Level 1 inputs).

**B. Receivables**

The receivables of \$ 3,434,152 on June 30, 2017 consisted of the following:

	General Fund	Debt Service Fund	Non-Major Governmental Funds	TOTALS
Federal Grants	\$ 66,550	\$ -	\$ 1,353,110	\$ 1,419,660
State Grants	332,565	-	-	332,565
Local Grants / Other	1,681,844	83	-	1,681,927
<b>TOTALS</b>	<b>\$ 2,080,959</b>	<b>\$ 83</b>	<b>\$ 1,353,110</b>	<b>\$ 3,434,152</b>

**C. Capital Assets**

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

	Land	Buildings and Imprvmts	Furniture, Fixtures & Equipment	Work in Progress	TOTALS
Cost, July 1, 2016	\$ 2,402,231	\$ 97,667,065	\$ 8,785,241	\$ 5,781,085	\$ 114,635,622
Additions	-	6,037,399	38,445	19,566,854	25,642,698
Deletions	-	-	401,743	6,037,399	6,439,142
Cost, June 30, 2017	<u>\$ 2,402,231</u>	<u>\$ 103,704,464</u>	<u>\$ 8,421,943</u>	<u>\$ 19,310,540</u>	<u>\$ 133,839,178</u>
<b>Depreciation:</b>					
Accumulated, July 1, 2016	\$ -	\$ 37,786,851	\$ 2,638,734	\$ -	\$ 40,425,585
Additions	-	2,398,929	1,104,733	-	3,503,662
Deletions	-	-	401,743	-	401,743
Accumulated, June 30, 2017	<u>\$ -</u>	<u>\$ 40,185,780</u>	<u>\$ 3,341,724</u>	<u>\$ -</u>	<u>\$ 43,527,504</u>
Capital Assets, net of Accumulated Depreciation, June 30, 2017	<u>\$ 2,402,231</u>	<u>\$ 63,518,684</u>	<u>\$ 5,080,219</u>	<u>\$ 19,310,540</u>	<u>\$ 90,311,674</u>

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Capital assets recorded under The Board's capital lease are computers utilized in The Board's one-to-one computer initiative. The gross amount carried in the Furniture, Fixtures, and Equipment category is \$3,392,499.

Depreciation expense of \$ 3,503,662 for the year ended June 30, 2017 was charged accordingly:

Instruction:

Regular Programs	\$	316,349
Special Programs		69,526
Vocational Programs		16,672
All Other Programs		69,573

Support Services:

Pupil Support		62,351
Instructional Staff Support		46,266
General Administration	2,627,746	
School Administration		60,038
Business Services		9,310
Plant Services		88,137
Pupil Transportation		62,622
Central Services		26,109
Food Services		48,963

TOTAL \$ 3,503,662

**D. Accounts, Salaries, and Other Payables**

The payables of \$ 7,997,698 on June 30, 2017 consisted of the following:

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	TOTALS
Accounts	\$ 565,247	\$ 296,980	\$ 13,176	\$ 875,403
Salaries and Benefits	3,534,003	-	160,048	3,694,051
Contracts	-	2,836,573	-	2,836,573
Worker's Comp Accrued Claims	72,959	-	-	72,959
Health Insurance Accrued Claims	518,712	-	-	518,712
<b>TOTALS</b>	<b>\$ 4,690,921</b>	<b>\$ 3,133,553</b>	<b>\$ 173,224</b>	<b>\$ 7,997,698</b>

**E. Interfund Receivables, Payables, and Transfers**

Amounts of interfund receivables, payables, and transfers as of and for the year ended June 30, 2017 follow:

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	Interfund Balances and Activity			
	Receivables	Payables	Transfers In	Transfers Out
General Fund	\$ 1,205,676	\$ -	\$ 219,024	\$ 556,094
Non-Major Governmental Funds:				
NCLB Title I	-	395,597	-	63,276
NCLB Titles II and III	-	124,888	-	16,821
NCLB IDEA	-	305,082	-	51,614
Vocational Education	-	9,402	-	-
Head Start	-	370,707	-	87,313
School Food Service	-	-	556,094	-
<b>TOTALS</b>	<b>\$ 1,205,676</b>	<b>\$ 1,205,676</b>	<b>\$ 775,118</b>	<b>\$ 775,118</b>

Interfund receivables and payables arise as a result of the consolidated cash account utilized by The Board. All operating funds are deposited in a single bank account and disbursements are made through two zero-balance checking accounts. Due to the reimbursement nature of the federal funds operated by The Board, negative cash balances arise throughout the year and are accordingly reported as interfund receivables and payables.

Interfund transfers reflect indirect cost funding provided to the General Fund from federal grants based on programmatic expenditures. An interfund transfer is reported for capital outlay projects funded by the General Fund prior to receipt of debt issuance proceeds and an interfund transfer is also reported for equalization monies provided to the School Food Service fund from the General Fund, where the state funding is reported as revenue.

**F. Long-Term Liabilities**

Long-term liabilities consist of bonded debt, capital leases, compensated absences payable, net pension liability further discussed in Note G, and the OPEB further discussed in Note H. A summary of changes in bonded debt, capital leases, and compensated absences payable for the year ended June 30, 2017 follows:

	Balance, July 1, 2016	Additions	Retirements	Balance, June 30, 2017
Bonded Debt	\$ 84,333,727	\$ -	\$ 4,418,730	\$ 79,914,997
Bond Premium	1,698,039	-	86,930	1,611,109
Capital Lease	3,942,429	-	1,969,109	1,973,320
Compensated Absences	2,089,009	147,246	75,516	2,160,739
<b>TOTALS</b>	<b>\$ 92,063,204</b>	<b>\$ 147,246</b>	<b>\$ 6,550,285</b>	<b>\$ 85,660,165</b>

**General Obligation Bonds, Qualified School Construction Bonds, Certificates of Indebtedness, and Capital Leases**

The Board has several debt issues outstanding at June 30, 2017. The April 1, 2006 bond issue was for the advance refunding of 1990, 1994, 1995, 2000, and 2002 bonds, respectively. The June 1, 2011, September 1, 2012, September 1, 2015, and April 1, 2016 issues of General Obligation and Qualified School Construction Bonds (QSCB Series 2011) have been and are being used to fund parishwide facility improvements and/or capital equipment acquisition. The April 1, 2015 issue advanced refunded the majority of bonds issued December 1, 2007 and the February 1, 2002 Qualified Zone Academy Bonds (QZAB) monies. The June 1, 2015 capital lease agreement is with Apple Financial Services for a one-to-one classroom computer initiative. A summary of bonded debt and premium:

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<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Pymt Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Premium on Debt</u>
<i>General Obligation Bonds:</i>						
April 1, 2006	4,245,000	3.4-4.05%	4-1-20	\$ 123,226	\$ 1,455,000	\$ -
June 1, 2011	6,500,000	0-1%	3-1-26	263,250	3,899,997	-
September 1, 2012	13,500,000	2-3.125%	3-1-32	2,872,032	11,055,000	-
April 1, 2015	10,910,000	1.2-2.6%	3-1-27	1,502,795	10,705,000	-
September 1, 2015	20,000,000	3.75-5%	3-1-35	7,182,123	18,000,000	686,942
April 1, 2016	36,000,000	3.125-5%	3-1-36	<u>12,563,286</u>	<u>34,800,000</u>	<u>924,167</u>
	<i>General Obligation Bonds</i>			<u>24,506,712</u>	<u>79,914,997</u>	<u>1,611,109</u>
<i>Capital Lease:</i>						
June 1, 2015	3,392,499	1.997%	7-15-18	<u>26,678</u>	<u>1,973,320</u>	<u>-</u>
			<b>TOTALS</b>	<b>\$ 24,533,390</b>	<b>\$ 81,888,317</b>	<b>\$ 1,611,109</b>
					<b>\$ 83,499,426</b>	

The current portion of long-term debt is \$5,362,502 while the long-term portion is \$78,136,924. Principal and interest requirements are funded in accordance with Louisiana law by the annual tax levy on taxable property within the parish taxing district, with the exception of the capital lease obligation funded by General Fund revenues. At June 30, 2017, The Board had amassed \$8,239,984 in the Debt Service Fund for future bonded debt requirements. The Board is legally restricted from incurring long-term debt financed through property taxes in excess of 35% of the assessed valuation of taxable property. At June 30, 2017, the statutory limit was \$195,138,689 and the remaining debt margin was \$115,223,692. Future funding requirements on long-term debt:

<i>Fiscal Year</i>	<i>General Obligation Bonds</i>						<i>Capital Lease</i>	<b>TOTALS</b>
	<u>4-1-06</u>	<u>6-1-11</u>	<u>9-1-12</u>	<u>4-1-15</u>	<u>9-1-15</u>	<u>4-1-16</u>	<u>6-1-15</u>	
2018 Prin	460,000	433,333	550,000	910,000	695,000	1,245,000	982,240	5,275,573
Int	57,973	29,250	316,938	247,294	726,544	1,182,775	17,759	2,578,533
2019 Prin	485,000	433,333	570,000	940,000	725,000	1,300,000	991,080	5,444,413
Int	39,748	29,250	301,850	231,042	691,794	1,120,400	8,919	2,423,003
2020 Prin	510,000	433,333	595,000	970,000	755,000	1,350,000		4,613,333
Int	25,506	29,250	286,144	212,439	655,544	1,062,213		2,271,096
2021 Prin		433,333	620,000	1,010,000	785,000	1,405,000		4,253,333
Int		29,250	271,331	191,884	617,794	1,008,150		2,118,409
2022 Prin		433,333	645,000	1,045,000	820,000	1,465,000		4,408,333
Int		29,250	257,976	169,352	578,544	944,588		1,979,710
2023-2027								
Prin		1,733,332	3,635,000	5,830,000	4,615,000	8,270,000		24,083,332
Int		117,000	1,011,020	450,784	2,272,970	3,993,152		7,844,926
2028-2032								
Prin			4,440,000		5,640,000	10,095,000		20,175,000
Int			426,773		1,339,207	2,473,751		4,239,731
2028-2032								
Prin					3,965,000	9,670,000		13,635,000
Int					299,726	778,257		1,077,983
Totals: Prin	<u>1,455,000</u>	<u>3,899,997</u>	<u>11,055,000</u>	<u>10,705,000</u>	<u>18,000,000</u>	<u>34,800,000</u>	<u>1,973,320</u>	<u>81,888,317</u>
Int	<u>123,226</u>	<u>263,250</u>	<u>2,872,032</u>	<u>1,502,795</u>	<u>7,182,123</u>	<u>12,563,286</u>	<u>26,678</u>	<u>24,533,390</u>
<b>TOTALS</b>	<b>\$ 1,578,226</b>	<b>\$ 4,163,247</b>	<b>\$ 13,927,032</b>	<b>\$ 12,207,795</b>	<b>\$ 25,182,123</b>	<b>\$ 47,363,286</b>	<b>\$ 1,999,998</b>	<b>\$ 106,421,707</b>

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Compensated Absences

Compensated absences consist of that portion of accumulated regular sick leave for which The Board may have an obligation to pay for up to twenty-five (25) days thereof. All amounts reported are computed using the employee's daily rate of pay as of June 30, 2017. Of the \$ 2,160,739 balance reported, \$74,183 is estimated to be due within one year of June 30, 2017. All compensated absence liabilities are liquidated through the General Fund.

G. Defined Benefit Pension Plans

Eligible employees of the St. James Parish School Board participate in one of two multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

Teachers Retirement System of Louisiana (TRSL) – Regular and Plan A

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and additions to/deductions from TRSL's fiduciary net position have been determined on the same basis as they are reported by TRSL. 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.

**Plan Description:** Certain employees of the Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (LA R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefits terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at [www.trsl.org](http://www.trsl.org).

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

**Normal retirement: Regular Plan –** Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 21, 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% benefit factor at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

**Normal retirement: Plan A –** Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.

**Benefits Formula:** For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable benefit factor, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement

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system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

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

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

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

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

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

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of 18, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments: As fully described in Title 11 of the Louisiana Revised Statutes, TRSL allows for the payment of permanent benefit increases, also known as cost-of-living adjustments

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(COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions: The employer contribution rate is established annually under LA R.S. 11:101 – 11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of plan.

<u>TRSL Sub Plan 2017</u>	<u>Employer Contribution</u>
K-12 Regular Plan	25.5%
Higher Ed Regular Plan	24.4%
Plan A	30.7%
Plan B	28.2%
ORP 2017	21.2%

The agency's contractually required composite contribution rate for the year ended June 30, 2017 was 25.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$7,328,811 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, the School Board reported a liability of \$76,544,168 for its proportionate share of the TRSL Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School Board's proportion was 0.65216%, which was an increase of 0.01505% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension expense of \$7,809,142 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$724,386. At June 30, 2017, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,511,195
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	5,572,237	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,357,849	-
Employer contributions subsequent to the measurement date	7,328,811	-
TOTALS	\$ 15,258,897	\$ 1,511,195

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Deferred outflows of resources of \$7,328,811 related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>FYE</u> <u>June 30,</u>	<u>Pension</u> <u>Expense</u>
2017	\$ 878,241
2018	878,241
2019	3,038,956
2020	<u>1,623,453</u>
<b>TOTAL</b>	<b>\$ <u>6,418,891</u></b>

**Contributions – Proportionate Share:** Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

**Actuarial Assumptions:** The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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

Actuarial Cost Method	Entry Age Normal
Amortization Approach	Closed
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.75% per annum
Inflation Rate	2.5% per annum
Salary Increases	3.5 - 10% depending on duration of service
Cost of Living Adjustments	None
Mortality Rates	Based on the RP-2000 Mortality Table with projection to 2025 using Scale AA
Termination and Disability	Based on a 5-year experience (2008-2012) of TRSL members

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of

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

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.50%
International Equity	5.31%
Domestic Fixed Income	2.45%
International Fixed Income	3.28%
Private Equity	6.80%
Other private assets	4.82%

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability calculated using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Rate 7.75%	1% Increase 8.75%
Employers Proportionate Share of the Net Pension Liability	\$ <u>95,474,006</u>	\$ <u>76,544,168</u>	\$ <u>60,436,155</u>

Support of Non-employer Contributing Entities: Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$249,082 for its participation in TRSL.

Payables to the Pension Plan: The School Board recorded accrued liabilities to TRSL for the year ended June 30, 2017, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. The balance due to TRSL as of June 30, 2017 is \$1,536,022.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2016 Comprehensive Annual Financial Report at [www.trsl.org](http://www.trsl.org).

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Louisiana School Employees' Retirement System (LSERS)

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Louisiana School Employees' Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

Plan Description: Certain employees of the School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the State of Louisiana School Employees' Retirement System, a component unit of the State of Louisiana. The System was established and provided for by LA R.S. 11:1001 to provide retirement, disability and survivor benefits to all eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children. The System issues a publicly available financial report that can be obtained at [www.lasers.net](http://www.lasers.net).

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week or for part-time employees who have ten years of creditable service in the System as a school bus driver, school janitor, school custodian, school maintenance employee, school bus aide or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the System. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefits Provided: Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 – 11:1153. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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

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

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

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

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

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

**Disability Benefits:** A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

**Survivor Benefits:** Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefits.

**Initial Benefit Retirement Plan:** Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefits Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP.

The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

**Contributions:** Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actual employer contribution rate for the year ended June 30, 2016 was 30.2%.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At June 30, 2017, the School Board reported a liability of \$2,616,763 for its proportionate share of the System's Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date.

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The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School Board's proportion was 0.346891%, which was a decrease of 0.033376% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension benefit of \$20,974 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$13,166.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 71,409
Changes in assumptions	61,991	69,163
Net difference between projected and actual earnings on pension plan investments	331,500	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	(10,480)	318,850
Employer contributions subsequent to the measurement date	225,780	-
	<u>608,791</u>	<u>459,422</u>
TOTALS	\$ <u>608,791</u>	\$ <u>459,422</u>

Deferred outflows of resources of \$225,780 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FYE June 30,	Pension Expense
2017	\$ (250,773)
2018	(70,849)
2019	149,812
2020	<u>95,399</u>
TOTAL	\$ <u>(76,411)</u>

Contributions – Proportionate Share: Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

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Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.125%, net of investment expense
Inflation Rate	2.625% per annum
Mortality Rates	Based on the RP-2000 Sex Distinct Mortality Table
Salary Increases	Based on a 2008-2012 experience study of the Plan's members. Annual salary growth rates are based on members' years of service
Cost of Living Adjustments	May be granted from the Experience Account provided there are sufficient funds to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outlined by ACT 399 of 2014.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	30.00%	1.82%
Equity	51.00%	3.10%
Alternatives	13.00%	0.79%
Real Assets	6.00%	0.36%
TOTALS	<u>100.00%</u>	<u>6.07%</u>
	Inflation	<u>2.00%</u>
	Expected Arithmetic Nominal Return	<u><u>8.07%</u></u>

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Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.125%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.125%	Current Rate 7.125%	1% Increase 8.125%
Employers Proportionate Share of the Net Pension Liability	\$ <u>3,435,080</u>	\$ <u>2,616,763</u>	\$ <u>1,915,676</u>

Payables to the Pension Plan: The School Board recorded accrued liabilities to the System for the year ended June 30, 2017, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. The balance due to the System as of June 30, 2017 is \$45,074.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report issued on School Employees' Retirement System financial statements for the year ended June 30, 2016. Access to the audit report can be found on the Office of the Louisiana Legislative Auditor's official website: [www.lia.state.la.us](http://www.lia.state.la.us).

