

EVANGELINE PARISH SCHOOL BOARD

Ville Platte, Louisiana

**Financial Statements
Year Ended June 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

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Mr. Darwan Lazard, Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, 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 Evangeline Parish School Board (School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As discussed in Note 19 to the basic financial statements, the School Board has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, schedule of changes in total OPEB liability and related ratios, employer's share of net pension liability, and employer contributions, (pages 47 - 53) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

The schedules required by state law 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 on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 10, 2018

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 18,133,503
Due from other governmental units	2,107,752
Inventories, at cost	137,920
Capital assets, net	<u>24,301,569</u>
Total assets	<u>44,680,744</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension plans	8,778,480
Other postemployment benefit obligation	<u>19,311,882</u>
Total deferred outflows of resources	<u>28,090,362</u>
LIABILITIES	
Accounts, salaries and other payables	5,646,582
Interest payable	109,731
Long-term liabilities:	
Portion due within one year -	
Bonds payable	1,292,000
Claims payable	46,750
Portion due after one year -	
Bonds payable	8,949,500
Claims payable	93,500
Compensated absences payable	1,528,645
Net OPEB obligation payable	130,041,898
Net pension liability	<u>58,861,671</u>
Total liabilities	<u>206,570,277</u>
DEFERRED INFLOWS OF RESOURCES	
Pension plans	3,923,052
Other postemployment benefit obligation	<u>2,282,272</u>
Total deferred inflows of resources	<u>6,205,324</u>
NET POSITION	
Net investment in capital assets	17,060,069
Restricted for:	
Teachers salaries and benefits	2,471,371
Capital projects	1,469,630
Debt service	718,131
Purpose of grantors	2,061,979
Unrestricted (deficit)	<u>(163,785,675)</u>
Total net position	<u>\$ (140,004,495)</u>

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 20,894,881	\$ -	\$ 48,077	\$ (20,846,804)
Special education programs	7,040,203	-	865,498	(6,174,705)
Vocational education programs	1,348,596	-	84,514	(1,264,082)
Other instructional programs	642,145	-	120,217	(521,928)
Special programs	2,860,293	-	2,492,443	(367,850)
Adult and continuing education programs	9,680	-	3,834	(5,846)
Support services:				
Pupil support	3,343,157	-	710,201	(2,632,956)
Instructional staff support	2,244,502	-	1,064,508	(1,179,994)
General administration	1,697,283	-	9,240	(1,688,043)
School administration	3,556,657	-	-	(3,556,657)
Business services	650,134	-	4,902	(645,232)
Operations and maintenance of plant	7,185,325	-	27,649	(7,157,676)
Student transportation services	4,613,831	-	1,407	(4,612,424)
Central services	720,247	-	117,317	(602,930)
Non-instructional services:				
Food services	5,034,911	130,353	3,984,100	(920,458)
Community services	39,415	-	-	(39,415)
Facilities acquisition and construction	79,002	-	-	(79,002)
Interest on long-term debt	<u>285,307</u>	<u>-</u>	<u>-</u>	<u>(285,307)</u>
Total governmental activities	<u>\$ 62,245,569</u>	<u>\$ 130,353</u>	<u>\$ 9,533,907</u>	<u>(52,581,309)</u>
General revenues:				
Taxes-				
Property taxes, levied for general purposes				7,064,001
Property taxes, levied for debt service				459,796
Sales and use taxes, levied for general purposes				7,260,049
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				35,166,739
State source - PIPS				5,532
State revenue sharing				202,252
Interest and investment earnings				122,758
Miscellaneous				<u>870,129</u>
Total general revenues				<u>51,151,256</u>
Change in net position				(1,430,053)
Net position (deficit) - July 1, 2017 as restated				<u>(138,574,442)</u>
Net position (deficit) - June 30, 2018				<u><u>\$(140,004,495)</u></u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

School Food Service

To account for funding which provides nourishing morning and noon meals for students in all grades. This fund is supplemented by both federal and state funds that are based on reimbursement and participation.

Capital Projects Fund

Capital projects funds account for the financial resources received and used to acquire, construct, or improve capital facilities not reported in other governmental funds.

Basile Construction

To account for the costs of acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities within and for the Issuer and acquiring the necessary equipment and furnishings therefor, title to which shall be in the public and paying the costs of the bonds.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Balance Sheet - Governmental Funds
June 30, 2018

	<u>General</u>	<u>School Food Service</u>	<u>Basile Construction</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS					
Cash and interest-bearing deposits	\$ 9,996,666	\$ 2,094,449	\$ 3,000,000	\$ 3,042,388	\$ 18,133,503
Receivables:					
Due from other funds	1,735,771	-	-	-	1,735,771
Due from other governmental units	1,043,194	146,273	-	918,285	2,107,752
Inventories, at cost	-	137,920	-	-	137,920
Total assets	<u>\$ 12,775,631</u>	<u>\$ 2,378,642</u>	<u>\$ 3,000,000</u>	<u>\$ 3,960,673</u>	<u>\$ 22,114,946</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 203,695	\$ -	\$ -	\$ 156,530	\$ 360,225
Salaries and benefits payable	4,300,993	193,871	-	334,243	4,829,107
Contracts payable	-	-	457,250	-	457,250
Due to other funds	-	-	1,091,264	644,507	1,735,771
Total liabilities	<u>4,504,688</u>	<u>193,871</u>	<u>1,548,514</u>	<u>1,135,280</u>	<u>7,382,353</u>
Fund balances:					
Nonspendable	-	137,920	-	-	137,920
Restricted	2,471,371	-	1,451,486	2,889,571	6,812,428
Committed	1,280,648	-	-	-	1,280,648
Assigned	715,432	-	-	-	715,432
Unassigned	3,803,492	2,046,851	-	(64,178)	5,786,165
Total fund balances	<u>8,270,943</u>	<u>2,184,771</u>	<u>1,451,486</u>	<u>2,825,393</u>	<u>14,732,593</u>
Total liabilities and fund balances	<u>\$ 12,775,631</u>	<u>\$ 2,378,642</u>	<u>\$ 3,000,000</u>	<u>\$ 3,960,673</u>	<u>\$ 22,114,946</u>

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

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

Total fund balances for governmental funds at June 30, 2018		\$ 14,732,593
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 531,342	
Construction in progress	7,051,046	
Equipment and vehicles, net of \$1,905,753 accumulated depreciation	383,323	
Buildings and improvements, net of \$20,020,691 accumulated depreciation	<u>16,335,858</u>	24,301,569
Deferred outflows of expenditures for the retirement systems and OPEB obligation are not available resources and therefore, are not reported in the funds. Deferred outflows of resources at year end consist of:		
Deferred outflows related to pensions	8,778,480	
Deferred outflows related to OPEB obligations	<u>19,311,882</u>	28,090,362
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Interest payable	(109,731)	
Bonds payable	(10,241,500)	
Claims payable	(140,250)	
Compensated absences payable	<u>(1,528,645)</u>	(12,020,126)
Net OPEB obligation payable		(130,041,898)
Net pension liability		(58,861,671)
Deferred inflows of contributions for the retirement systems and OPEB obligation are not payable from current expendable resources and, therefore, are not reported in the funds. Deferred inflows of resources at year end consist of:		
Deferred inflows related to pensions	(3,923,052)	
Deferred inflows related to OPEB obligations	<u>(2,282,272)</u>	<u>(6,205,324)</u>
Net position at June 30, 2018		<u>\$ (140,004,495)</u>

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

	General	School Food Service	Basile Construction	Other Governmental	Total
Revenues					
Parish sources:					
Ad valorem taxes	\$ 3,731,619	\$ -	\$ -	\$ 3,792,178	\$ 7,523,797
Sales taxes	7,260,049	-	-	-	7,260,049
Other	883,515	134,400	48,653	40,854	1,107,422
Total parish sources	11,875,183	-	48,653	3,833,032	15,756,868
State sources	35,078,306	360,000	-	801,918	36,240,224
Federal sources	112	3,984,100	-	4,699,812	8,684,024
Total revenues	46,953,601	4,478,500	48,653	9,334,762	60,815,516
Expenditures					
Current:					
Instruction -					
Regular programs	20,110,109	-	-	249,344	20,359,453
Special education programs	5,854,580	-	-	780,069	6,634,649
Special programs	479,160	-	-	2,278,885	2,758,045
Adult and continuing education programs	6,264	-	-	3,834	10,098
Vocational education programs	1,241,156	-	-	84,514	1,325,670
Other instructional programs	453,195	-	-	217,159	670,354
Support services -					
Pupil support services	2,430,212	-	-	838,939	3,269,151
Instructional staff support services	1,124,162	-	-	1,076,920	2,201,082
General administration	1,565,675	-	-	117,124	1,682,799
School administration	3,445,487	-	-	1,080	3,446,567
Business services	587,193	-	-	19,283	606,476
Operation and maintenance of plant services	2,698,283	2,682	-	3,593,019	6,293,984
Student transportation services	4,560,259	6,189	-	1,407	4,567,855
Central services	518,818	-	-	206,338	725,156
Non-instructional services -					
Food services	446,739	4,339,103	-	-	4,785,842
Community services	39,415	-	-	-	39,415
Facilities acquisition and construction	15,000	-	5,327,642	215,916	5,558,558
Debt service:					
Principal retirement	-	-	-	1,273,000	1,273,000
Interest and fiscal charges	2,975	-	-	290,154	293,129
Total expenditures	45,578,682	4,347,974	5,327,642	11,246,985	66,501,283
Excess (deficiency) of revenues over expenditures	1,374,919	130,526	(5,278,989)	(1,912,223)	(5,685,767)
Other financing sources (uses)					
Transfers in	334,242	381,552	-	1,025,240	1,741,034
Transfers out	(1,407,637)	-	-	(333,397)	(1,741,034)
Total other financing sources (uses)	(1,073,395)	381,552	-	691,843	-
Net changes in fund balances	301,524	512,078	(5,278,989)	(1,220,380)	(5,685,767)
Fund balances, beginning	7,969,419	1,672,693	6,730,475	4,045,773	20,418,360
Fund balances, ending	\$ 8,270,943	\$ 2,184,771	\$ 1,451,486	\$ 2,825,393	\$ 14,732,593