All pension liabilities are liquidated through the General Fund or those Special Revenue Funds paying employee salaries.

H. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. Except as noted below, for the year ended June 30, 2017, The Board purchased commercial insurance policies to satisfy any claims related to general liability, vehicle liability, property and casualty, athletic participation, employee health and accident, and errors and omissions. The General Fund accounts for all risk-financing activity. During the year ended June 30, 2017, there was no significant reduction in insurance coverage in any of the risk categories mentioned above. Additionally, The Board has had no settlements in excess of insurance coverage during any of the past three fiscal years.

The Board is partially self-insured for employee group health insurance and maintains additional reinsurance from an independent carrier for any claims incurred in excess of specified limits. Those funds with covered employees remit monthly premiums to the Health Insurance Reserve Fund which pays claims based on invoices submitted to The Board's third-party administrator. The plan was established on October 1, 2003 and all financial activity is reported in the General Fund. The Board is also partially self-insured for worker's compensation up to \$450,000 per occurrence and subject to an aggregate loss fund in an amount equal to 80% of the standard manual premium.

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An independent carrier insures The Board for excess worker's compensation claims over and above the aforementioned limits. Claims liabilities are funded through the General Fund and Special Revenue Funds that incur claims liabilities and liability amounts for claims incurred but not reported are actuarially determined by each of The Board's third-party plan administrators. All but \$9,432 of the Worker's Comp liability is considered due within a year of the date of the Statement of Net Position. A reconciliation of claims liability for the past three fiscal years follows:

	Beginning Liability	Current Claims and Changes in Estimates	Claims Paid	Ending Liability
<b>2017</b>				
Worker's Comp	\$ 270,732	\$ (67,067)	\$ 130,706	\$ 72,959
Health Insurance	402,650	5,742,992	5,626,930	518,712
<b>TOTALS</b>	<b>\$ 673,382</b>	<b>\$ 5,675,925</b>	<b>\$ 5,757,636</b>	<b>\$ 591,671</b>
<b>2016</b>				
Worker's Comp	\$ 181,582	\$ 462,637	\$ 373,487	\$ 270,732
Health Insurance	814,669	4,224,257	4,636,276	402,650
<b>TOTALS</b>	<b>\$ 996,251</b>	<b>\$ 4,686,894</b>	<b>\$ 5,009,763</b>	<b>\$ 673,382</b>
<b>2015</b>				
Worker's Comp	\$ 161,917	\$ 444,344	\$ 424,679	\$ 181,582
Health Insurance	1,017,733	5,191,664	5,394,728	814,669
<b>TOTALS</b>	<b>\$ 1,179,650</b>	<b>\$ 5,636,008</b>	<b>\$ 5,819,407</b>	<b>\$ 996,251</b>

I. Commitments

The Board is entered into several different contracts which result in commitments in various phases of The Board's operations. The material contractual obligations outstanding at June 30, 2017 were all construction contracts financed through the Capital Projects Fund. A summary follows:

Project	School	Contract Amount	Paid to Date	Contracts Payable	Contract Balance
New Football Stadium	New St. James High School	\$ 3,794,061	\$ 3,774,061	\$ 20,000	\$ -
New Athletic Facility	New St. James High School	3,026,519	2,806,303	147,866	72,350
New High School Facility	New St. James High School	24,131,304	10,390,768	1,566,084	12,174,452
Early College Project	Career and Technology Ctr	3,331,414	3,164,842	166,572	-
Roofing, Lighting, Mechanical	Career and Technology Ctr	2,093,000	-	877,044	1,215,956
Abatement Project	Career and Technology Ctr	78,800	-	22,105	56,695
Renovations Project	Sixth Ward Elementary School	1,864,000	222,486	11,710	1,629,804
Phase II Renovations	Lutcher High School	2,004,702	478,657	25,192	1,500,853
	<b>TOTALS</b>	<b>\$ 40,323,800</b>	<b>\$ 20,837,117</b>	<b>\$ 2,836,573</b>	<b>\$ 16,650,110</b>

J. Post-Employment Benefits

Plan Description. The Board's medical benefits are provided through a partially self-insured group health care plan and are made available to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of

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service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees joining the system on and after January 1, 2011 must be at least age 60 to retire with an unreduced retirement benefit.

Basic and Supplemental Life insurance coverage is available to retirees by election. The employer pays 100% of the Basic premium and 50% of the Supplemental premium. The Basic premium is "blended" and the Supplemental premium is "unblended".

Since GASB 45 requires the use of "unblended" rates, the 94GAR mortality table described below has been used to "unblend" the Basic rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for the Basic life insurance.

All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2008, The Board recognized the cost of providing post-employment medical and life benefits (The Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

In fiscal years 2017 and 2016, The Board's portion of both health care and life insurance funding cost for retired employees totaled \$2,736,704 and \$2,186,781, respectively.

Effective July 1, 2008, The Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the table below.

Annual Required Contribution. The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL).

A level dollar and open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC for each of the past three fiscal years follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Normal Cost	\$ 2,237,379	\$ 2,021,459	\$ 1,943,711
30-year UAL amortization amount	<u>4,246,803</u>	<u>3,749,188</u>	<u>3,604,988</u>
Annual Required Contribution (ARC)	<u>\$ 6,484,182</u>	<u>\$ 5,770,647</u>	<u>\$ 5,548,699</u>

Net Post-employment Benefit Obligation (Asset). The table below shows The Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for the past three fiscal years:

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	<u>2017</u>	<u>2016</u>	<u>2015</u>
Beginning Net OPEB Obligation	\$ 15,383,602	\$ 12,013,946	\$ 8,644,170
Annual Required Contribution	6,484,182	5,770,647	5,548,699
Interest on Net OPEB Obligation (Asset)	615,344	480,558	345,767
ARC Adjustment	<u>(889,635)</u>	<u>(694,768)</u>	<u>(499,893)</u>
OPEB Cost	6,209,891	5,556,437	5,394,573
Contribution to Irrevocable Trust	-	-	-
Current Year Retiree Premium	<u>(2,736,704)</u>	<u>(2,186,781)</u>	<u>(2,024,797)</u>
Change in Net OPEB Obligation	<u>3,473,187</u>	<u>3,369,656</u>	<u>3,369,776</u>
Ending Net OPEB Obligation	\$ <u>18,856,789</u>	\$ <u>15,383,602</u>	\$ <u>12,013,946</u>

The following table shows The Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset) for the past three fiscal years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual OPEB Cost	\$ 6,209,891	\$ 5,556,437	\$ 5,394,573
Percentage of Annual Cost Contributed	44.07%	39.36%	37.53%
Net OPEB Obligation (Asset)	\$ 18,856,789	\$ 15,383,602	\$ 12,013,946

**Funded Status and Funding Progress.** In fiscal years 2015 through 2017 The Board made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. Based on the most recent actuarial valuation of July 1, 2016, on June 30, 2017 the Actuarial Accrued Liability (AAL) was \$76,374,958 which is defined as that portion, as determined by a particular actuarial cost method (The Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Accrued Liability (AAL)	\$ 76,374,958	67,425,348	64,832,065
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ <u>76,374,958</u>	<u>67,425,348</u>	<u>64,832,065</u>
Funded Ratio	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll (active plan members)	\$ <u>26,549,924</u>	\$ <u>24,640,390</u>	\$ <u>25,932,673</u>
UAAL as a Percent of Covered Payroll	<u>287.67%</u>	<u>273.64%</u>	<u>250.00%</u>

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### NOTES TO BASIC FINANCIAL STATEMENTS

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

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

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

Actuarial Value of Plan Assets. Since the OPEB obligation has not been funded, there are no assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50 will be used.

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite annual turnover of approximately 5%.

Post employment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence three years after satisfaction of the minimum retirement/D.R.O.P. entry eligibility requirements necessary for an unreduced retirement benefit described above under "Plan Description." The three year delay is to accommodate the three year period of participation in the D.R.O.P. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate). GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan that's funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

ST. JAMES PARISH SCHOOL BOARD

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June 30, 2017

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The rates provided are "blended" rates for active and retirees before age 65. Since GASB 45 mandates that "unblended" rates be used, we have estimated the "unblended" rates for those two groups: active and retired before Medicare eligibility. The employer premium payable for retiree medical insurance is a percentage of the employer rate schedule varying according to the number of years of service at retirement (D.R.O.P. entry): 25% for fewer than 10 years; 50% for 10 years but fewer than 15 years; 75% for 15 years but fewer than 20 years; and, 100% for 20 years or more.

Inflation Rate and Projected Salary Increases. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually. Since neither the benefit structure nor the valuation methodology involves salary, there is no such projection employed.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future. All plan liabilities are liquidated through the General Fund or the Special Revenue Fund paying employee salaries. A summary of OPEB cost and contributions for the past three fiscal years follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPEB Cost	\$ 6,209,891	\$ 5,556,437	\$ 5,394,573
Contribution	-	-	-
Retiree Premium	<u>2,736,704</u>	<u>2,186,781</u>	<u>2,024,797</u>
Total Contribution and Premium	<u>2,736,704</u>	<u>2,186,781</u>	<u>2,024,797</u>
Change in Net OPEB Obligation	\$ <u>3,473,187</u>	\$ <u>3,369,656</u>	\$ <u>3,369,776</u>
Percent of Contribution to Cost	-	-	-
Percent of Contribution plus Premium to Cost	44.07%	39.36%	37.53%

A schedule of funding progress for the OPEB, included on page 54 of this report, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

K. Agency Fund - Sales and Use Tax Collections

St. James Parish sales and use taxes are collected and disbursed by a department operating within the physical confines of the St. James Parish School Board. The department collects and distributes the taxes on a monthly basis to all taxing bodies within the parish. A summary of disbursements to the applicable taxing bodies for the year ended June 30, 2017 follows:

<u>Taxing Agency</u>	<u>Net Distribution</u>
St. James Parish School Board	\$ 18,127,949
St. James Parish Council	6,202,625
Town of Gramercy	620,621
Town of Lutcher	265,596
River Parish Tourist Commission	<u>73,004</u>
DISTRIBUTION TO TAXING BODIES	\$ <u>25,289,795</u>

**ST. JAMES PARISH SCHOOL BOARD**  
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NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

L. Tax Abatement

As authorized by Article VII, Section 14(C) of the Louisiana Constitution and RS 33:7633, political subdivisions and political corporations may enter into a cooperative endeavor agreement (CEA) with any public or private association, corporation, or individual to carry out a local infrastructure project to achieve a public purpose. In prior years, the St. James Parish Government and the Port of South Louisiana entered into separate CEA for the construction of plant facilities to be owned by the respective governmental entity but operated through the CEA by business enterprises. Because the plant facilities are owned by a governmental entity, such are exempt from ad valorem taxation. Accordingly, the following ad valorem taxes have been abated:

Anticipated Millage Assessment	Estimated Current Market Value of Facility	Estimated Taxes Abated	
		Total	St. James Parish School Board
105.70	\$ 622,500,000	\$ 9,869,738	\$ 4,046,592
107.42	352,750,000	5,683,860	2,330,383
		\$ 15,553,598	\$ 6,376,975

M. Litigation

At June 30, 2017, The Board was a defendant in several different lawsuits. Board management and legal counsel believe that claims against The Board not covered by insurance would not have a material impact on The Board's financial statements. In November 2017 The Board settled a lawsuit brought over an employment issue for \$100,000. The Board will pay a \$25,000 deductible on the settlement and The Board's applicable insurer will pay the balance. Other than that settlement, there have been no material judgments against The Board in the last several fiscal years and any such future judgments will be liquidated through General Fund resources.

N. Federal Grants

The Board participates in a number of federally-assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, Board management believes such disallowances, if any, would be immaterial.

O. Subsequent Events

In December 2016 the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) issued The Board a letter requesting refund of some \$900,000 of Federal Emergency Management Agency (FEMA) funds that were provided to The Board for storm relief following Hurricane Gustav, a storm that damaged Board facilities in 2008. Board administration is working with GOHSEP and feels that the potential resolution of this issue will be much less than the amount requested, if any. No provision for this contingency has been made in the accompanying financial statements.

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

#### A. Budgetary Comparison Schedule - General Fund

The General Fund is the main operating fund of The Board and accounts all financial resources and transactions not required to be accounted for elsewhere. The reported budgets, both the original and revised budgets, are prepared in conformity with generally accepted accounting principles (GAAP). Material revisions were made to the General Fund revenue budget to accommodate a reduction of some \$1.8 million in Ad Valorem tax revenue due to a precipitous drop in the assessed valuation of oil inventories at parish petrochemical facilities as well as a significant reduction in federal grant funding. An increase of \$1.3 million in budgeted state equalization funding offset some of that funding decrease. On the expenditure side, additional allocations were made for increased maintenance activity necessary on Board facilities and personnel costs in excess of original expectations in instructional services.

Expenditures exceeded budget allocations in the General Fund by some \$3 million due to a budgeting error that omitted a sizable portion of The Board's contributions to its employees' group health and life insurance coverages. The discrepancy was absorbed by The Board's existing General Fund fund balance and the error has been corrected in the 2018 budget.

#### B. Schedule of Funding Progress - Other Post Employment Benefits Plan

The Board is obligated to contribute some 80% of the cost of health and life insurance programs on behalf of its retirees. The Schedule of Funding Progress provides a status of The Board's funding of its post employment benefits plan. All financial information concerning the plan has been prepared by The Board's independently contracted actuary and has been prepared and reported in conformity with Governmental Accounting Standards Board (GASB) Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

#### C. Proportionate Share of the Net Pension Liability and Contributions to State Retirement Systems

These two schedules are presented pursuant to the requirements of GASB Statement 68 - *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and Statement Number 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68, both of which were implemented by The Board during the year ended June 30, 2015.

Changes of benefit terms for the state retirement systems being reported on include:

Teachers Retirement System of Louisiana:

- None

Louisiana School Employees Retirement System:

- None

Changes of assumptions for the state retirement systems being reported on include:

Teachers Retirement System of Louisiana:

- None

Louisiana School Employees Retirement System:

- For the actuarial valuation for the year ended June 30, 2016, the discount rate was increased from 7.0% to 7.125%.

# ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 1

## REQUIRED SUPPLEMENTARY INFORMATION General Fund Budgetary Comparison Schedule For the Year Ended June 30, 2017

	BUDGET		ACTUAL (Budgetary Basis)	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>Local Sources:</b>				
Taxes: Ad Valorem	\$ 20,200,000	\$ 18,391,939	\$ 18,392,216	\$ 277.00
Sales and Use	18,000,000	18,150,000	18,127,949	(22,051)
Interest Earnings	20,000	30,000	20,670	(9,330)
Other	1,525,000	1,394,863	1,729,920	335,057
<b>Total Local Sources</b>	<b>39,745,000</b>	<b>37,966,802</b>	<b>38,270,755</b>	<b>303,953</b>
<b>State Sources:</b>				
Minimum Foundation Program	11,404,000	12,754,269	12,754,266	(3)
Other	449,000	451,942	407,516	(44,426)
<b>Total State Sources</b>	<b>11,853,000</b>	<b>13,206,211</b>	<b>13,161,782</b>	<b>(44,429)</b>
Federal Sources	755,000	287,940	337,238	49,298
<b>TOTAL REVENUES</b>	<b>52,353,000</b>	<b>51,460,953</b>	<b>51,769,775</b>	<b>308,822</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular Programs	19,257,715	20,008,671	21,271,602	(1,262,931)
Special Programs	4,144,377	3,991,371	4,253,283	(261,912)
Vocational Programs	1,002,789	1,058,238	1,094,416	(36,178)
All Other Programs	3,143,643	3,008,581	3,188,659	(180,078)
<b>Support Services:</b>				
Pupil Support	3,348,315	3,557,876	3,754,263	(196,387)
Instructional Staff Support	2,191,759	2,045,799	2,070,883	(25,084)
General Administration	2,005,254	2,149,815	2,121,101	28,714
School Administration	3,654,555	3,668,947	4,031,520	(362,573)
Business Services	675,964	559,149	626,033	(66,884)
Plant Services	5,124,975	5,708,569	5,926,413	(217,844)
Pupil Transportation	3,761,802	3,893,813	4,199,218	(305,405)
Central Services	1,585,528	1,618,637	1,755,625	(136,988)
Community Services	59,000	50,540	50,540	-
Debt Service: Principal	1,969,109	1,969,109	1,969,109	-
Interest	30,889	30,889	30,889	-
<b>TOTAL EXPENDITURES</b>	<b>51,955,674</b>	<b>53,320,004</b>	<b>56,343,554</b>	<b>(3,023,550)</b>

(Continued)

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 1

REQUIRED SUPPLEMENTARY INFORMATION  
 General Fund Budgetary Comparison Schedule  
 For the Year Ended June 30, 2017

	BUDGET		ACTUAL (Budgetary Basis)	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 397,326	\$ (1,859,051)	\$ (4,573,779)	\$ (2,714,728)
OTHER FINANCING SOURCE (Uses):				
Interfund Transfers In	215,000	238,786	219,024	(19,762)
Interfund Transfers Out	(600,000)	(591,361)	(556,094)	35,267
TOTAL OTHER FINANCING SOURCES / (Uses)	(385,000)	(352,575)	(337,070)	15,505
NET CHANGES IN FUND BALANCES	12,326	(2,211,626)	(4,910,849)	(2,699,223)
FUND BALANCE, July 1, 2016	10,418,750	10,337,702	10,337,702	-
FUND BALANCE, June 30, 2017	\$ 10,431,076	\$ 8,126,076	\$ 5,426,853	\$ (2,699,223)

Concluded

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Schedule 2

REQUIRED SUPPLEMENTARY INFORMATION

Other Post Employment Benefits Plan - Retiree Health and Life Insurance Programs  
 Schedule of Funding Progress  
 For the Three Years Ended June 30, 2017

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UALL)	(a/b) Funded Ratio	(d) Covered Payroll	((b-a)/d) UAAL as a Percentage of Covered Payroll
7-1-2014	\$ -	\$ 64,832,065	\$ 64,832,065	0%	\$ 25,932,673	250.00%
7-1-2015	\$ -	\$ 67,425,348	\$ 67,425,348	0%	\$ 24,640,390	273.64%
7-1-2016	\$ -	\$ 76,374,958	\$ 76,374,958	0%	\$ 26,549,924	287.67%

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of ARC Contributed	Increase/ (Decrease) to Net OPEB Obligation	Net OPEB Obligation
6-30-2015	\$ 5,394,573	\$ 2,024,797	37.53%	\$ 3,369,776	\$ 12,013,946
6-30-2016	\$ 5,556,437	\$ 2,186,781	39.36%	\$ 3,369,656	\$ 15,383,602
6-30-2017	\$ 6,209,891	\$ 2,736,704	44.07%	\$ 3,473,187	\$ 18,856,789

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 3

REQUIRED SUPPLEMENTARY INFORMATION  
 Proportionate Share of the Net Pension Liability  
 For the Year Ended June 30, 2017

	2016	
	TRSL	LSERS
Employers Proportion of the Net Pension Liability (Asset)	0.6522%	0.3469%
Employers Proportionate Share of the Net Pension Liability (Asset)	\$ 76,544,168	\$ 2,616,763
Employers Covered-Employee Payroll	\$ 28,208,877	\$ 955,839
Employers Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	271.30%	273.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.90%	70.09%

	2015	
	TRSL	LSERS
Employers Proportion of the Net Pension Liability (Asset)	0.6371%	0.3803%
Employers Proportionate Share of the Net Pension Liability (Asset)	\$ 68,503,404	\$ 2,411,376
Employers Covered-Employee Payroll	\$ 25,104,474	\$ 1,040,688
Employers Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	272.90%	231.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.50%	74.50%

	2014	
	TRSL	LSERS
Employers Proportion of the Net Pension Liability (Asset)	0.6248%	0.4517%
Employers Proportionate Share of the Net Pension Liability (Asset)	\$ 63,861,579	\$ 2,618,694
Employers Covered-Employee Payroll	\$ 25,104,474	\$ 817,399
Employers Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	254.40%	320.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.70%	76.18%

\* This schedule is intended to present 10 years of information. Additional years will be reported as they become available.

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

TRSL = Teachers Retirement System of Louisiana

LSERS = Louisiana School Employees Retirement System

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 4

REQUIRED SUPPLEMENTARY INFORMATION

Contributions to State Retirement Systems

For the Year Ended June 30, 2017

	2017	
	TRSL	LSERS
Statutorily Required Contributions	\$ 7,328,811	225,780
Contributions in Relation to Statutorily Required Contributions	7,328,811	225,780
Contribution Deficiency (Excess)	\$ -	\$ -
Employer Covered Employee Payroll	\$ 28,723,762	\$ 827,033
Contributions as a Percentage of Covered Employee Payroll	25.51%	27.30%

	2016	
	TRSL	LSERS
Statutorily Required Contributions	\$ 7,428,400	287,945
Contributions in Relation to Statutorily Required Contributions	7,428,400	287,945
Contribution Deficiency (Excess)	\$ -	\$ -
Employer Covered Employee Payroll	\$ 28,208,877	\$ 955,839
Contributions as a Percentage of Covered Employee Payroll	26.33%	30.12%

	2015	
	TRSL	LSERS
Statutorily Required Contributions	\$ 7,531,342	269,742
Contributions in Relation to Statutorily Required Contributions	7,768,993	343,427
Contribution Deficiency (Excess)	\$ (237,651)	\$ (73,685)
Employer Covered Employee Payroll	\$ 25,104,474	\$ 1,040,688
Contributions as a Percentage of Covered Employee Payroll	30.00%	25.92%

\* This schedule is intended to present 10 years of information. Additional years will be reported as they become available.

TRSL = Teachers Retirement System of Louisiana

LSERS = Louisiana School Employees Retirement System

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Special Revenue Funds – Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. All Special Revenue Funds except the School Food Service fund are operated on a cost-reimbursement basis.

### EVERY STUDENT SUCCEEDS ACT (ESSA)

Title I - This federal program focuses on basic academic skills for at-risk and low income students. Eligibility is determined by socio-economic status of the student population.

Titles II and III – Title II funding provides federal monies for elevating teacher and principal quality through staff development and through personnel recruitment, hiring, and retention strategies. Title III monies provide additional services to those speaking English as a second language.

Individuals With Disabilities Education Act (IDEA) - This program provides federally-funded free education in the least restrictive environment for those students with physical and mental exceptionalities.

Vocational Education - This fund accounts for federal monies used to implement the Carl D. Perkins Vocational Act to prepare students for occupational choices and employment opportunities.

Head Start – A program administered through the United States Department of Health and Human Services, Head Start provides funding for comprehensive early childhood education, health, nutrition, and parental involvement services to low-income children and their families.

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

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

As of June 30, 2017

SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS			
	ESSA		IDEA	VOCATIONAL EDUCATION
	TITLE I	TITLES II and III		
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Receivables	423,128	129,728	320,124	9,402
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 423,128</b>	<b>\$ 129,728</b>	<b>\$ 320,124</b>	<b>\$ 9,402</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, Salaries, Other Payables	\$ 27,531	\$ 4,840	\$ 15,042	\$ -
Interfund Payables	395,597	124,888	305,082	9,402
<b>Total Liabilities</b>	<b>423,128</b>	<b>129,728</b>	<b>320,124</b>	<b>9,402</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 423,128</b>	<b>\$ 129,728</b>	<b>\$ 320,124</b>	<b>\$ 9,402</b>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 5

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

As of June 30, 2017

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>HEAD START</u>	<u>SCHOOL FOOD SERVICE</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 25,790	\$ 25,790
Receivables	420,044	50,684	1,353,110
Inventory	-	102,019	102,019
<b>TOTAL ASSETS</b>	<b>\$ <u>420,044</u></b>	<b>\$ <u>178,493</u></b>	<b>\$ <u>1,480,919</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts,Salaries,Other Paybles	\$ 49,337	\$ 76,474	\$ 173,224
Interfund Payables	<u>370,707</u>	<u>-</u>	<u>1,205,676</u>
<b>Total Liabilities</b>	<b><u>420,044</u></b>	<b><u>76,474</u></b>	<b><u>1,378,900</u></b>
 <b>Fund Balances:</b>			
Nonspendable	<u>-</u>	<u>102,019</u>	<u>102,019</u>
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>102,019</u></b>	<b><u>102,019</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>420,044</u></b>	<b>\$ <u>178,493</u></b>	<b>\$ <u>1,480,919</u></b>

Concluded

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUNDS

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

	SPECIAL REVENUE FUNDS			
	ESSA		IDEA	VOCATIONAL EDUCATION
	TITLE I	TITLES II and III		
<b>REVENUES</b>				
Local Sources:				
Charges for Services	\$ -	\$ -	\$ -	\$ -
State Sources: Grants	-	-	27,585	-
Federal Sources: Grants	1,000,326	268,903	895,414	26,601
<b>TOTAL REVENUES</b>	<b>\$ 1,000,326</b>	<b>268,903</b>	<b>922,999</b>	<b>26,601</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Special Programs	-	-	421,700	-
Vocational Programs	-	-	-	26,601
All Other Programs	236,427	2,975	-	-
Support Services:				
Pupil Support	-	-	387,910	-
Instructional Staff Support	688,110	249,107	56,277	-
School Administration	-	-	5,498	-
Pupil Transportation	11,109	-	-	-
Food Services	-	-	-	-
Community Services	1,404	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>937,050</b>	<b>252,082</b>	<b>871,385</b>	<b>26,601</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPNDTRES</b>	<b>63,276</b>	<b>16,821</b>	<b>51,614</b>	<b>-</b>
<b>OTHER FINANCING SOURCES/(USES):</b>				
Interfund Transfers In	-	-	-	-
Interfund Transfers Out	(63,276)	(16,821)	(51,614)	-
<b>TOTAL OTHER FINANCING SOURCES / (USES)</b>	<b>(63,276)</b>	<b>(16,821)</b>	<b>(51,614)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 6

NONMAJOR GOVERNMENTAL FUNDS

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

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>HEAD START</u>	<u>SCHOOL FOOD SERVICE</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Local Sources:			
Charges for Services	\$ -	\$ 122,352	\$ 122,352
State Sources: Grants			27,585
Federal Sources: Grants	1,434,758	2,644,258	6,270,260
<b>TOTAL REVENUES</b>	<b>\$ 1,434,758</b>	<b>\$ 2,766,610</b>	<b>\$ 6,420,197</b>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Special Programs	-	-	421,700
Vocational Programs	-	-	26,601
All Other Programs	1,250,110	-	1,489,512
Support Services:			
Pupil Support	50,346	-	438,256
Instructional Staff Support	46,576	-	1,040,070
School Administration	-	-	5,498
Pupil Transportation	413	-	11,522
Food Services	-	3,292,350	3,292,350
Community Services	-	-	1,404
<b>TOTAL EXPENDITURES</b>	<b>1,347,445</b>	<b>3,292,350</b>	<b>6,726,913</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPNDTRES</b>	<b>87,313</b>	<b>(525,740)</b>	<b>(306,716)</b>
<b>OTHER FINANCING SOURCES/(USES):</b>			
Interfund Transfers In	-	556,094	556,094
Interfund Transfers Out	(87,313)	-	(219,024)
<b>TOTAL OTHER FINANCING SOURCES / (USES)</b>	<b>(87,313)</b>	<b>556,094</b>	<b>337,070</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>30,354</b>	<b>30,354</b>
<b>FUND BALANCE - BEGINNING</b>	<b>-</b>	<b>71,665</b>	<b>71,665</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ -</b>	<b>\$ 102,019</b>	<b>\$ 102,019</b>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 7

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)  
 For the Year Ended June 30, 2017

**ESSA TITLE I**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES</u>			
Federal Sources: Grants	\$ 1,029,950	\$ 1,000,326	\$ (29,624)
<u>EXPENDITURES</u>			
Current:			
Instruction:			
All Other Programs	242,817	236,427	6,390
Support Services:			
Instructional Staff Support	708,119	688,110	20,009
Pupil Transportation	12,000	11,109	891
Community Services	<u>2,000</u>	<u>1,404</u>	<u>596</u>
TOTAL EXPENDITURES	<u>964,936</u>	<u>937,050</u>	<u>27,886</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>65,014</u>	<u>63,276</u>	<u>(1,738)</u>
OTHER FINANCING SOURCE (Uses):			
Interfund Transfers Out	<u>(65,014)</u>	<u>(63,276)</u>	<u>1,738</u>
TOTAL OTHER FINANCING SOURCES / (Uses)	<u>(65,014)</u>	<u>(63,276)</u>	<u>1,738</u>
NET CHANGE IN FUND BALANCE	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 8

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)  
 For the Year Ended June 30, 2017

ESSA TITLES II and III

	FINAL BUDGET	ACTUAL	VARIANCE
<u>REVENUES</u>			
Federal Sources: Grants	\$ 282,278	\$ 268,903	\$ (13,375)
<u>EXPENDITURES</u>			
Current:			
Instruction:			
All Other Programs	3,400	2,975	425
Support Services:			
Instructional Staff Support	261,214	249,107	12,107
TOTAL EXPENDITURES	264,614	252,082	12,532
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	17,664	16,821	(843)
OTHER FINANCING SOURCE (Uses):			
Interfund Transfers Out	(17,664)	(16,821)	843
TOTAL OTHER FINANCING SOURCES / (Uses)	(17,664)	(16,821)	843
<del>NET CHANGE IN FUND BALANCE</del>	<del>\$</del>	<del>\$</del>	<del>\$</del>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 9

NONMAJOR SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)  
For the Year Ended June 30, 2017

	<b>IDEA</b>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES</u>			
State Sources: Grants	\$ -	\$ 27,585	\$ 27,585
Federal Sources: Grants	<u>1,219,759</u>	<u>895,414</u>	<u>(324,345)</u>
<b>TOTAL REVENUES</b>	<u>1,219,759</u>	<u>922,999</u>	<u>(296,760)</u>
<u>EXPENDITURES</u>			
Current:			
Instruction:			
Special Instruction	580,433	421,700	158,733
Support Services:			
Pupil Support	493,066	387,910	105,156
Instructional Staff Support	71,550	56,277	15,273
School Administration	<u>6,000</u>	<u>5,498</u>	<u>502</u>
<b>TOTAL EXPENDITURES</b>	<u>1,151,049</u>	<u>871,385</u>	<u>279,664</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>68,710</u>	<u>51,614</u>	<u>(17,096)</u>
<b>OTHER FINANCING SOURCE (Uses):</b>			
Interfund Transfers Out	<u>(68,710)</u>	<u>(51,614)</u>	<u>17,096</u>
<b>TOTAL OTHER FINANCING SOURCES / (Uses)</b>	<u>(68,710)</u>	<u>(51,614)</u>	<u>17,096</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 10

NONMAJOR SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)  
For the Year Ended June 30, 2017

**VOCATIONAL EDUCATION**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Federal Sources: Grants	\$ 40,061	\$ 26,601	\$ (13,460)
EXPENDITURES			
Current:			
Instruction:			
Vocational Programs	<u>40,061</u>	<u>26,601</u>	<u>13,460</u>
TOTAL EXPENDITURES	<u>40,061</u>	<u>26,601</u>	<u>13,460</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 11

**NONMAJOR SPECIAL REVENUE FUND**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)  
 For the Year Ended June 30, 2017

**HEAD START**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Federal Sources: Grants	\$ 1,434,758	\$ 1,434,758	\$ -
<b>EXPENDITURES</b>			
Current:			
Instruction:			
All Other Programs	1,252,312	1,250,110	2,202
Support Services:			
Pupil Support	49,150	50,346	(1,196)
Instructional Staff Support	44,895	46,576	(1,681)
Pupil Transportation	<u>1,003</u>	<u>413</u>	<u>590</u>
TOTAL EXPENDITURES	<u>1,347,360</u>	<u>1,347,445</u>	<u>(85)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>87,398</u>	<u>87,313</u>	<u>(85)</u>
OTHER FINANCING SOURCE (Uses):			
Interfund Transfers Out	<u>(87,398)</u>	<u>(87,313)</u>	<u>85</u>
TOTAL OTHER FINANCING SOURCES / (Uses)	<u>(87,398)</u>	<u>(87,313)</u>	<u>85</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 12

**NONMAJOR SPECIAL REVENUE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)  
For the Year Ended June 30, 2017

**SCHOOL FOOD SERVICE**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Local Sources:			
Charges for Services	\$ 121,713	\$ 122,352	\$ 639
Federal Sources:			
Federal Grants	<u>2,435,331</u>	<u>2,644,258</u>	<u>208,927</u>
<b>TOTAL REVENUES</b>	<u>2,557,044</u>	<u>2,766,610</u>	<u>209,566</u>
<b>EXPENDITURES</b>			
Current:			
Support Services:			
Food Services	<u>3,148,405</u>	<u>3,292,350</u>	<u>(143,945)</u>
<b>TOTAL EXPENDITURES</b>	<u>3,148,405</u>	<u>3,292,350</u>	<u>(143,945)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(591,361)</u>	<u>(525,740)</u>	<u>65,621</u>
<b>OTHER FINANCING SOURCE (Uses):</b>			
Interfund Transfers In	<u>591,361</u>	<u>556,094</u>	<u>(35,267)</u>
<b>TOTAL OTHER FINANCING SOURCES / (Uses)</b>	<u>591,361</u>	<u>556,094</u>	<u>(35,267)</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ <u>-</u>	\$ <u>30,354</u>	\$ <u>30,354</u>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

Schedule 13

**AGENCY FUND**  
**Schedule of Changes in Assets and Liabilities**  
**For the Year Ended June 30, 2017**

	Cash and Cash Equivalents and Deposits Due Others July 1, 2016	Additions	Deletions	Cash and Cash Equivalents and Deposits Due Others June 30, 2017
Sales and Use Tax Department	\$ 2,312,220	\$ 25,122,393	\$ 25,289,795	\$ 2,144,818
<u>School Activity Funds</u>				
Fifth Ward Elementary School	12,202	27,641	23,025	16,818
Gramercy Elementary School	87,458	42,285	34,684	95,059
Lutcher Elementary School	3,913	14,484	15,408	2,989
Lutcher High School	416,826	810,887	813,026	414,687
Career and Technology Center	33,220	67,822	62,503	38,539
Paulina Elementary	57,316	179,219	173,134	63,401
St. James High School	159,135	554,432	583,314	130,253
Sixth Ward Elementary School	16,631	54,609	58,291	12,949
Vacherie Elementary School	51,136	42,983	60,126	33,993
Science and Math Academy	17,256	60,913	61,939	16,230
Subtotal - School Activity Funds	<u>855,093</u>	<u>1,855,275</u>	<u>1,885,450</u>	<u>824,918</u>
<b>TOTAL</b>	\$ <u>3,167,313</u>	\$ <u>26,977,668</u>	\$ <u>27,175,245</u>	\$ <u>2,969,736</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 14

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

The Schedule of Compensation Paid Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of Board board members is included in the General Administration line item in the General Fund. In accordance with Louisiana Statutes Annotated Revised Statute 17:56, board members have elected the monthly payment method of compensation. Each member receives \$800 per month, and the president receives \$900 per month for performing the duties of their office.