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Total net change in fund balances for year ended June 30, 2018 per the statement of revenues, expenditures and changes in fund balances		\$(5,685,767)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Facilities acquisition, construction costs and equipment which are considered expenditures on the statement of revenues, expenditures and changes in fund balance	\$ 5,595,359	
Depreciation expense	<u>(811,780)</u>	4,783,579
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		1,273,000
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities		
Amortization of bond premium		17,029
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds		
Increase in interest payable	(9,207)	
Decrease in claims payable	46,750	
Decrease in compensated absences	29,717	
Increase in OPEB obligation payable	<u>(23,500,146)</u>	(23,432,886)
Pension (expense) benefit not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure		4,585,382
OPEB (expense) benefit not requiring the use of current economic resources and therefore, not recorded as a fund expenditure		<u>17,029,610</u>
Total change in net position for year ended June 30, 2018 per the statement of activities		<u><u>\$(1,430,053)</u></u>

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Statement of Fiduciary Assets and Liabilities
June 30, 2018

ASSETS

Cash and interest-bearing deposits	<u>\$ 582,877</u>
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LIABILITIES

School activity funds payable	<u>\$ 582,877</u>
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The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

The School Board operates twelve schools within the parish with a total enrollment of 5,872 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

A. Financial Reporting Entity

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary assets and liabilities at the fund financial statement level.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

The various funds of the School Board are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental funds:

The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

The School Food Service Fund accounts for funding to provide nourishing morning and noon meals for students in all grades.

The Basile Construction Capital Projects Fund accounts for the proceeds of the issuance of \$8,500,000 General Obligation Bonds, Series 2016, of School District No. 7, Parish of Acadia, Louisiana, and for the costs of constructing and improving schools.

Additionally, the School Board reports the following fund types:

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Special revenue funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt service funds - established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital projects funds - account for financial resources received and used to acquire, construct, or improve capital facilities not reported in other governmental funds.

Fiduciary funds - account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The fund accounted for in this category is the agency fund. The agency fund is the School Activity Fund. This fund accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. Measurement Focus/ Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position and the statement of activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. In the fund financial statements, the “current financial resources” measurement focus is used. Under this measurement focus, only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Allocation of indirect expenses

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

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

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

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month collected by the School Board. Substantially all other revenues are recorded when received.

Expenditures

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

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

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

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

The fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

Other Financing Sources (Uses)

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

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

Cash and interest-bearing deposits

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

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include federal and state grants.

Inventories

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

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their acquisition value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing equipment and vehicles.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets’ estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Vehicles	5 years
Equipment	5-10 years
Buildings and improvements	20-40 years

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

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.

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

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2002 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Compensated Absences

Twelve-month employees earn from 5 to 10 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave cannot be accumulated. All School Board employees earn from 10 to 12 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee or heirs at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service.

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

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

At June 30, 2018, employees of the School Board have accumulated and vested \$1,528,645 of sick leave benefits which are recorded as noncurrent liabilities in the government-wide statement of net position. No current fund liability has been recorded in the governmental funds.

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Long-term debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2018, the School Board's deferred inflows and outflows of resources are attributable to its pension and other post-employment benefit plans.

Equity Classifications

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

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the School Board, which is the highest level of decision-making authority for the Evangeline Parish School Board.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the School Board’s adopted policy, only the School Board may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School Board has provided otherwise in its commitment or assignment actions.

E. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Sales and use taxes	See Note 9
Ad valorem taxes	See Note 3

F. Use of Estimates

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the School Board has cash and interest-bearing deposits (book balances) totaling \$18,716,380 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 2,955,875	\$ 149,148	\$ 3,105,023
Time and savings deposits	15,177,628	433,729	15,611,357
Total	\$ 18,133,503	\$ 582,877	\$ 18,716,380

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2018, were secured as follows:

Bank balances	\$ 20,229,598
Federal deposit insurance	1,029,866
Pledged securities	19,063,056
Total	20,092,922
Deficiency	\$ (136,676)

Deposits in the amount of \$19,063,056 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the School Board's name. The School Board had a deficiency of pledged securities at June 30, 2018 in the amount of \$136,676. The School Board does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied in October and are billed to taxpayers in December. Billed taxes are due by December 31st, becoming delinquent on January 1st of the following year. The taxes are based on assessed values determined by the Tax Assessor and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions. For the year ended June 30, 2018, ad valorem taxes were levied on property with net assessed valuations totaling \$517,950,499 and were dedicated as follows:

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Parish wide taxes constitutional	4.50 mills
Special tax for salaries and benefits of teachers and other employees	9.99 mills
Maintenance taxes, by district:	
No. 2 Maintenance	11.96 mills
No. 7 Maintenance	12.23 mills
Improvement taxes, by school:	
Basile High School athletic department	1.98 mills
Basile District VII Bonds debt service	<u>11.75</u>
Total	<u>52.41</u> mills

Taxes remitted to the School Board amounted to \$7,523,797 for the year ending June 30, 2018.