<u>SCHOOL BOARD MEMBER</u>	<u>DISTRICT</u>	<u>COMPENSATION PAID</u>
Diana A. Cantillo	1	\$ 9,600
Kenneth J. Foret, Sr	2	9,600
Sue Beier	3	9,600
George N. Nassar, Jr., Board President	4	10,800
Dianne Spencer, Board Vice President	5	9,600
Nicole Florent Charles (1)	6	8,800
Raymond Gros	7	9,600
	TOTAL	\$ <u>67,600</u>

(1) Nicole Florent Charles was appointed as District 6 Board Member in August 2016.  
The appointment was necessary due to the resignation of the seated District 6 Board member.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 15

Schedule of Compensation, Benefits, and Other Payments to Superintendent  
For the Year Ended June 30, 2017

P. Edward Cancienne, Ph.D., has served as Superintendent since July 1, 2016.

<u>Nature of Payment</u>	<u>Amount</u>
<u>Contractual Compensation:</u>	
Salary	\$ 180,000
Unvouchered Expense Allowance	15,000
Annual Base Compensation	<u>195,000</u>
Teachers Retirement System of Louisiana	
Contributions on Base Compensation	49,725
Medicare Tax on Base Compensation	2,828
Employee Benefits	<u>52,553</u>
Total Contractual Compensation	247,553
<u>Non-Contractual Payments:</u>	
Out of Parish Travel Rembursements	138
Dues, Fees, Registrations, Continuing Education	<u>1,175</u>
TOTAL \$	<u>248,866</u>



# ST. JAMES PARISH SCHOOLS

*Inspiring Hope and Purpose*

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STATISTICAL SECTION

## ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

### STATISTICAL SCHEDULE DESCRIPTIONS

The Statistical Section of the Comprehensive Annual Financial Reports presents detailed information designed to aid and supplement the readers' understanding of the financial statements, the Notes to Basic Financial Statements, and the required supplementary information presented herein.

FINANCIAL TRENDS – To aid the reader in determining financial position and changes in such over time.

Net Position by Component – Last Ten Fiscal Years

Changes in Net Position – Last Ten Fiscal Years

Fund Balances of Governmental Funds – Last Ten Fiscal Years

Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years

REVENUE CAPACITY – To provide the reader an understanding of revenue-generating ability and limits.

Assessed Valuation of Taxable Property – Last Ten Fiscal Years

Principal Taxpayers – As of June 30, 2017 and June 30, 2008

Ad Valorem Tax Rates and Tax Levies – Direct and Overlapping Governments – Last Ten Fiscal Years

Ad Valorem Tax Levies and Collections – Last Ten Fiscal Years

Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years

DEBT CAPACITY – To aid the reader in determining outstanding debt and the ability to issue future debt.

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years

Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years

Direct and Overlapping Governmental Activities Debt – As of June 30, 2017

Legal Debt Margin Information – Last Ten Fiscal Years

DEMOGRAPHIC AND ECONOMIC INFORMATION – To aid the reader in understanding the environment in which The Board's financial activity takes place.

Demographic and Economic Statistics – Last Ten Fiscal Years

Principal Employers – As of June 30, 2017 and June 30, 2008

OPERATING INFORMATION – This schedule contains general profile information about The Board.

Miscellaneous Statistical Data – As of June 30, 2017

Informational Profile of School Facilities – As of June 30, 2017

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NET POSITION BY COMPONENT

For the Last Ten Fiscal Years

(Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 31,922,330	\$ 28,682,923	\$ 32,879,737	\$ 24,870,979
Restricted	8,239,984	10,096,601	7,187,270	5,005,298
Unrestricted	<u>(84,547,200)</u>	<u>(74,565,790)</u>	<u>(75,103,066)</u>	<u>(56,585,944)</u>
Total Government Activities Net Position	<u>\$ (44,384,886)</u>	<u>\$ (35,786,266)</u>	<u>\$ (35,036,059)</u>	<u>\$ (26,709,667)</u>

Restricted and Unrestricted components of Net Position  
have been restated for 2008 - 2016 to reflect a 2017 reporting change.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 18,087,295	\$ 20,071,745	\$ 16,425,494	\$ 11,317,460	\$ 12,000,770	\$ 11,731,495
3,998,859	3,224,948	2,633,175	2,620,110	2,497,993	2,585,533
<u>21,944,820</u>	<u>14,614,109</u>	<u>14,795,280</u>	<u>11,909,983</u>	<u>7,398,949</u>	<u>9,272,911</u>
<u>\$ 44,030,974</u>	<u>\$ 37,910,802</u>	<u>\$ 33,853,949</u>	<u>\$ 25,847,553</u>	<u>\$ 21,897,712</u>	<u>\$ 23,589,939</u>

Concluded

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

**CHANGES IN NET POSITION**  
For the Last Ten Fiscal Years (Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>EXPENSES</u></b>				
<b>Governmental Activities</b>				
<b>Instruction:</b>				
Regular Programs	\$ 23,624,104	\$ 20,674,119	\$ 22,586,739	\$ 22,409,259
Special Programs	5,249,480	5,110,522	5,098,688	5,279,555
Vocational Programs	1,223,251	1,071,302	1,122,109	1,158,810
All Other Programs	5,053,201	4,743,008	4,012,666	4,301,827
<b>Support Services:</b>				
Pupil Support	4,591,254	4,169,465	4,128,707	3,794,862
Instructional Staff Support	3,380,867	3,103,791	3,377,982	3,127,851
General Administration	5,022,066	6,248,217	2,401,984	4,240,917
School Administration	4,510,222	3,994,424	4,123,362	3,931,028
Business Services	706,724	676,080	730,210	803,997
Plant Services	6,233,568	6,333,888	8,557,108	6,614,725
Pupil Transportation	4,509,780	4,347,238	4,097,605	3,839,056
Central Services	1,868,417	1,847,901	1,772,640	1,762,327
Food Services	3,679,691	3,482,555	3,292,348	3,147,249
Community Services	51,944	14,538	17,440	12,586
Interest on Long-Term Debt	2,590,442	1,667,006	1,120,137	891,509
Other	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<u>72,295,011</u>	<u>67,484,054</u>	<u>66,439,725</u>	<u>65,315,558</u>
<b>Total Primary Government Expenses</b>	\$ <u>72,295,011</u>	\$ <u>67,484,054</u>	\$ <u>66,439,725</u>	\$ <u>65,315,558</u>

**PROGRAM REVENUES**

**Governmental Activities**

<b>Charges for Services:</b>				
Food Service	\$ 122,352	\$ 227,591	\$ 394,780	\$ 362,650
<b>Operating Grants and Contributions:</b>				
Regular Programs	11,296	483,310	578,249	624,548
Special Programs	419,451	470,710	511,529	645,966
Vocational Programs	28,311	41,819	52,332	57,116
All Other Programs	2,169,221	2,424,938	1,386,452	1,310,150
Pupil Support	466,431	544,287	560,419	557,987
Instructional Staff Support	1,167,486	1,081,935	1,162,167	865,573
General Administration	-	-	1,879	672,417
School Administration	5,851	4,042	3,052	14,615
Business Services	-	-	539	2,994
Plant Services	-	94,821	67,030	24,267
Pupil Transportation	12,263	39,932	59,095	126,168
Central and Community Services	1,495	6,873	10,645	10,435
Food Services	2,644,258	2,483,841	2,239,388	2,278,383
<b>Total Governmental Activities Program Revenues</b>	<u>7,048,414</u>	<u>7,904,098</u>	<u>7,027,556</u>	<u>7,553,269</u>
<b>Total Primary Government Program Revenues</b>	\$ <u>7,048,414</u>	\$ <u>7,904,098</u>	\$ <u>7,027,556</u>	\$ <u>7,553,269</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>2008</u>
\$	21,449,795	\$	19,465,339	\$	18,093,085	\$	19,125,181	\$	21,383,666	\$	16,983,572
	5,622,285		4,910,172		5,841,415		5,538,165		5,246,657		4,721,533
	1,314,270		1,218,666		1,244,207		1,322,893		1,273,889		1,041,231
	4,410,822		4,400,891		4,007,398		4,450,708		5,163,402		4,753,106
	3,660,647		3,456,214		2,676,882		2,689,367		2,498,180		1,657,322
	2,436,490		2,622,820		2,933,677		3,066,514		2,938,848		2,601,634
	3,374,081		3,508,237		3,054,578		2,820,654		2,670,929		3,018,295
	3,794,763		3,397,225		2,968,158		3,064,307		2,906,543		2,508,714
	519,731		534,807		742,262		594,875		597,713		601,305
	6,034,998		5,538,962		4,712,735		5,233,964		7,121,931		5,040,540
	5,003,798		3,287,924		2,978,547		2,770,756		2,830,506		2,551,647
	1,727,694		1,318,693		1,144,663		914,120		1,167,013		890,698
	3,290,386		3,030,426		2,866,545		2,908,659		3,016,385		2,697,776
	8,253		13,929		3,534		15,866		3,967		5,135
	763,308		656,739		822,660		1,050,983		1,165,484		645,011
	-		64,000		-		-		614,759		-
	<u>63,411,321</u>		<u>57,425,044</u>		<u>54,090,346</u>		<u>55,567,012</u>		<u>60,599,872</u>		<u>49,717,519</u>
\$	<u>63,411,321</u>	\$	<u>57,425,044</u>	\$	<u>54,090,346</u>	\$	<u>55,567,012</u>	\$	<u>60,599,872</u>	\$	<u>49,717,519</u>
\$	379,833	\$	354,847	\$	452,333	\$	361,724	\$	256,705	\$	252,555
	494,091		497,524		980,747		1,092,257		668,407		768,711
	670,797		638,059		1,090,703		1,090,171		795,732		710,696
	66,447		73,097		97,052		61,665		56,556		57,286
	1,280,108		1,874,534		2,097,053		2,166,643		3,100,582		2,967,666
	455,315		930,600		1,053,157		1,113,895		865,247		228,480
	445,727		344,586		715,903		750,780		845,808		834,924
	8,850		-		94,419		13,698		6,000		7,025
	38,665		-		34,871		40,439		-		3,029
	9,334		-		95,754		10,315		-		-
	20,784		26,421		26,675		391,603		343,464		7,142
	39,809		13,677		105,319		107,689		23,977		45,871
	17,180		9,498		158,935		48,574		32,916		64,239
	<u>1,913,195</u>		<u>1,981,872</u>		<u>1,921,564</u>		<u>1,812,953</u>		<u>1,738,063</u>		<u>1,676,578</u>
	<u>5,840,135</u>		<u>6,744,715</u>		<u>8,924,485</u>		<u>9,062,406</u>		<u>8,733,457</u>		<u>7,624,202</u>
\$	<u>5,840,135</u>	\$	<u>6,744,715</u>	\$	<u>8,924,485</u>	\$	<u>9,062,406</u>	\$	<u>8,733,457</u>	\$	<u>7,624,202</u>

(Continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

CHANGES IN NET POSITION

For the Last Ten Fiscal Years (Unaudited)

	2017	2016	2015	2014
Net (Expense)/Revenue Governmental Activities	<u>(65,246,597)</u>	<u>(59,579,956)</u>	<u>(59,412,169)</u>	<u>(57,762,289)</u>
Total Primary Government Net Expense	\$ <u>(65,246,597)</u>	\$ <u>(59,579,956)</u>	\$ <u>(59,412,169)</u>	\$ <u>(57,762,289)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes, Levied for General Purpose	\$ 18,392,216	\$ 19,660,286	\$ 18,812,239	\$ 18,132,433
Property Taxes, Levied for Debt Service	5,285,363	5,668,576	5,440,163	5,350,207
Sales and Use Taxes, Levied for General Purposes	18,127,949	17,978,856	16,180,635	18,675,671
Grants and Contributions Not Restricted for Specific Purposes:				
Minimum Foundation Program	12,754,266	12,139,957	12,521,212	13,396,100
State Revenue Sharing	83,012	81,442	85,851	87,352
Interest and Investment Earnings	223,903	57,090	22,924	24,198
Miscellaneous	<u>1,781,268</u>	<u>3,243,542</u>	<u>1,338,551</u>	<u>946,152</u>
Total Governmental Activities	<u>56,647,977</u>	<u>58,829,749</u>	<u>54,401,575</u>	<u>56,612,113</u>
Total Primary Government	\$ <u>56,647,977</u>	\$ <u>58,829,749</u>	\$ <u>54,401,575</u>	\$ <u>56,612,113</u>
Changes in Net Position:				
Governmental Activities	\$ <u>(8,598,620)</u>	\$ <u>(750,207)</u>	\$ <u>(5,010,594)</u>	\$ <u>(1,150,176)</u>
Total Primary Government	\$ <u>(8,598,620)</u>	\$ <u>(750,207)</u>	\$ <u>(5,010,594)</u>	\$ <u>(1,150,176)</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	<u>(57,571,186)</u>	<u>(50,680,329)</u>	<u>(45,165,861)</u>	<u>(46,504,606)</u>	<u>(51,866,415)</u>	<u>(42,093,317)</u>
\$	<u><u>(57,571,186)</u></u>	\$ <u><u>(50,680,329)</u></u>	\$ <u><u>(45,165,861)</u></u>	\$ <u><u>(46,504,606)</u></u>	\$ <u><u>(51,866,415)</u></u>	\$ <u><u>(42,093,317)</u></u>
\$	16,996,165	\$ 14,451,440	\$ 13,339,207	\$ 13,712,792	\$ 13,234,083	\$ 11,754,593
	4,893,828	4,102,246	3,776,935	3,878,920	3,628,141	3,217,234
	25,285,692	18,100,976	18,744,037	12,736,822	12,689,143	13,276,314
	14,853,082	15,797,140	16,558,637	16,938,681	18,108,607	15,736,238
	87,351	89,424	87,473	88,335	91,864	93,415
	40,306	25,467	31,814	39,803	424,814	770,043
	1,534,934	2,170,489	634,154	3,059,094	1,997,536	2,727,025
	<u>63,691,358</u>	<u>54,737,182</u>	<u>53,172,257</u>	<u>50,454,447</u>	<u>50,174,188</u>	<u>47,574,862</u>
\$	<u><u>63,691,358</u></u>	\$ <u><u>54,737,182</u></u>	\$ <u><u>53,172,257</u></u>	\$ <u><u>50,454,447</u></u>	\$ <u><u>50,174,188</u></u>	\$ <u><u>47,574,862</u></u>
\$	<u>6,120,172</u>	\$ <u>4,056,853</u>	\$ <u>8,006,396</u>	\$ <u>3,949,841</u>	\$ <u>(1,692,227)</u>	\$ <u>5,481,545</u>
\$	<u><u>6,120,172</u></u>	\$ <u><u>4,056,853</u></u>	\$ <u><u>8,006,396</u></u>	\$ <u><u>3,949,841</u></u>	\$ <u><u>(1,692,227)</u></u>	\$ <u><u>5,481,545</u></u>