(4) Receivables

Due from other governmental units of \$2,107,752 consists of the following at June 30, 2018:

State of Louisiana, Department of Education for various appropriations and reimbursements	\$ 1,053,365
Evangeline Parish Sales Tax Commission for taxes collected	680,574
Other receivables	<u>373,813</u>
Total	<u>\$2,107,752</u>

(5) Capital Assets

Capital assets balances and activity for the year ended June 30, 2018 are as follows:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
Capital assets not being depreciated:				
Land	\$ 531,342	\$ -	\$ -	\$ 531,342
Construction in progress	2,051,822	5,479,556	480,332	7,051,046
Other capital assets:				
Equipment and vehicles	2,173,273	115,803	-	2,289,076
Buildings and improvements	<u>35,876,217</u>	<u>480,332</u>	<u>-</u>	<u>36,356,549</u>
Totals	<u>40,632,654</u>	<u>6,075,691</u>	<u>480,332</u>	<u>46,228,013</u>
Less accumulated depreciation				
Equipment and vehicles	1,774,039	131,714	-	1,905,753
Buildings and improvements	<u>19,340,625</u>	<u>680,066</u>	<u>-</u>	<u>20,020,691</u>
Total accumulated depreciation	<u>21,114,664</u>	<u>811,780</u>	<u>-</u>	<u>21,926,444</u>
Net capital assets	<u>\$19,517,990</u>	<u>\$5,263,911</u>	<u>\$ 480,332</u>	<u>\$24,301,569</u>

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

Special education programs	\$ 4,101
Vocational education programs	3,505
Special programs	2,000
Student transportation	5,625
Central services	1,089
Plant services	763,418
Food services	<u>32,042</u>
Total depreciation expense	<u>\$ 811,780</u>

(6) Accounts, Salaries, and Other Payables

At June 30, 2018, accounts, salaries, and other payables of \$5,646,582 consisted of the following:

Salaries and withholdings	\$ 4,829,107
Accounts payable	360,225
Contracts payable	<u>457,250</u>
Totals	<u>\$ 5,646,582</u>

(7) Long-Term Liabilities

The School Board issues general obligation bonds and Louisiana Qualified Zone Academy Bonds (QZAB), secured by ad valorem taxes and excess revenues, to provide for the acquisition and construction of major capital facilities. The bonds are liquidated by debt service funds. These bonds are direct obligations and pledge the full faith and credit of the Board and are generally issued as 20 or 30-year serial bonds. All of the School Board's long-term debt is associated with governmental activities. Long-term debt currently outstanding is as follows:

<u>Issued Amount</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
\$ 2,450,000	08/16/2014	03/01/2021	2.09	\$ 1,090,000
2,215,000	11/15/2012	08/01/2019	2.80	662,000
8,500,000	04/13/2016	03/01/2036	3.00	7,600,000
<u>3,000,000</u>	04/13/2010	12/15/2019	N/A	<u>600,000</u>
<u>\$ 16,165,000</u>				<u>\$ 9,952,000</u>

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2018:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018	Amount due in one year
Long-term debt:					
General obligation bonds	\$ 11,225,000	\$ -	\$ 1,273,000	\$ 9,952,000	\$ 1,292,000
Premium	<u>306,529</u>	<u>-</u>	<u>17,029</u>	<u>289,500</u>	<u>-</u>
Total bonds payable	11,531,529	-	1,290,029	10,241,500	1,292,000
Other liabilities:					
Claims payable	187,000	-	46,750	140,250	46,750
Compensated absences	<u>1,558,362</u>	<u>-</u>	<u>29,717</u>	<u>1,528,645</u>	<u>-</u>
	<u>\$ 13,276,891</u>	<u>\$ -</u>	<u>\$ 1,366,496</u>	<u>\$ 11,910,395</u>	<u>\$ 1,338,750</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 1,292,000	\$ 264,739	\$ 1,556,739
2020	1,320,000	238,752	1,558,752
2021	700,000	216,833	916,833
2022	340,000	199,200	539,200
2023	355,000	189,000	544,000
2024 - 2028	1,975,000	777,750	2,752,750
2029 - 2033	2,350,000	459,600	2,809,600
2034 - 2038	<u>1,620,000</u>	<u>98,400</u>	<u>1,718,400</u>
	<u>\$ 9,952,000</u>	<u>\$ 2,444,274</u>	<u>\$ 12,396,274</u>

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

In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended June 30, 2018, the School Board recognizes the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the total OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the School Board's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

General Information about the OPEB Plan

Plan Description: The Evangeline Parish School Board's defined benefit postemployment health care plan provides OPEB for permanent full-time employees and for certain retired employees. Medical benefits are provided to employees upon actual retirement. Coverage is also provided to spouses of retirees who are currently receiving benefits. The OGB plan is a multiple-employer defined benefit OPEB plan provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO, with a premium structure by region. The OGB issues a separate financial report which is available at www.groupbenefits.org along with the plan provisions contained in the official plan documents of the OGB. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement no. 75.