Concluded

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

FUND BALANCES OF GOVERNMENTAL FUNDS

For the Last Ten Fiscal Years  
(Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:				
Nonspendable	\$ 262,131	\$ 339,468	\$ 241,920	\$ 292,740
Restricted	-	-	1,947,163	6,124,193
Committed	2,168,835	5,637,657	5,519,168	5,071,356
Unassigned	<u>2,995,887</u>	<u>4,360,577</u>	<u>2,477,285</u>	<u>11,555,010</u>
Total General Fund	<u>\$ 5,426,853</u>	<u>\$ 10,337,702</u>	<u>\$ 10,185,536</u>	<u>\$ 23,043,299</u>
All Other Governmental Funds:				
Nonspendable	102,019	71,665	53,267	57,064
Restricted, Reported in:				
Debt Service Funds	\$ 8,239,984	\$ 10,096,601	\$ 7,187,270	\$ 5,005,298
Capital Projects Funds	<u>21,569,790</u>	<u>41,667,577</u>	<u>-</u>	<u>477,779</u>
Total Restricted	<u>29,809,774</u>	<u>51,764,178</u>	<u>7,187,270</u>	<u>5,483,077</u>
Total All Other Governmental Funds	<u>\$ 29,911,793</u>	<u>\$ 51,835,843</u>	<u>\$ 7,240,537</u>	<u>\$ 5,540,141</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	81,931	\$ 84,058	\$ 42,907	\$ -	\$ -	\$ -
	7,766,289	6,239,272	7,787,248	6,652,311	4,564,271	2,530,044
	5,393,830	4,765,501	3,968,459	2,552,486	1,496,781	3,515,830
	<u>16,926,091</u>	<u>11,381,122</u>	<u>10,093,011</u>	<u>6,471,933</u>	<u>5,275,208</u>	<u>5,742,653</u>
\$	<u><u>30,168,141</u></u>	<u><u>22,469,953</u></u>	<u><u>21,891,625</u></u>	<u><u>15,676,730</u></u>	<u><u>11,336,260</u></u>	<u><u>11,788,527</u></u>
	40,222	37,007	34,504	-	-	-
\$	3,998,859	\$ 3,224,948	\$ 2,633,175	\$ 2,620,110	\$ 2,497,993	\$ 2,585,533
	<u>5,772,125</u>	<u>1,443,449</u>	<u>9,076,181</u>	<u>7,159,201</u>	<u>10,869,949</u>	<u>15,723,376</u>
	<u>9,770,984</u>	<u>4,668,397</u>	<u>11,709,356</u>	<u>9,779,311</u>	<u>13,367,942</u>	<u>18,308,909</u>
\$	<u><u>9,811,206</u></u>	<u><u>4,705,404</u></u>	<u><u>11,743,860</u></u>	<u><u>9,779,311</u></u>	<u><u>13,367,942</u></u>	<u><u>18,308,909</u></u>

Concluded

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For the Last Ten Fiscal Years (Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>REVENUES</u>				
Ad Valorem Taxes	\$ 23,677,579	\$ 25,328,862	\$ 24,252,402	\$ 23,482,640
Sales and Use Taxes	18,127,949	17,978,856	16,180,635	18,675,671
Charges for Services	122,352	227,591	394,780	362,650
Interest Earnings	223,903	57,090	22,924	24,198
Other Local	1,747,746	3,167,242	1,287,413	1,247,322
Minimum Foundation Program	12,754,266	12,139,957	12,521,212	13,396,100
Other State	435,101	407,719	777,218	593,660
Federal Grants	6,607,498	7,426,530	5,992,547	6,383,141
Total Revenues	<u>63,696,394</u>	<u>66,733,847</u>	<u>61,429,131</u>	<u>64,165,382</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	31,745,773	31,715,919	30,876,098	32,099,687
Support Services	29,513,176	30,642,285	29,787,168	28,460,244
Capital Outlay	20,314,282	11,568,717	7,769,936	13,491,274
Debt Service:				
Principal	6,387,839	4,606,348	3,020,548	4,580,228
Interest	2,570,223	1,191,698	1,025,137	1,076,791
Total Expenditures	<u>90,531,293</u>	<u>79,724,967</u>	<u>72,478,887</u>	<u>79,708,224</u>
Excess Revenues / (Expenditures)	(26,834,899)	(12,991,120)	(11,049,756)	(15,542,842)
<u>OTHER FINANCING SOURCES / (USES):</u>				
Debt Issuance	-	56,000,000	-	-
Premium on Bonds Issued	-	1,738,592	-	-
Capital Lease Proceeds	-	-	-	4,146,935
Debt Issuance - Refunding	-	-	10,910,000	-
Payment to Escrow Agent	-	-	(11,017,611)	-
Insurance Proceeds	-	-	-	-
Interfund Transfers In	775,118	3,667,442	851,366	2,058,808
Interfund Transfers Out	(775,118)	(3,667,442)	(851,366)	(2,058,808)
Total Other Financing Sources / (Uses)	<u>-</u>	<u>57,738,592</u>	<u>(107,611)</u>	<u>4,146,935</u>
NET CHANGES IN FUND BALANCES	\$ <u>(26,834,899)</u>	\$ <u>44,747,472</u>	\$ <u>(11,157,367)</u>	\$ <u>(11,395,907)</u>

Debt Service as a Percentage of Noncapital Expenditures	12.63%	8.71%	6.22%	8.52%
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ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	2013	2012	2011	2010	2009	2008
\$	21,889,993	\$ 18,553,686	\$ 17,116,142	\$ 17,591,712	\$ 16,862,224	\$ 14,971,827
	25,285,692	18,100,976	18,744,037	12,736,822	12,689,143	13,276,314
	379,833	354,847	452,333	361,724	256,705	252,555
	40,306	25,467	31,814	39,803	424,814	770,043
	1,614,873	762,897	992,972	1,015,425	759,501	952,947
	14,853,082	15,797,140	16,558,637	16,938,681	18,108,607	15,736,238
	442,624	994,744	1,143,499	2,158,938	3,017,697	2,939,023
	5,235,933	6,284,695	7,085,283	7,332,975	6,788,955	6,206,702
	<u>69,742,336</u>	<u>60,874,452</u>	<u>62,124,717</u>	<u>58,176,080</u>	<u>58,907,646</u>	<u>55,105,649</u>
	29,931,162	28,866,332	27,748,586	28,835,560	31,726,893	26,976,671
	26,514,993	24,439,401	22,404,778	22,055,314	22,752,734	20,036,711
	9,836,162	11,200,036	6,394,304	4,075,430	5,919,928	3,959,045
	3,310,313	2,716,060	2,887,727	2,747,727	2,622,727	2,007,727
	1,077,745	944,224	1,041,688	1,164,097	1,278,598	867,556
	<u>70,670,375</u>	<u>68,166,053</u>	<u>60,477,083</u>	<u>58,878,128</u>	<u>64,300,880</u>	<u>53,847,710</u>
	(928,039)	(7,291,601)	1,647,634	(702,048)	(5,393,234)	1,257,939
	13,500,000	-	6,500,000	-	-	15,900,000
	232,029	-	-	-	-	5,895
	-	-	-	-	-	-
	-	831,473	31,810	1,453,887	-	51,734
	2,058,808	2,404,276	2,169,232	975,231	1,276,021	899,569
	<u>(2,058,808)</u>	<u>(2,404,276)</u>	<u>(2,169,232)</u>	<u>(975,231)</u>	<u>(1,276,021)</u>	<u>(899,569)</u>
	<u>13,732,029</u>	<u>831,473</u>	<u>6,531,810</u>	<u>1,453,887</u>	<u>-</u>	<u>15,957,629</u>
\$	<u>12,803,990</u>	\$ <u>(6,460,128)</u>	\$ <u>8,179,444</u>	\$ <u>751,839</u>	\$ <u>(5,393,234)</u>	\$ <u>17,215,568</u>
	7.12%	6.36%	7.33%	7.05%	6.54%	5.72%

Concluded

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

ASSESSED VALUATION OF TAXABLE PROPERTY

For the Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Total Assessed Value	Amount of Homestead Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2017	\$ 557,539,110	\$ 40,704,290	\$ 516,834,820	43.56	\$ 4,698,498,364	11%
2016	617,169,587	39,385,919	577,783,668	43.67	5,252,578,800	11%
2015	584,035,788	39,268,684	544,767,104	43.67	4,952,428,218	11%
2014	574,491,990	38,980,307	535,511,683	43.67	4,868,288,027	11%
2013	528,213,839	38,666,723	489,547,116	43.67	4,450,428,327	11%
2012	449,158,779	39,396,264	409,762,515	43.67	3,725,113,773	11%
2011	418,714,085	39,245,078	379,469,007	43.96	3,449,718,245	11%
2010	423,577,955	39,030,030	384,547,925	43.96	3,495,890,227	11%
2009	398,981,112	38,563,491	360,417,621	43.96	3,276,523,827	11%
2008	348,336,210	34,736,383	313,599,827	43.96	2,850,907,518	11%

Fiscal Year	Real Property and Improvements	Personal Property	Public Service Property	Total Assessed Valuation	Amount of Homestead Exemption	Total Taxable Assessed Value
2017	\$ 123,557,466	\$ 374,971,224	\$ 59,010,420	\$ 557,539,110	\$ 40,704,290	\$ 516,834,820
2016	112,067,637	449,002,170	56,099,780	617,169,587	39,385,919	577,783,668
2015	110,755,135	418,669,353	54,611,300	584,035,788	39,268,684	544,767,104
2014	111,405,126	411,887,594	51,199,270	574,491,990	38,980,307	535,511,683
2013	106,063,357	372,655,492	49,494,990	528,213,839	38,666,723	489,547,116
2012	100,621,361	300,400,058	48,137,360	449,158,779	39,396,264	409,762,515
2011	99,625,961	274,872,614	44,215,510	418,714,085	39,245,078	379,469,007
2010	98,084,153	277,127,072	48,366,730	423,577,955	39,030,030	384,547,925
2009	95,991,260	255,236,532	47,753,320	398,981,112	38,563,491	360,417,621
2008	73,959,412	227,875,658	46,501,140	348,336,210	34,736,383	313,599,827

Source: St. James Parish Assessor's Office

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

PRINCIPAL TAXPAYERS

As of June 30, 2017 and June 30, 2008  
(Unaudited)

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Motiva Enterprises LLC	\$ 115,965,114	1	20.80%	\$ 91,334,538	1	26.22%
Mosaic Fertilizer LLC	33,443,328	2	6.00%	-	-	-
Valero Mrktg & Supply Co	30,468,806	3	5.46%	13,878,928	5	3.98%
American Styrenics LLC	29,269,735	4	5.25%	29,402,098	2	8.44%
Plains Marketing, L.P.	22,526,492	5	4.04%	15,002,481	3	4.31%
Locap, Inc.	15,236,040	6	2.73%	-	-	-
Occidental Chemical Corp.	14,232,522	7	2.55%	11,313,549	8	3.25%
Noranda Alumina, LLC	11,829,859	8	2.12%	-	-	-
Nucor Steel Louisiana LLC	10,233,432	9	1.84%	-	-	-
Entergy Louisiana Inc.	9,472,610	10	1.70%	8,853,110	10	2.54%
Imperial Savannah LP	-	-	-	11,918,838	7	3.42%
Mosaic Frtlzr LLC Agrico	-	-	-	14,698,527	4	4.22%
Mosaic Frtlzr LLC Freeport	-	-	-	13,441,225	6	3.86%
Zen-Noh Grain Corp.	-	-	-	9,453,939	9	2.71%
<b>TOTALS</b>	<b>\$ <u>292,677,938</u></b>		<b><u>52.49%</u></b>	<b>\$ <u>219,297,233</u></b>		<b><u>62.96%</u></b>

Source: St. James Parish Assessor's Office

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

**AD VALOREM TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS and  
SCHOOL BOARD ASSESSED MILLAGES  
For the Last Ten Fiscal Years (Unaudited)**

**TAX RATES (Mills per Dollar)**

<u>Fiscal Year</u>	<u>Sheriff's Office</u>	<u>School Taxes</u>	<u>Road Taxes</u>	<u>Parish Council</u>	<u>Recreation Districts</u>
2017	20.96	43.56	5.95	19.94	6.03
2016	20.96	43.67	5.95	20.05	6.23
2015	20.96	43.67	5.95	20.12	6.23
2014	20.96	43.67	5.95	20.22	6.63
2013	20.96	43.67	5.95	21.27	6.63
2012	20.96	43.67	5.97	21.27	6.71
2011	20.96	43.96	5.97	22.86	6.71
2010	20.96	43.96	5.97	22.97	6.71
2009	20.96	43.96	5.94	23.08	6.72
2008	20.96	45.06	5.97	23.92	7.23

**TAX LEVIES**

<u>Fiscal Year</u>	<u>Sheriff's Office</u>	<u>School Taxes</u>	<u>Road Taxes</u>	<u>Parish Council</u>	<u>Recreation Districts</u>
2017	\$ 10,832,883	\$ 22,513,323	\$ 3,017,122	\$ 10,305,677	\$ 485,097
2016	12,110,370	25,231,824	3,388,182	11,584,568	591,082
2015	11,418,341	23,789,998	3,185,587	10,960,740	562,281
2014	11,224,347	23,385,814	3,128,867	10,828,065	601,613
2013	10,260,929	21,378,539	2,851,522	10,412,689	600,213
2012	8,588,641	18,013,174	2,394,401	8,715,669	490,838
2011	7,953,689	16,681,470	2,213,125	8,678,475	454,635
2010	8,060,144	16,904,739	2,250,138	8,833,083	432,539
2009	7,554,373	15,843,971	2,095,491	8,318,457	464,293
2008	6,573,064	14,130,810	1,829,195	7,410,654	424,784

**ST. JAMES PARISH SCHOOL BOARD ASSESSED MILLAGES**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Constitutional Tax	3.84	3.85	3.85
Special Maintenance Tax	5.83	5.85	5.85
Salaries and Benefits 1994	5.73	5.75	5.75
Salaries and Benefits 1997	8.60	8.63	8.63
Early Childhood Development	2.87	2.88	2.88
Salaries and Benefits 2003	6.69	6.71	6.71
Debt Service	10.00	10.00	10.00
<b>Total School Board Millage</b>	<b>43.56</b>	<b>43.67</b>	<b>43.67</b>

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<u>Public Safety</u>	<u>Detention Center</u>	<u>Levee Districts</u>	<u>Drainage Taxes</u>	<u>Fire Protection</u>	<u>Other Taxes</u>	<u>Parish Totals</u>
5.18	0.60	7.26	2.99	0.74	2.89	116.10
5.19	0.60	7.40	3.00	0.74	2.59	116.38
5.19	0.60	7.35	3.00	0.74	2.59	116.40
5.19	1.00	7.35	2.98	0.74	2.59	117.28
5.19	1.00	7.35	2.98	0.74	28.62	144.36
5.19	1.00	7.42	2.98	0.74	2.61	118.52
5.19	1.00	7.42	2.98	0.74	2.63	120.42
5.19	0.99	7.43	2.98	0.74	2.61	120.51
5.03	0.96	7.43	2.98	0.72	2.61	120.39
5.19	0.99	7.67	2.98	0.74	2.35	123.06

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<u>Public Safety</u>	<u>Detention Center</u>	<u>Levee Districts</u>	<u>Drainage Taxes</u>	<u>Fire Protection</u>	<u>Other Taxes</u>	<u>Parish Totals</u>
\$ 2,677,829	\$ 310,102	\$ 1,865,811	\$ 1,545,335	\$ 339,509	\$ 1,198,216	\$ 55,090,904
2,998,713	346,670	2,124,360	1,733,353	386,146	1,322,511	61,817,779
2,827,356	326,863	1,983,636	1,634,307	361,438	1,251,844	58,302,391
2,779,321	535,518	1,952,976	1,595,830	353,355	1,246,014	57,631,720
2,540,764	489,552	1,777,307	1,458,855	316,461	1,539,994	53,626,825
2,126,681	409,766	1,501,590	1,221,098	264,832	955,577	44,682,267
1,969,457	379,473	1,388,038	1,130,823	242,101	880,493	41,971,779
1,995,816	380,703	1,409,209	1,145,958	250,812	893,579	42,556,720
1,812,906	346,001	1,331,826	1,074,050	225,806	840,733	39,907,907
1,627,588	310,452	1,187,161	934,529	200,244	841,316	35,469,797

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<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
3.85	3.85	3.85	3.89	3.89	3.89	4.02
5.85	5.85	5.85	5.85	5.85	5.85	6.04
5.75	5.75	5.75	5.81	5.81	5.81	6.00
8.63	8.63	8.63	8.72	8.72	8.72	9.00
2.88	2.88	2.88	2.91	2.91	2.91	3.00
6.71	6.71	6.71	6.78	6.78	6.78	7.00
10.00	10.00	10.00	10.00	10.00	10.00	10.00
<u>43.67</u>	<u>43.67</u>	<u>43.67</u>	<u>43.96</u>	<u>43.96</u>	<u>43.96</u>	<u>45.06</u>

Source: St. James Parish Assessor's Office

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

AD VALOREM TAX LEVIES AND COLLECTIONS  
For the Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Amount of Tax Levied	Collected in Current Year	Percent of Levy Collected in Current Year	Collected in Subsequent Years	Total Collections to Date	Percent of Levy Collected
2017	\$ 22,513,323	\$ 22,475,967	99.83%	\$ -	\$ 22,475,967	99.83%
2016	25,231,824	24,754,777	98.11%	389,414	25,144,191	99.65%
2015	23,789,998	23,757,215	99.86%	29,774	23,786,989	99.99%
2014	23,385,814	23,348,712	99.84%	97,919	23,446,631	100.26%
2013	21,378,539	21,204,319	99.19%	157,612	21,361,931	99.92%
2012	18,013,174	17,582,668	97.61%	142,498	17,725,166	98.40%
2011	16,681,470	16,412,333	98.39%	66,719	16,479,052	98.79%
2010	16,904,739	16,677,512	98.66%	73,012	16,750,524	99.09%
2009	15,843,971	15,612,004	98.54%	62,550	15,674,554	98.93%
2008	14,130,810	13,961,444	98.80%	144,662	14,106,106	99.83%

Amount of Tax Levied represents Assessor's original levy less homestead exemption.  
Source: St. James Parish Assessor

Amount of Tax Collected represents School Board levies and collections only. Amounts do not include payments-in-lieu of taxes, which are reported on the basic financial statements in the Ad Valorem Taxes line item. Source: St. James Parish School Board.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
For the Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Ad Valorem Tax and Revenue Sharing</u>	<u>Sales and Use Tax</u>	<u>Totals</u>
2017	\$ 23,760,591	\$ 18,127,949	\$ 41,888,540
2016	25,410,304	17,978,856	43,389,160
2015	24,338,253	16,180,635	40,518,888
2014	23,569,992	18,675,671	42,245,663
2013	21,977,344	25,285,692	47,263,036
2012	18,643,110	18,100,976	36,744,086
2011	17,203,615	18,744,037	35,947,652
2010	17,680,047	12,736,822	30,416,869
2009	16,954,088	12,689,143	29,643,231
2008	15,065,242	13,276,314	28,341,556

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

RATIOS OF OUTSTANDING DEBT BY TYPE  
For the Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Governmental Activities		Total Debt	(1) Parish Population	Total Personal Income	Total Debt	
	General Obligation Bonds	Certificates Indebtedness/ Capital Lease				Per Capita	Percent of Personal Income
2017	\$ 79,914,997	\$ 1,973,320	\$ 81,888,317	21,557	\$ 544,853,175	\$ 3,799	15.03%
2016	84,383,330	3,942,429	88,325,759	21,460	543,195,520	4,116	16.26%
2015	31,606,135	2,010,174	33,616,309	21,567	519,139,257	1,559	6.48%
2014	32,864,996	3,056,861	35,921,857	21,664	479,489,312	1,658	7.49%
2013	35,993,329	361,821	36,355,150	21,781	439,867,295	1,669	8.27%
2012	25,531,667	644,548	26,176,215	21,888	399,609,216	1,196	6.55%
2011	27,975,000	917,275	28,892,275	21,995	358,936,405	1,314	8.05%
2010	24,100,000	1,180,002	25,280,002	22,102	317,848,862	1,144	7.95%
2009	26,595,000	1,432,729	28,027,729	22,199	315,647,581	1,263	8.88%
2008	28,975,000	1,675,456	30,650,456	22,288	312,210,304	1,375	9.82%

(1) 2010 figures are from the U.S. Census; all others are U.S. Census estimates.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
For the Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2017	\$ 79,914,997	\$ 8,239,984	\$ 71,675,013	1.53%	\$ 3,325
2016	84,383,330	10,096,601	74,286,729	1.41%	3,462
2015	31,606,135	7,187,270	24,418,865	0.49%	1,132
2014	32,864,996	5,005,298	27,859,698	0.57%	1,286
2013	35,993,329	3,998,859	31,994,470	0.72%	1,469
2012	25,531,667	3,224,948	22,306,719	0.60%	1,019
2011	27,975,000	2,633,175	25,341,825	0.73%	1,152
2010	24,100,000	2,620,110	21,479,890	0.61%	972
2009	26,595,000	2,497,993	24,097,007	0.74%	1,085
2008	28,975,000	2,585,533	26,389,467	0.93%	1,184

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2017  
(Unaudited)

<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:			
St. James Parish Council (1)	\$ 3,390,000	100%	\$ 3,390,000
Town of Lutcher (2)	1,528,983	100%	1,528,983
Town of Gramercy (3)	<u>1,240,000</u>	100%	<u>1,240,000</u>
Subtotal, Overlapping Debt	6,158,983		6,158,983
St. James Parish School Board	<u>81,888,317</u>	100%	<u>81,888,317</u>
Total Direct and Overlapping Debt	<u>\$ 88,047,300</u>		<u>\$ 88,047,300</u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the parish.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of St. James Parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of The Board's taxable assessed value that is within the government's boundaries and dividing it by the parish's total taxable assessed value.

(1) As of December 31, 2016

(2) As of April 30, 2017

(3) As of June 30, 2016

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

LEGAL DEBT MARGIN INFORMATION

For the Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2017	\$ 195,138,689	\$ 79,914,997	\$ 115,223,692	40.95%
2016	216,009,355	84,383,330	131,626,025	39.06%
2015	204,412,526	31,606,135	172,806,391	15.46%
2014	201,072,197	32,864,996	168,207,201	16.34%
2013	184,874,844	35,993,329	148,881,515	19.47%
2012	157,205,573	25,531,667	131,673,906	16.24%
2011	146,549,930	27,975,000	118,574,930	19.09%
2010	148,252,284	24,100,000	124,152,284	16.26%
2009	139,643,389	26,595,000	113,048,389	19.04%
2008	121,917,674	28,975,000	92,942,674	23.77%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	\$ 557,539,110
Debt Limit - 35% of Assessed Value (1)	195,138,689
Less: Amount of Debt Applicable to Debt Limit:	
Bonded Debt	<u>79,914,997</u>
Legal Debt Margin	<u>\$ 115,223,692</u>

(1) State law allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

DEMOGRAPHIC AND ECONOMIC STATISTICS  
For the Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	(1) <u>Population</u>	(1) Per <u>Capita Income</u>	(1) <u>Median Age</u>	<u>Public Enrollment</u>	<u>Non-Public Enrollment</u>	(2) <u>Jobless Rate</u>
2017	21,557	\$ 25,275	38.9	3,810	221	7.7%
2016	21,460	25,312	38.9	3,812	214	8.7%
2015	21,567	24,071	38.8	3,795	209	9.1%
2014	21,664	22,133	38.6	3,873	217	9.4%
2013	21,781	20,195	38.5	3,773	221	10.6%
2012	21,888	18,257	38.2	3,885	221	11.7%
2011	21,995	16,319	38.1	3,968	244	13.7%
2010	22,102	14,381	37.9	3,987	226	12.8%
2009	22,199	14,219	37.6	4,156	229	10.1%
2008	22,288	14,008	37.2	3,779	356	7.6%

(1) 2010 figures are from the U.S. Census; all others are U.S. Census estimates.

(2) All figures are from the U.S. Bureau of Labor Statistics.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

PRINCIPAL EMPLOYERS

As of June 30, 2017 and June 30, 2008

(Unaudited)

Employer	Type of Business	2017			2008		
		Rank	Number of Employees	Percent of Total Employment	Rank	Number of Employees	Percent of Total Employment
St. James Parish Schl Brd	Public Education	1	605	6.34%	1	630	7.18%
Motiva, Inc.	Petroleum Refinery	2	500	5.24%	2	540	6.15%
Noranda Alumina, LLC	Chemical Plant	3	475	4.98%	3	505	5.75%
St. James Parish Council	Parish Government	4	350	3.67%	4	370	4.22%
Imperial Savannah LLP	Sugar Refinery	5	325	3.40%	5	335	3.82%
Mosaic Fertilizer, LLP	Fertilizer Productn	6	225	2.36%	6	240	2.73%
Nucor Steel	Steel Productn	7	125	1.31%	-	-	-
Occidental Chemical Corp.	Chemical Plant	8	120	1.26%	8	135	1.54%
Zen-Noh Grain Corp.	Grain Processor	9	120	1.26%	9	122	1.39%
American Styrenics	Chemical Plant	10	100	1.05%	7	138	1.57%
Zapp's Potato Chips	Snack Productn	-	-	-	10	100	1.14%

Source: St. James Parish Council.

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

MISCELLANEOUS STATISTICAL DATA (Unaudited)

As of and For the Year Ended June 30, 2017

Year of Incorporation	1921
Form of Government	President / School Board
Area of Parish	241.54 Square Miles
Regular School Term	180 Days

*ST. JAMES PARISH PUBLIC SCHOOLS*

<u>Grade Level</u>	<u>Number of Schools</u>	<u>Student Enrollment</u>
PK - 6	6	2,162
7 - 12	<u>2</u>	<u>1,648</u>
TOTALS	<u><u>8</u></u>	<u><u>3,810</u></u>

<u>Academic Degree</u>	<u>Number of Teachers</u>	<u>Percent of Total</u>
Bachelor's	226	70.19%
Master's	57	17.70%
Master's + 30 Hours	31	9.63%
Education Specialist	8	2.78%
Doctorate	<u>-</u>	<u>-</u>
TOTALS	<u><u>322</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>		
0 - 9	151	46.89%
10 - 19	113	35.09%
20 - 24	26	8.07%
25 and Over	<u>32</u>	<u>9.94%</u>
TOTALS	<u><u>322</u></u>	<u><u>100.00%</u></u>

**ST. JAMES PARISH SCHOOL BOARD**

Lutcher, Louisiana

INFORMATIONAL PROFILE OF SCHOOL FACILITIES

As of June 30, 2017

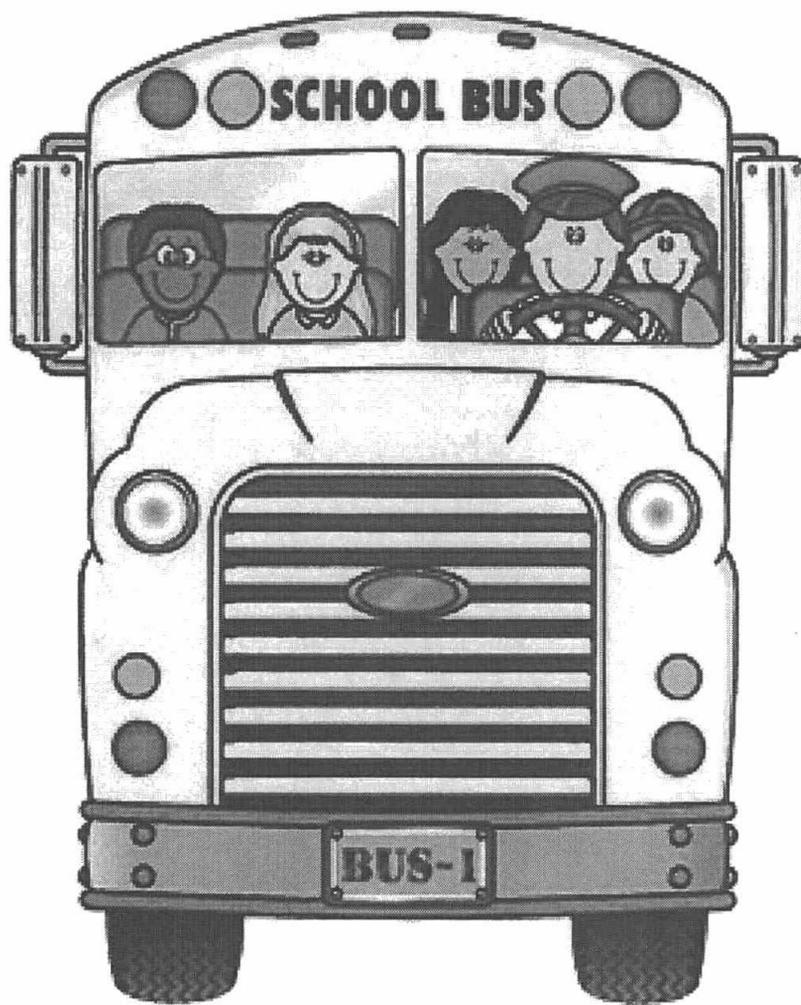
(Unaudited)

<u>School</u>	<u>Original Construction</u>	<u>Facility Square Footage</u>	<u>Configuration</u>	<u>Enrollment</u>	<u>Facility Capacity</u>	<u>Latest Addition/ Renovation</u>
Fifth Ward Elementary	1967	48,810	PK - 6	125	480	2013
Gramercy Elementary	1972	79,948	PK - 6	613	680	2016
Lutcher Elementary	1967	49,464	PK - 6	125	400	2015
Lutcher High School	1930	182,384	7 - 12	995	1,775	2017
Paulina Elementary	1972	82,876	PK - 6	656	760	2016
St. James High School	1984	138,098	7 - 12	653	950	2014
Sixth Ward Elementary	1972	61,928	PK - 6	306	640	2017
Vacherie Elementary	1967	63,401	PK - 6	337	680	2012
Career and Technology Center	1967	53,696	7 - 12	-	700	2017
Science and Math Academy	1956	52,213	2 - 12	-	550	2008

**Notes**

Gramercy Elementary also houses the Gramercy Elementary Magnet School of Visual and Performing Arts. The current St. James High School facility was opened in 1984 following the fire loss of the previous facility. The Career and Technology Center and the Science and Math Academy serve students shuttled in from their home schools throughout the system. Accordingly, they report no student enrollment of their own. Construction of the new St. James High School is expected to be completed in April 2018.

The new facility is slated to open for the August 2018 beginning of the 2018-2019 school year.



**ST. JAMES PARISH SCHOOL BOARD**

REPORTS ON COMPLIANCE, INTERNAL CONTROL  
AND AGREED-UPON PROCEDURES

Year Ended June 30, 2017

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

To the Members of the Board  
c/o Dr. P. Edward Cancienne, Jr., Superintendent  
St. James Parish School Board  
Lutcher, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. James Parish School Board (hereinafter, "School Board"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 29, 2017.

### Internal Control over Financial Reporting

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Morgan City, Louisiana  
December 29, 2017

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

To the Members of the Board  
c/o Dr. P. Edward Cancienne, Jr., Superintendent  
St. James Parish School Board  
Lutcher, LA

### Report on Compliance for Each Major Federal Program

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

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and 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 on the School Board's compliance.

### ***Opinion on Each Major Federal Program***

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

### **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 a material weakness. However, material weaknesses may exist that have not been identified.