Funding Policy: The Evangeline Parish School Board recognizes the cost of providing post-employment medical and life benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis. The monthly premiums for the health benefit are paid jointly by the employee and employer. The percentage of the premium paid by the School Board ranges from 19% to 75% depending on years of participation. Life insurance coverage under the OGB program is available to retirees by election. The employer pays 50% of the "cost" of the retiree life insurance.

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

Inactive employees currently receiving benefits payments	523
Inactive employees entitled to but not yet receiving benefit payments	-
Spouses of retirees	160
Active employees	<u>584</u>
	<u>1,267</u>

Total OPEB Liability

The School Board's total OPEB liability of \$130,041,898 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.30%
Discount rate	3.87%
Health care cost trend rates	
Medical	4.30% for 2017, varying gradually until an ultimate rate of 4.90% for 2043 and beyond.

EVANGELINE PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The discount rate was based on the Bond Buyer's 20-year bond general obligation index.

Pre-retirement mortality rates were based on the RP-2014 Total Dataset Mortality Table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2017 on a generational basis with healthy annuitant rates after benefit commencement.

Post-retirement mortality rates were based on the RP-2014 Total Dataset Mortality Table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2017 on a generational basis with healthy annuitant rates after benefit commencement.

Changes in the Total OPEB Liability

The following presents changes in the total OPEB liability.

Balance at 6/30/2017	<u>\$ 106,541,752</u>
Changes for the year:	
Service cost	1,633,078
Interest	3,807,011
Effect of economic/demographic gains or losses	(2,916,237)
Effect of assumptions changes or inputs	24,676,294
Benefit payments	<u>(3,700,000)</u>
Net changes	<u>23,500,146</u>
Balance at 6/30/2018	<u>\$ 130,041,898</u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.87 percent) or one percentage point higher (4.87 percent) than the current discount rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB liability	<u>\$ 158,215,279</u>	<u>\$ 130,041,898</u>	<u>\$ 108,420,488</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	<u>\$ 107,274,187</u>	<u>\$ 130,041,898</u>	<u>\$ 159,691,120</u>

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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

For the year ended June 30, 2018, the School Board recognized an OPEB expense of \$10,170,536. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,282,272
Change of assumptions or other inputs	19,311,882	-
Total	\$ 19,311,882	\$ 2,282,272

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

Year Ended June 30,			
2019			\$ 4,730,447
2020			4,730,447
2021			4,730,447
2022			2,838,269
2023			-
Thereafter			-
			\$ 17,029,610

(9) Sales and Use Taxes

The School Board receives sales and use tax revenues as follows:

- A. On March 5, 2001, the voters of the parish approved a one percent perpetual sales and use tax to be levied by the School Board. The proceeds of the tax are used to supplement other revenues available to the School Board to pay salaries of teachers and other school employees, including the payment of benefits for teachers and other school employees in accordance with the proposed "Year 2001 Salary Increase Proposal".
- B. On May 20, 1967, the voters of the parish approved a one percent perpetual sales and use tax to be levied by the School Board. The proceeds of the tax are used to supplement other revenues available to the School Board to pay salaries of teachers and the expenses of operating the public schools of Evangeline Parish.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(10) Pension Plans

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 Louisiana School Employees' Retirement System (LSERS), 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.

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description

Employees of the Evangeline Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the TRSL. TRSL was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LRS 11:700-999 for eligible teachers, employees, and their beneficiaries. TRSL issues a publicly available financial report that can be obtained at www.trsl.org. The Evangeline Parish School Board is a member of the regular plan.

Retirement benefits

Normal retirement: 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. Member 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 of 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.

Benefit 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 credible service. Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

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 monthly benefit with a lump sum that can't exceed 36 months of the member's maximum monthly benefit amount.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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 3 years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

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 surviving spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor children. 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 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with at least 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% benefit factor for all creditable service.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee’s working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts – fixed, variable, or both – for benefits payable at retirement.

Contributions

The employer contribution rate is established annually under LA R.S. 11:101 –11:104 by the Public Retirement Systems’ Actuarial Committee (PRSAC), taking into consideration the recommendation of the System’s actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2018 are as follows:

K-12 Regular Plan Contributions		ORP Contributions	
Employee	Employer	Employee	Employer
<u>8.0%</u>	<u>26.6%</u>	<u>8.0%</u>	<u>26.6%</u>

Contributions to the pension plan from the School Board were \$6,775,932 for the year ended June 30, 2018. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered a special funding situation. Contributions from non-employer contributing entities were \$209,570.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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

As of June 30, 2018, the School Board reported a liability of \$55,426,364 for its proportionate share the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability 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. As of June 30, 2017, the School Board's proportion was 0.54065%, which was a decrease of 0.01382% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School Board recognized pension expense of \$4,381,933.

At June 30, 2018, 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 experiences	\$ -	\$ 1,821,954
Change of assumptions	584,472	-
Net difference between projected and actual earnings on pension plan investments	-	1,431,563
Change in proportion and differences between employer's contributions and proportionate share of contributions	914,896	243,671
Employer contributions subsequent to the measurement date	6,775,932	-
Total	\$ 8,275,300	\$ 3,497,188

Deferred outflows of resources of \$6,775,932 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended			
6/30/2019			\$(1,251,155)
6/30/2020			854,907
6/30/2021			(199,120)
6/30/2022			(1,402,452)
			\$(1,997,820)

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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, 2017 are as follows:

Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal
Amortization approach	Closed
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.70% per annum
Inflation Rate	2.5% per annum
Salary Increases	Vary from 3.5% - 10.0% depending upon duration of service
Cost of Living Adjustments	None
Mortality Rates	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 and ending June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.33% for 2017. 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, 2017, are summarized in the following table:

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	27.0%	4.28%
International equity	19.0%	4.96%
Domestic fixed income	13.0%	1.98%
International fixed income	5.5%	2.75%
Private equity	25.5%	8.47%
Other private assets	10.0%	3.51%

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity 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 7.70%, 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 (6.70) or one percentage-point higher (8.70%) than the current rate:

	1.0% Decrease 6.70%	Current Discount Rate 7.70%	1.0% Increase 8.70%
Employer's proportionate share of the net pension liability	<u>\$71,418,135</u>	<u>\$55,426,364</u>	<u>\$41,822,551</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2017 Comprehensive Annual Financial Report at www.trsl.org.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

B. Louisiana School Employees Retirement System (LSERS)

Plan Description

Employees of the Evangeline Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana School Employees' Retirement System. The System was established and provided for by LA R.S. 11:1001. LSERS issues a publicly available financial report that can be obtained at www.lasers.net.

Membership is mandatory for all persons employed by a Louisiana parish or city school board 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 who have less than 10 years of creditable service are not eligible for membership in the System. Any employee whose employment falls below 4.1 hours per day, or 20.1 hours per week and who is not vested will be eligible to receive a refund of 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. A member who joined the System on or after July 1, 2015, is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62, 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 plus a supplementary allowance of \$2.00 per month for each year of service, limited to 100% of final average compensation. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the System on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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.

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, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the 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 System. 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 System and employment, a participant may receive his DROP monies either in a lump sum payment from the account or disbursements in a manner approved by the board.

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.

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 certain benefits. 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 R.S. 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. For the year ended June 30, 2018, the actual employer rate was 27.6% and the member' actual contribution rate was 7.5% or 8.0%, depending on date of hire. Contributions to the pension plan from the School Board were \$431,149 for the year ended June 30, 2018.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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

At June 30, 2018, the School Board reported a liability of \$3,435,307 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the School Board's proportion was 0.536828%, which was a decrease of 0.042268% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School Board recognized pension benefit of \$14,783.

At June 30, 2018, 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 experiences	\$ -	\$ 80,108
Changes of assumptions	72,031	53,516
Net difference between projected and actual earnings on pension plan investments	-	53,717
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	238,523
Employer contributions subsequent to the measurement date	431,149	-
Total	\$ 503,180	\$ 425,864

Deferred outflows of resources of \$431,149 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
2019	\$(257,358)
2020	5,871
2021	22,643
2022	(124,989)
	\$(353,833)

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

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, 2017 are as follows:

Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.125% per annum
Inflation Rate	2.625% per annum
Mortality Rates	RP-2000 Sex Distinct Mortality Table
Salary Increases	2008-2012 experience study, ranging from 3.075% to 5.375%.
Cost of Living Adjustments	The present value of future retirements benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values to not include provisions for potential future increases not yet authorized by the Board of Trustees.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk- return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 8.10%. The target allocation and the best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	30.0%	12.54%
Equity	51.0%	29.03%
Alternatives	13.0%	19.22%
Real assets	6.0%	22.49%
Totals	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.125%. 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 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 7.125%, 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 (6.125%) or one percentage-point higher (8.125%) than the current rate:

	1.0% Decrease 6.125%	Current Discount Rate 7.125%	1.0% Increase 8.125%
Employer's proportionate share of the net pension liability	\$4,709,402	\$3,435,307	\$2,341,158

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued audit report issued on School Employees Retirement System financial statements for the year ended June 30, 2017. Access to the audit report can be found on the Louisiana Legislative Auditor's official website at www.la.state.la.us and on the System's website at www.lasers.net.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Fund Balance

Fund balances are composed of the following as of June 30, 2018:

	General	School Food Service	Basile Construction	Other Governmental	Totals
Nonspendable:					
Inventory	\$ -	\$ 137,920	\$ -	\$ -	\$ 137,920
Restricted:					
Sales tax	2,471,371	-	-	-	2,471,371
Special revenue funds	-	-	-	2,061,979	2,061,979
Debt retirement	-	-	-	809,448	809,448
Capital expenditures	-	-	1,451,486	18,144	1,469,630
Committed:					
Debt retirement	1,280,648	-	-	-	1,280,648
Assigned:					
Technology infrastructure	27,926	-	-	-	27,926
Privatization penalty	168,000	-	-	-	168,000
Repairs and maintenance for schools	228,374	-	-	-	228,374
Capital expenditures	235,329	-	-	-	235,329
Educational certifications and seminars	55,803	-	-	-	55,803
Unassigned	3,803,492	2,046,851	-	(64,178)	5,786,165
Total fund balances	\$ 8,270,943	\$ 2,184,771	\$ 1,451,486	\$ 2,825,393	\$ 14,732,593