### **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 School Board, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise School Board's basic financial statements. We issued our report thereon dated December 29, 2017, 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Morgan City, Louisiana  
December 29, 2017

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through/ Entity Identifying Number	Expenditures
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
Passed through Louisiana Department of Education:			
<i>Child Nutrition Cluster</i>			
School breakfast program	10.553	N/A	\$ 590,695
National School Lunch Program	10.555	N/A	1,443,596
National School Lunch Program - Non-Cash Assistance	10.555	N/A	245,169
Total National School Lunch Program			<u>1,688,765</u>
Summer Food Service Program	10.559	N/A	33,888
<i>Total Child Nutrition Cluster</i>			<u>2,313,348</u>
Child and Adult Care Food Program	10.558	N/A	325,772
Fresh Fruits and Vegetable Program	10.582	N/A	5,138
Total United States Department of Agriculture			<u>2,644,258</u>
<b>UNITED STATES DEPARTMENT OF DEFENSE</b>			
ROTC	None	N/A	<u>96,162</u>
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies	84.010	28-17-T1-47 28-16-T1-47	883,098 <u>115,072</u>
Total Title I Grants to Local Educational Agencies			<u>998,170</u>
Education for Homeless Children and Youth	84.196	28-17-H1-47 28-16-H1-47	1,061 <u>1,095</u>
Total Education for Homeless Children and Youth			<u>2,156</u>
<i>Special Education Cluster</i>			
Special Education - Grants to States	84.027		
IDEA - Part B		28-17-B1-47 28-16-B1-47	605,167 182,232
High Cost Services		28-17-RH-47	35,235
Positive Behavior Interventions and Support Program		28-17-PA-47	36,712
Total Special Education - Grants to States			<u>859,346</u>
Special Education - Preschool	84.173	28-17-P1-47 28-16-P1-47 28-17-CY-47	16,220 19,848 1,760
Total Special Education - Preschool			<u>37,828</u>
<i>Total Special Education Cluster</i>			<u>897,174</u>
Career and Technical Education - Basic Grants to States	84.048	28-17-02-47 28-16-02-47	25,174 <u>1,427</u>
Total Career and Technical Education Programs			<u>26,601</u>
Title III, English Language Acquisition	84.365	28-17-60-47	<u>2,975</u>
Title II, Improving Teacher Quality	84.367	28-17-50-47 28-16-50-47	221,744 44,184
Total Title II, Improving Teacher Quality			<u>265,928</u>
Total United States Department of Education			<u>2,193,004</u>

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through/ Entity Identifying Number</u>	<u>Expenditures</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Award:			
Head Start	93.600	N/A	<u>1,434,758</u>
Passed through Louisiana Department of Education:			
Temporary Assistance for Needy Families (TANF)	93.558		
The Cecil J. Picard LA 4 Early Childhood Program - TANF		28-17-36-47	181,525
Jobs for Americas Graduates (JAG)		28-17-JS-47	<u>50,000</u>
Total Temporary Assistance for Needy Families (TANF)			<u>231,525</u>
Childcare and Development Block Grant	93.575	28-17-C3-47	<u>7,191</u>
Total United States Department of Health and Human Services			<u>1,673,474</u>
Total expenditures of federal awards			<u>\$ 6,606,898</u>

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. James Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School Board.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through identifying numbers are presented where available. The School Board has not elected to use the 10 percent de minimis indirect cost.

(3) Commodities

Nonmonetary assistance in the amount of \$245,169 is reported in the schedule at the fair market value of the commodities received and consumed. At June 30, 2017, the School Board had \$87,864 of commodities remaining in inventory.

(4) Relationship to Fund Financial Statements

Federal financial assistance is reported in the School Board's fund financial statements as follows:

Revenues -	
Major Governmental Fund:	
General Fund	\$ 336,638
Other Governmental Funds:	
Title I	1,000,326
Title II and III	268,903
Idea	895,414
Vocational Education	26,601
Head Start	1,434,758
School Food Service	<u>2,644,258</u>
Total	<u>\$ 6,606,898</u>

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

Part I. Summary of Auditor's Results:

*Financial Statements:*

1. Unmodified opinions have been issued on the financial statements of the School Board's governmental activities, each major fund (General Fund, Capital Projects Fund, and Debt Service Fund), and the aggregate remaining fund information.
2. No deficiencies in internal control which were considered to be material weaknesses were identified during the audit of the basic financial statements.
3. One instance of noncompliance required to be reported in accordance with *Governmental Auditing Standards* was disclosed by the audit of the basic financial statements and included in Part II of this schedule.

*Federal Award Programs:*

4. No material weaknesses in internal control over the major federal award programs were reported.
5. The auditor's report on compliance expresses unmodified opinions on the major programs described below.
6. No audit findings required to be reported in accordance with 2 CFR 200.516(a) are included in Part III of this schedule.
7. The following programs were tested as major:

<u>Program</u>	<u>CFDA Number</u>
<i>Child Nutrition Cluster</i>	
National School breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program	10.559
<i>Title I Grants to Local Educational Agencies</i>	84.010

8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The School Board was not determined to be a low-risk auditee.

*Other:*

10. A management letter was issued.

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

Part II. Findings required to be reported in accordance with *Government Auditing Standards*:

Internal Control Findings –

There are no findings reported under this section.

Compliance Findings –

2017-001 – Budget Variance

CONDITION: Budget variance in excess of 5% was incurred in the General Fund.

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for the following:

“A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

(1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

(2) Total actual expenditures and other uses plus projected 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.

(3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.”

CAUSE: The condition results from a failure to properly monitor the revenues and expenditures of the General Fund.

EFFECT: The School Board may not prevent and/or detect compliance violations due to over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: We recommend that the School Board periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

Part III. Findings and questioned costs for Federal awards defined in the Uniform Guidance:

There are no findings reported under this section.

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2017

A. Internal Control –

There were no findings previously reported under this section.

B. Compliance –

There were no findings previously reported under this section.

C. Uniform Guidance –

*Department of Education*

2016-001 Cash Management

CONDITION: Reimbursement requests were not reviewed and approved before submission to the grantor agency.

RECOMMENDATION: Procedures need to be established to ensure that reimbursement requests are reviewed and approved by an independent individual before the requests are submitted to the grantor agency.

STATUS: The finding has been resolved.

D. Management letter

A management letter was not issued.

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\* A Professional Accounting Corporation

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES ON PERFORMANCE AND STATISTICAL DATA SCHEDULES

To the Members of the Board  
c/o Dr. P. Edward Cancienne, Jr., Superintendent  
St. James Parish School Board  
Lutcher, LA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of St. James Parish School Board (hereinafter "School Board") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board 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) for the year ended June 30, 2017. The management of the School Board is responsible for its records and compliance with applicable laws and regulations. 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.

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

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

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

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

- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

*There were no exceptions noted.*

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

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

*There were no exceptions noted.*

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

*There were no exceptions noted.*

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

*There were no exceptions noted.*

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

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

*There were no exceptions noted.*

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

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

*There were no exceptions noted.*

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

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

*There were no exceptions noted.*

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

*There were no exceptions noted.*

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

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

*There were no exceptions noted.*

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

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

*There were no exceptions noted.*

**VIII. Graduation Exit Exam (Schedule 8)**

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

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

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

*Reported achievement level results for Grade 6, Science, do not reconcile to those provided by the Louisiana Department of Education.*

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 management's assertions. 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.

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

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

Morgan City, Louisiana  
December 29, 2017

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

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

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

**Schedule 2 - Education Levels of Public School Staff**

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

**Schedule 3 - Number and Type of Public Schools**

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

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

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

**Schedule 5 - Public School Staff Data: Average Salaries**

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

**Schedule 6 - Class Size Characteristics**

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

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

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

**Schedule 8 - Graduation Exit Examination (GEE)**

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

**Schedule 9 -iLEAP Tests**

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

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

**General Fund Instructional and Equipment Expenditures**

General fund instructional expenditures:	
Teacher and student interaction activities -	
Classroom teacher salaries	\$ 19,724,350
Other instructional staff activities	
Employee benefits	8,942,691
Purchased professional and technical services	284,234
Instructional materials and supplies	761,587
Instructional equipment	<u>21,752</u>
Total teacher and student interaction activities	\$ 29,734,614
Other instructional activities	73,346
Pupil support activities	3,754,263
Instructional staff services	2,070,883
School administration	<u>4,031,520</u>
Total general fund instructional expenditures	<u>\$ 39,664,626</u>
Total general fund equipment expenditures	<u>\$ 21,752</u>

**Certain Local Revenue Sources**

Local taxation revenue:	
Constitutional ad valorem taxes	\$ 2,087,284
Renewable ad valorem tax	16,304,932
Debt service ad valorem tax	5,285,363
Up to 1% of collections by the Sheriff on taxes other than school taxes	599,322
Sales and use taxes	<u>18,127,949</u>
Total local taxation revenue	<u>\$ 42,404,850</u>
State revenue in lieu of taxes:	
Revenue sharing - constitutional tax	\$ 34,162
Revenue sharing - other taxes	<u>48,236</u>
Total state revenue in lieu of taxes	<u>\$ 82,398</u>
Nonpublic textbook revenue	<u>\$ 5,971</u>
Nonpublic transportation revenue	<u>\$ -</u>

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a bachelor's degree	2	1%	3	16%	-	-	-	-
Bachelor's degree	190	63%	9	47%	-	-	-	-
Master's degree	76	25%	6	32%	11	50%	-	-
Master's degree + 30	27	9%	-	-	8	36%	-	-
Specialist in education	2	1%	-	-	1	5%	-	-
Ph. D. or Ed. D.	2	1%	1	-	2	9%	-	-
Total	299	100%	19	95%	22	100%	-	-

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

Type	Number
Elementary	6
Middle/Junior high	-
Secondary	2
Combination	-
Total	8

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

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant principals	-	-	1	-	4	2	5	12
Principals	-	-	-	1	3	2	4	10
Classroom teachers	24	29	95	44	61	29	36	318
Total	24	29	96	45	68	33	45	340

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

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

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average classroom teachers' salary including extra compensation	57,355	57,213
Average classroom teachers' salary excluding extra compensation	54,253	54,098
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	324	321

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

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

Class Size Characteristics  
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	37%	576	46%	176	-	-	75%	3
Elementary activity classes	5%	80	7%	27	0%	-	0%	-
High	52%	798	44%	170	88%	39	-	-
High activity classes	6%	85	3%	12	11%	5	26%	1
Other	-	-	-	-	-	-	-	-
	100%	1,539	100%	385	100%	44	100%	4

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.

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

Louisiana Educational Assessment Program (LEAP)  
Years Ended June 30, 2017 2016, 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 4</b>						
Advanced	6%	4%	3%	5%	3%	1%
Mastery	40%	31%	38%	41%	36%	31%
Basic	30%	38%	34%	32%	32%	36%
Approaching basic	18%	16%	21%	18%	25%	28%
Unsatisfactory	5%	11%	3%	4%	4%	4%
Total	99%	101%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 4</b>						
Advanced	3%	4%	4%	3%	0%	1%
Mastery	18%	16%	18%	18%	0%	15%
Basic	50%	52%	46%	30%	0%	59%
Approaching basic	23%	22%	27%	32%	0%	20%
Unsatisfactory	6%	5%	5%	16%	0%	5%
Total	100%	99%	100%	99%	0%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 8</b>						
Advanced	5%	4%	1%	1%	1%	5%
Mastery	36%	31%	22%	35%	25%	22%
Basic	31%	28%	34%	32%	37%	24%
Approaching basic	20%	26%	28%	22%	26%	28%
Unsatisfactory	8%	13%	15%	11%	11%	21%
Total	100%	102%	100%	101%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 8</b>						
Advanced	1%	1%	1%	5%	0%	1%
Mastery	16%	20%	16%	22%	0%	7%
Basic	43%	46%	29%	29%	0%	42%
Approaching basic	27%	24%	36%	24%	0%	30%
Unsatisfactory	13%	11%	18%	20%	0%	20%
Total	100%	102%	100%	100%	0%	100%

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

iLEAP Tests  
Years Ended June 30, 2017, 2016, 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 3</b>						
Advanced	4.0%	2.0%	1.0%	15.0%	16.0%	3.0%
Mastery	45.0%	41.0%	35.0%	42.0%	41.0%	36.0%
Basic	27.0%	27.0%	31.0%	23.0%	19.0%	37.0%
Approaching Basic	16.0%	18.0%	22.0%	14.0%	18.0%	18.0%
Unsatisfactory	8.0%	12.0%	11.0%	6.0%	6.0%	7.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	101.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 3</b>						
Advanced	4.0%	8.0%	3.0%	7.0%	0.0%	1.0%
Mastery	28.0%	22.0%	18.0%	21.0%	0.0%	19.0%
Basic	44.0%	43.0%	42.0%	32.0%	0.0%	56.0%
Approaching Basic	17.0%	21.0%	26.0%	25.0%	0.0%	15.0%
Unsatisfactory	7.0%	6.0%	11.0%	15.0%	0.0%	10.0%
Total	100.0%	100.0%	100.0%	100.0%	0.0%	101.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 5</b>						
Advanced	4.0%	5.0%	1.0%	4.0%	4.0%	1.0%
Mastery	44.0%	32.0%	34.0%	33.0%	25.0%	23.0%
Basic	32.0%	29.0%	39.0%	37.0%	33.0%	41.0%
Approaching Basic	14.0%	24.0%	21.0%	20.0%	31.0%	31.0%
Unsatisfactory	5.0%	10.0%	6.0%	7.0%	7.0%	4.0%
Total	99.0%	100.0%	101.0%	101.0%	100.0%	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 5</b>						
Advanced	2.0%	1.0%	1.0%	1.0%	0.0%	3.0%
Mastery	9.0%	14.0%	14.0%	14.0%	0.0%	10.0%
Basic	42.0%	50.0%	50.0%	24.0%	0.0%	54.0%
Approaching Basic	31.0%	28.0%	28.0%	39.0%	0.0%	26.0%
Unsatisfactory	16.0%	8.0%	8.0%	21.0%	0.0%	7.0%
Total	100.0%	101.0%	101.0%	99.0%	0.0%	100.0%

ST. JAMES PARISH SCHOOL BOARD  
Lutcher, Louisiana

iLEAP Tests (continued)  
Years Ended June 30, 2017, 2016, 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 6</b>						
Advanced	8.0%	3.0%	2.0%	7.0%	4.0%	3.0%
Mastery	30.0%	34.0%	37.0%	31.0%	31.0%	33.0%
Basic	33.0%	39.0%	36.0%	29.0%	33.0%	37.0%
Approaching Basic	24.0%	19.0%	19.0%	29.0%	27.0%	22.0%
Unsatisfactory	5.0%	5.0%	5.0%	4.0%	5.0%	5.0%
Total	100.0%	100.0%	98.0%	100.0%	100.0%	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 6</b>						
Advanced	4.0%	3.0%	4.0%	10.0%	0.0%	5.0%
Mastery	6.0%	24.0%	18.0%	16.0%	0.0%	11.0%
Basic	20.0%	50.0%	48.0%	26.0%	0.0%	47.0%
Approaching Basic	43.0%	18.0%	24.0%	29.0%	0.0%	28.0%
Unsatisfactory	25.0%	4.0%	7.0%	18.0%	0.0%	9.0%
Total	98.0%	99.0%	101.0%	99.0%	0.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 7</b>						
Advanced	7.0%	8.0%	1.0%	1.0%	1.0%	1.0%
Mastery	41.0%	25.0%	23.0%	29.0%	23.0%	20.0%
Basic	28.0%	24.0%	30.0%	38.0%	38.0%	37.0%
Approaching Basic	17.0%	25.0%	30.0%	25.0%	32.0%	32.0%
Unsatisfactory	7.0%	18.0%	15.0%	7.0%	7.0%	10.0%
Total	100.0%	100.0%	99.0%	100.0%	101.0%	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 7</b>						
Advanced	5.0%	5.0%	4.0%	3.0%	0.0%	5.0%
Mastery	25.0%	20.0%	22.0%	24.0%	0.0%	14.0%
Basic	40.0%	47.0%	38.0%	29.0%	0.0%	45.0%
Approaching Basic	22.0%	20.0%	23.0%	21.0%	0.0%	25.0%
Unsatisfactory	9.0%	8.0%	13.0%	24.0%	0.0%	12.0%
Total	101.0%	100.0%	100.0%	101.0%	0.0%	101.0%

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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\* A Professional Accounting Corporation

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES ON CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

To the Members of the Board  
c/o Dr. P. Edward Cancienne, Jr., Superintendent  
St. James Parish School Board  
Lutcher, LA

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of 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 exceptions are as follows:

### *Written Policies and Procedures*

1. Obtain the SJPSB'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 SJPSB does not have any written policies and procedures), as applicable:

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

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

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

*Written policies and procedures were obtained. SJPSB's written policies do not address the following: how purchases are initiated, how vendors are added to the vendor list, or the preparation and approval process of purchase requisitions and purchase orders.*

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

*Written policies and procedures were obtained. SJPSB's written policies do not address the processing of disbursements.*

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

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

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

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

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

*Written policies and procedures were obtained. SJPSB's written policies do not address standard terms and conditions or legal review of contracts.*

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

*SJPSB does not have any written policies and procedures that address the functions noted above.*

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

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

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

*Written policies and procedures were obtained. SJPSB's written policies do not require an annual attestation of the reading of ethics policies by personnel.*

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

*Written policies and procedures were obtained. SJPSB's written policies do not address debt reserve requirements or debt service requirements.*

**Board (or Finance Committee, if applicable)**

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

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

*Obtained and reviewed minutes of the SJPSB for the fiscal period noting that the board met at least monthly.*

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

*Minutes included references to budget to actual comparisons for all funds for which an annual budget was adopted (SJPSB adopts an annual budget for all funds).*

- 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.

*There were no indications of deficit spending.*

- 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.