(12) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments to Superintendent Darwan Lazard for the year ended June 30, 2018 follows:

Purpose	
Salary	\$ 116,198
Retirement	30,909
Health and life insurance	6,971
Mileage	1,282
Meals	750
Lodging	2,897
Registration fees and dues	1,840
Air travel	352
Auto storage	301
	\$ 161,500

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Compensation of Board Members

Compensation paid to board members for the year ended June 30, 2018 follows:

Board Member	
Lonnie Sonnier	\$ 7,200
Bobby Deshotel	7,200
Wayne Dardeau	8,400
Peggy Forman	7,200
Darren Vidrine	6,500
Karen Vidrine	1,200
Mike Fontenot	7,800
Christopher Dupuis	7,200
Wanda Skinner	7,800
Edward Limoges	7,200
Arthur Savoy	7,200
Nancy Hamlin	7,200
Ellis Guillory	7,200
Georgianna Wilson	<u>7,800</u>
	<u>\$ 97,100</u>

(14) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2018 are as follows:

	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	\$ 1,735,771	\$ -
Basile Construction	<u>-</u>	<u>1,091,264</u>
Nonmajor governmental funds	<u>-</u>	<u>644,507</u>
Total	<u>\$ 1,735,771</u>	<u>\$ 1,735,771</u>

The amounts due from the General Fund from various other funds are for amounts paid by master bank for expenditures of that fund, but which a transfer has not yet been received by the money market account.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at June 30, 2018:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	\$ 334,242	\$ 1,407,637
School Food Service	381,552	-
Total major governmental funds	715,794	1,407,637
Non major governmental funds	1,025,240	333,397
Total	\$ 1,741,034	\$ 1,741,034

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

(15) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2018, the School Board was not involved in any lawsuits that would have a material adverse effect on the School Board's financial position. Amounts owed for attorney fees relating to the school board's long-standing desegregation litigation in the amount of \$140,250 are recorded as long-term claims payable in the statement of net position.

B. Grant Audits

The School Board receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

(16) Fund Balance Deficit

At June 30, 2018, the Medicaid Special Revenue Fund had a deficit fund balance of \$64,178. The School Board anticipates funding the deficit fund balance with future revenues.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(17) Risk Management

The School Board is exposed to risks of loss in areas of general and auto liability, property hazards and worker’s compensation. These risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(18) Tax Abatements

The Evangeline Parish School Board is subject to property tax abatements as follows:

A lease agreement between the Industrial Development Board and Pine Prairie Energy Center, LLC, in connection with, the issuance of the \$50,000,000 Industrial Development Revenue Bonds, allowed for the exemption of ad valorem taxes. This agreement, which was approved by the Evangeline Parish Police Jury, is for the inducement of economic development in Evangeline Parish. The tax exemption will continue for the term of the lease. For the year ended June 30, 2018 the School Board abated ad valorem tax in the amount of \$597,380.

The Industrial Ad Valorem Tax Exemption Program (ITEP) provided through the Louisiana Department of Economic Development, (authorized pursuant to Article VII, Part II, Section 21(F) of the Louisiana Constitution of 1974). This program authorizes the abatement of ad valorem taxes for a period of up to ten years on capital improvements and equipment related to manufacturing. The School Board abated property taxes to entities in the parish through the ITEP in the amount of \$299,665 for the year ended June 30, 2018.

(19) Prior Period Adjustment

During the current fiscal year, the School Board implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense. This statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. The implementation resulted in a restatement of previously reported net position as follows:

	Governmental Activities
July 1, 2017 net position, as reported	\$ (58,347,981)
Change in accounting principle:	
Net effect of recording total OPEB liability	(80,226,461)
July 1, 2017 net position, as restated	\$ (138,574,442)