*Minutes included references to non-budgetary financial information for at least one meeting during the fiscal period.*

### ***Bank Reconciliations***

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

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

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

- a) Bank reconciliations have been prepared:

*Obtained bank statements and/or reconciliations for all months in the fiscal period for nine (9) bank accounts noting that reconciliations have been prepared for five (5) accounts for all months. Reconciliations were not prepared for four (4) of the bank accounts selected.*

- 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

*Obtained bank statements and/or reconciliations for all months in the fiscal period for nine (9) bank accounts noting evidence of management's review of reconciliations prepared for five (5) accounts. Reconciliations were not prepared for four (4) of the bank accounts selected.*

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

*Obtained bank statements and/or reconciliations for all months in the fiscal period for nine (9) bank accounts noting evidence of researching reconciling items that have been outstanding for more than six (6) months as of the end of the fiscal period for seven (7) accounts. Two (2) accounts tested evidenced no researching of reconciling items that have been outstanding for more than six (6) months as of the end of the fiscal period.*

### ***Collections***

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

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

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

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

*The nine (9) bank accounts selected for testing in "Bank Reconciliations" above were also determined to be cash collection locations. Of the nine (9) cash collection locations tested, the person responsible for collecting cash was also –*

- *Responsible for depositing cash in the bank in all nine (9) locations.*
- *Responsible for recording the deposit in all nine (9) locations.*

*All individuals responsible for collecting cash in all nine (9) locations were appropriately bonded.*

*There are no cash registers, nor are there any sharing of cash drawers.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the SJPSB 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.

*SJPSB has no formal reconciliation process. In all nine (9) cash collection locations tested, the informal process of reconciling cash collections to the general ledger is performed by the same individual having responsibility for cash collections.*

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

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

*In three (3) of the nine (9) locations tested, there were nine (9) instances of deposits not being made within one (1) day of collection. Thirty-one (31) deposits were tested in those three (3) collection locations. The number of days after collection varied from two (2) to twenty-two (22) and are as follows:*

<u>Collection Location</u>	<u>Date</u>		<u>Days from Collection to Deposit</u>
	<u>Collection</u>	<u>Deposit</u>	
<i>Lutcher High - Operating</i>	<i>10/10/2016</i>	<i>10/17/2016</i>	<i>7</i>
	<i>10/14/2016</i>	<i>10/19/2016</i>	<i>5</i>
	<i>10/17/2016</i>	<i>10/19/2016</i>	<i>2</i>
<i>Sixth Ward Elementary - Lunch</i>	<i>10/24/2016</i>	<i>10/27/2016</i>	<i>3</i>
	<i>10/25/2016</i>	<i>10/27/2016</i>	<i>2</i>
	<i>10/27/2016</i>	<i>11/18/2016</i>	<i>22</i>
<i>Fifth Ward Elementary- Operating</i>	<i>10/5/2016</i>	<i>10/7/2016</i>	<i>2</i>
	<i>10/10/2016</i>	<i>10/12/2016</i>	<i>2</i>

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

*Collection documentation was obtained and addresses the functions noted above.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the SJPSB has a process specifically defined (identified as such by the SJPSB) 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.

*SJPSB has no written process to determine the completeness of all collections for each revenue source by an individual who is not responsible for collections.*

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

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

*Obtained listing of disbursements from management and management’s representation that the listing 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 SJPSB had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

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

*Examined supporting documentation for each of the twenty-five (25) disbursements selected and found that purchases were initiated using a purchase requisition/order system.*

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

*Examined supporting documentation for each of the twenty-five (25) disbursements selected noting approval by an individual 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.

*Examined supporting documentation for each of the twenty-five (25) disbursements selected noting all payments were processed having an approved requisition and/or purchase order, a receiving report, and an approved invoice, as necessary.*

10. Using SJPSB 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 SJPSB's purchasing/disbursement system.

*SJPSB has no written documentation prohibiting the individual responsible for processing payments from adding vendors to the purchasing/disbursement system.*

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

*Written policies and/or procedures do not prohibit individuals with signatory authority from also initiating and/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 SJPSB documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*The supply of unused checks is in a locked location and persons not having signatory authority have no access to those 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.

*Signature stamp or signature machine is used and is maintained under the signer's control. Signer indicated that signed checks are likewise maintained under his/her control or authorized user until mailed.*

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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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.

*Obtained listing of active credit cards, bank debit cards, fuel cards and name of the individuals maintaining possession of the cards from management and 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 SJPSB 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.

*Randomly selected ten (10) cards from the listing provided by management. SJPSB maintains two (2) Visa cards and sixty-nine (69) Fuelman cards. One (1) Visa card and (9) Fuelman cards were selected for testing.*

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

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

*Monthly statements were obtained. Monthly statements for all ten (10) cards selected for testing evidence review and approval, in writing, by someone other than the authorized cardholder.*

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

*No finance charges and/or late fees were observed on the 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)

*Each transaction appearing on the one (1) Visa card statement was supported by an original itemized receipt. Itemized receipts for the nine (9) Fuelman cards were not provided by SJPSB.*

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

*Fuelman statements for nine (9) Fuelman cards selected indicated that all respective statement purchases were for the purchase of fuel for school buses. The one (1) Visa card selected*

*indicated six (6) individual transactions on the respective statement. Of these six (6) transactions, two (2) transactions did not include appropriate documentation of business/public purpose.*

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

*SJPSB does not have any written policies and procedures that address credit card purchases. SJPSB's purchasing policy does not address procedures for purchases under \$10,000. All transactions selected for testing were below \$10,000, as such, other documentation was not required by written policy.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the SJPSB'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.

*See 15(a) above. There were no noted credit card purchases requiring compliance with the Public Bid Law.*

- c) For each transaction, compare the SJPSB'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.

*Two (2) transactions did not include appropriate documentation of business/public purpose.*

### ***Travel and Expense Reimbursement***

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- 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.

*Obtained listing of travel and expense reimbursements during the fiscal period, by person, and management's representation that the listing is complete.*

- 18. Obtain the SJPSB'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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*Obtained SJPSB's written policies related to travel and expense reimbursements. Per diem and reimbursement rates included in the written policies do not 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 SJPSB does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*Expenses included on reimbursement reports were reimbursed in accordance with SJPSB's written policies with the exception of mileage reimbursements for the three (3) selected persons' largest travel expenses. SJPSB's travel policy indicates that the Louisiana Travel Guide (LTG) issued by the Louisiana Department of Administration is followed for all travel reimbursements. LTG limits mileage reimbursements to 99 miles per round trip or round trip as applicable. SJPSB paid mileage at the appropriate .51 per mile, but reimbursed total miles driven without limit provided travel and estimated mileage was approved on travel request.*

b) Report whether each expense is supported by:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

c) Compare the SJPSB'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.

*Nature of the expenses reimbursed and related supporting documentation were not obscured. All reimbursements tested appear compliant with Article 7, Section 14 of the Louisiana Constitution.*

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

*Reimbursement requests and related documentation evidenced review and approval, in writing, by someone other than the individual receiving the reimbursement.*

### ***Contracts***

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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.

*Obtained listing of all contracts in effect during the fiscal period and management's representation that the listing 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.

*Payments to vendors were supported by a written agreement describing the services to be provided and the fees to be charged.*

- 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 SJPSB complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*Four (4) of the five (5) contracts selected for testing were subject to the requirements of the Public Bid Law. There was no evidence of noncompliance observed with any of the applicable legal requirements.*

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

*One (1) of the five (5) contracts selected for testing was not subject to the requirements of Public Bid Law. Quotes were solicited 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.

*One (1) of the five (5) contracts tested were amended see below for scope and dollar amounts of change orders.*

<u>Scope (Change Orders)</u>	<u>Dollar Total</u>
<i>Change in construction materials</i>	\$ 864,068
<i>Change in construction materials</i>	(77,900)
<i>Miscellaneous construction changes</i>	(19,299)
<i>Relocation of condensing units</i>	<u>24,435</u>
<i>Total of all amendments (change orders)</i>	<u>\$ 791,304</u>

*Change orders were within the scope of the contract and the original specifications provided in the public bid requests.*

- 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.

*Obtained supporting invoices and/or progress payment request for the largest payment of the five (5) contracts selected for testing and compared to the contract terms. Four (4) invoices and related payments appear compliant with the terms and conditions of the contract. One (1) contract payment deviated from the fee schedule included in the contract resulting in an underpayment by SJPSB.*

- 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).

*All contracts selected for testing were documented in the minutes as approved by the School Board.*

### **Payroll and Personnel**

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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.

*Obtained a listing of employees from management and 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.

*Compensation paid to the individuals tested were made in accordance with SJPSB's adopted pay scales and/or contract for employment without exception.*

- 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.

*Changes to hourly pay rates/salaries were approved in accordance with SJPSB's policies.*

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 SJPSB 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.)

*Daily attendance for all employees is normally documented by someone within the department and/or school and not documented individually by the employee. There are no elected officials for which daily attendance and leave records are required.*

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

*Daily attendance and leave records evidence approval of supervisory department and/or school personnel.*

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

*Leave records for SJPSB personnel are maintained in writing and/or electronically.*

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.

*Obtained a listing of employees that terminated during the fiscal period from management and management's representation that the listing is complete. Also obtained the personnel files of the individuals receiving the two largest termination payments. Termination payments were made in accordance with SJPSB's policy 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.

*There were no exceptions regarding the deposit and/or payment of the employer and employee portions of payroll taxes and retirement contributions, nor the filing of related reporting forms, to the appropriate agencies by the required deadlines.*

#### ***Ethics (excluding nonprofits)***

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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 SJPSB maintained documentation to demonstrate that required ethics training was completed.

*Obtained ethics compliance documentation for five (5) randomly selected individuals. Documentation of the completion of the required ethics training was on file for all individuals tested.*

27. Inquire of management whether any alleged ethics violations were reported to the SJPSB 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 SJPSB's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management asserted that there were no allegations of ethics violation reported during the fiscal period.*

#### ***Debt Service (excluding nonprofits)***

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

*SJPSB did not issue debt during the fiscal period.*

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

*All scheduled debt service payments were timely made. All SJPSB debt obligations are general obligation debt and are not required to maintain debt reserves.*

30. If the SJPSB 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.

*Millage collections did not exceed debt service payments by more than ten percent (10%) during the fiscal period. SJPSB does not collect on any millage for which the associated debt has been retired.*

***Other***

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

*Management asserted that there were no misappropriations of public funds or assets during the fiscal period.*

32. Observe and report whether the SJPSB 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.lla.la.gov/hotline](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Notice required by RS 24:523.1 was posted on SJPSB's premises. Notice was not posted on SJPSB's website.*

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

*No exceptions to management's representations.*

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 and is solely for use by the SJPSB's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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

Morgan City, Louisiana  
December 29, 2017

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS**

**EXHIBIT A**

Dr. P. Edward Cancienne  
Superintendent

George Nassar, President  
District 4

Dianne Spencer, Vice-  
President, District 5



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Diana Cantillo, District 1  
Kenneth Foret, District 2  
Sue Beier, District 3  
Nicole Florent Charles,  
District 6  
Raymond Gros, District 7

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CORRECTIVE ACTION PLAN

December 29, 2017

Louisiana Legislative Auditor

Re: St. James Parish School Board

This Corrective Action Plan is submitted in response to the condition reported in the December 29, 2017 Reports on Compliance, Internal Control, and Agreed Upon Procedures issued by Kolder, Champagne, Slaven & Company, LLC.

*Condition: Budget variance in excess of 5% was incurred in the General Fund.*

*Response: The St. James Parish School Board, as is its annual practice, adopted revised budgets for its General and Special Revenue Funds on June 26, 2017. The General Fund budget revision presented for adoption erroneously omitted a significant portion of The Board's group health care contributions expenditures for the fiscal year ended June 30, 2017. That omission resulted in this finding with which The Board's administration concurs. This omission has been corrected in the fiscal year 2018 budget and additional internal review procedures have been implemented in order to avoid this error in the future.*

We trust that this response adequately addresses the finding. Please contact me at 225-258-4520 or [jmitchell@stjames.k12.la.us](mailto:jmitchell@stjames.k12.la.us) should you need additional information.

Sincerely,

Jim Mitchell

Administrative Director of Business Operations

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Victor R. Slaven, CPA\*  
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## MANAGEMENT LETTER

Dr. P. Edward Cancienne, Jr., Superintendent  
St. James Parish School Board  
Lutcher, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. James Parish School Board (hereinafter "School Board") as of and for the year ended June 30, 2017 and have issued our report thereon dated December 29, 2017.

In planning and performing our audit of the financial statements of the School Board, in accordance with auditing standards generally accepted in the United States of America, we considered the School Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control or on its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control or on compliance.

During our audit we noted certain matters involving internal control or compliance that is summarized below for your consideration. These comments and the related recommendations are intended to improve the School Board's internal control and its compliance with laws, regulations, contracts, and grant agreements and other matters. Our comments are not intended to reflect upon the ability or integrity of the School Board's personnel.

### 2017-ML-1 Reconciliation of Stop Loss Reports

The School Board does not reconcile amounts reported by Blue Cross/Blue Shield on the stop loss report to amounts paid by Zurich American Insurance Company for claims exceeding the \$125,000 stop loss deductible. Reconciliation of the amounts reported by BCBS to amounts paid by Zurich American ensures the School Board is properly and timely reimbursed for all claims exceeding the stop loss deductible.

### 2017-ML-2 Incurred But Not Reported Liability

The School Board estimates a liability for incurred but not reported claims using lag reports dated through October 31<sup>st</sup>. The School Board should continue to monitor its liability for incurred but not reported claims through the date of the issuance of the financial statements.

2017-ML-3 Reconciliation of Fuel Purchases

The School Board does not reconcile charges reflected on Fuelman statements to supporting individual transaction documentation. Reconciliation of charges to transaction documentation identifies the person initiating the transaction, fuel type, gallons purchased, date and location of the transaction for evaluation against known criterion.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not identify all weaknesses in policies and procedures or incidents of noncompliance that may exist. We aim, however, to use our knowledge of the School Board's operations gained during our work to make comments and suggestions that we hope will be useful to you.

This report is intended solely for the information and use of the School Board's management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

We would like to express our appreciation to you and your staff for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need additional assistance, please feel free to contact us.

***KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC***  
Certified Public Accountants

Dr. P. Edward Cancienne  
Superintendent

George Nassar, President  
District 4

Dianne Spencer, Vice-  
President, District 5



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Nicole Florent Charles,  
District 6  
Raymond Gros, District 7

December 29, 2017

Mr. Gerald Thibodeaux  
Kolder, Champagne, Slaven & Company, LLC  
1234 David Drive # 203  
Morgan City, LA 70380

Dear Mr. Thibodeaux:

This letter is prepared in response to the December 29, 2017 Management Letter issued to the management of the St. James Parish School Board (SJPSB). The purpose is to address the issues included in the letter:

**Item:** 2017-ML-1 Reconciliation of Stop Loss Reports  
*The School Board does not reconcile amounts reported by Blue Cross/Blue Shield on the stop loss report to amounts paid by Zurich American Insurance Company for claims exceeding the \$125,000 stop loss deductible. Reconciliation of the amounts reported by BCBS to amounts paid by Zurich American ensures the School Board is properly and timely reimbursed for all claims exceeding the stop loss deductible.*

**Response:** SJPSB will implement a reconciliation process retroactive to July 1, 2017.

**Item:** 2017-ML-2 Incurred But Not Reported Liability  
*The School Board estimates a liability for incurred but not reported claims using lag reports dated through October 31<sup>st</sup>. The School Board should continue to monitor its liability for incurred but not reported claims through the date of the issuance of the financial statements.*

**Response:** Beginning with Fiscal Year 2018 reporting, SJPSB will accrue Incurred But Not Reported Liability (IBNR) as close as practicable to the date of the Comprehensive Annual Financial Report.

**Item:** 2017-ML-3 Reconciliation of Fuel Purchases  
*The School Board does not reconcile charges reflected on Fuelman statements to supporting individual transaction documentation. Reconciliation of charges to transaction documentation identifies the person initiating the transaction, fuel type,*

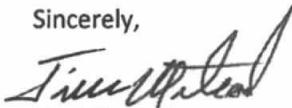
**Mr. Gerald Thibodeaux**  
**Kolder, Champagne, Slaven & Company, LLC**  
**Management Letter Response**  
**December 29, 2017**  
**Page Two**

*gallons purchased, date and location of the transaction for evaluation against known criterion.*

Response: SJPSB will implement a reconciliation process for purchases made through its fleet fuel contract provider.

The tasks and duties associated with these responses will be assigned to various SJPSB personnel and we trust that these actions will address the items listed in full. On behalf of the St. James Parish School Board and its staff, thank you for the guidance and professionalism of your staff during your audit and related procedures. Please contact me should you need additional information pertaining to this letter.

Sincerely,



Jim Mitchell  
Administrative Director of Business Operations