**REQUIRED SUPPLEMENTARY
INFORMATION**

EVANGELINE PARISH SCHOOL BOARD

Ville Platte, Louisiana

General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Parish sources:				
Ad valorem taxes	\$ 3,725,000	\$ 3,729,081	\$ 3,731,619	\$ 2,538
Sales taxes	7,200,000	7,260,049	7,260,049	-
Interest earnings	40,000	38,828	38,828	-
Other	<u>255,200</u>	<u>679,311</u>	<u>844,687</u>	<u>165,376</u>
Total parish sources	<u>11,220,200</u>	<u>11,707,269</u>	<u>11,875,183</u>	<u>167,914</u>
State sources:				
Equalization	34,843,759	34,650,706	34,806,739	156,033
Other	<u>267,342</u>	<u>271,216</u>	<u>271,567</u>	<u>351</u>
Total state sources	<u>35,111,101</u>	<u>34,921,922</u>	<u>35,078,306</u>	<u>156,384</u>
Federal sources	-	-	112	112
Total revenues	<u>46,331,301</u>	<u>46,629,191</u>	<u>46,953,601</u>	<u>324,410</u>
Expenditures				
Current:				
Instruction -				
Regular programs	19,227,567	20,068,503	20,110,109	(41,606)
Special education programs	6,474,646	5,691,183	5,854,580	(163,397)
Special programs	463,853	479,057	479,160	(103)
Adult and continuing education programs	14,086	6,264	6,264	-
Vocational education programs	1,247,159	1,203,625	1,241,156	(37,531)
Other instructional programs	575,011	452,907	453,195	(288)
Support services -				
Pupil support services	2,386,177	2,406,337	2,430,212	(23,875)
Instructional staff support services	1,123,663	1,111,072	1,124,162	(13,090)
General administration	1,517,192	1,575,675	1,565,675	10,000
School administration	3,399,355	3,445,487	3,445,487	-
Business services	624,042	587,193	587,193	-
Operation and maintenance of plant services	2,615,826	2,698,283	2,698,283	-
Student transportation services	4,789,516	4,560,259	4,560,259	-
Central services	570,653	518,818	518,818	-
Non-instructional services:				
Food services	413,039	446,739	446,739	-
Community services	39,415	39,415	39,415	-
Facilities acquisition and construction	-	-	15,000	(15,000)
Debt service -				
Interest and fiscal charges	<u>1,500</u>	<u>2,975</u>	<u>2,975</u>	<u>-</u>
Total expenditures	<u>45,482,700</u>	<u>45,293,792</u>	<u>45,578,682</u>	<u>(284,890)</u>
Excess of revenues over expenditures	<u>848,601</u>	<u>1,335,399</u>	<u>1,374,919</u>	<u>39,520</u>
Other financing sources (uses)				
Transfers in	375,000	328,677	334,242	5,565
Transfers out	<u>(1,041,154)</u>	<u>(1,510,747)</u>	<u>(1,407,637)</u>	<u>103,110</u>
Total other financing sources (uses)	<u>(666,154)</u>	<u>(1,182,070)</u>	<u>(1,073,395)</u>	<u>108,675</u>
Net change in fund balance	182,447	153,329	301,524	148,195
Fund balance, beginning	<u>7,606,915</u>	<u>7,969,419</u>	<u>7,969,419</u>	<u>-</u>
Fund balance, ending	<u>\$ 7,789,362</u>	<u>\$ 8,122,748</u>	<u>\$ 8,270,943</u>	<u>\$ 148,195</u>

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 School Food Service

Budgetary Comparison Schedule
 For the Year Ended June 30, 2018

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Parish sources:				
Other	123,500	134,400	134,400	-
State sources:				
Equalization	230,000	360,000	360,000	-
Federal sources	<u>3,500,000</u>	<u>3,984,100</u>	<u>3,984,100</u>	-
Total revenues	<u>3,853,500</u>	<u>4,478,500</u>	<u>4,478,500</u>	-
Expenditures				
Current:				
Instruction -				
Operation and maintenance of plant services	-	2,682	2,682	-
Student transportation services	-	6,189	6,189	-
Non-instructional services -				
Food services	<u>4,201,000</u>	<u>4,339,103</u>	<u>4,339,103</u>	-
Total expenditures	<u>4,201,000</u>	<u>4,347,974</u>	<u>4,347,974</u>	-
Excess (deficiency) of revenues over expenditures	(347,500)	130,526	130,526	-
Other financing sources				
Transfers in	<u>350,000</u>	<u>381,552</u>	<u>381,552</u>	-
Net change in fund balance	2,500	512,078	512,078	-
Fund balance, beginning	<u>2,579,812</u>	<u>1,672,693</u>	<u>1,672,693</u>	-
Fund balance, ending	<u>\$2,582,312</u>	<u>\$2,184,771</u>	<u>\$2,184,771</u>	\$ -

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

	2018
Total OPEB Liability	
Service cost	\$ 1,633,078
Interest on total OPEB liability	3,807,011
Effect of economic/demographic gains or losses	(2,916,237)
Effect of assumptions changes or inputs	24,676,294
Benefit payments	<u>(3,700,000)</u>
Net change in OPEB liability	23,500,146
Total OPEB liability, beginning	<u>106,541,752</u>
Total OPEB liability, ending	<u>\$ 130,041,898</u>
Covered payroll	<u>\$ 21,226,467</u>
Total OPEB liability as a percentage of covered payroll	 <u>612.64%</u>

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Employer's Share of Net Pension Liability
Teachers' Retirement System of Louisiana
For the Year Ended June 30, 2018

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.54065%	\$ 55,426,364	\$ 25,249,907	219.5%	65.60%
2017	0.55447%	\$ 65,077,484	\$ 26,588,040	244.8%	59.90%
2016	0.55839%	\$ 60,039,211	\$ 26,424,814	227.2%	62.50%
2015	0.59760%	\$ 61,083,086	\$ 27,213,648	224.5%	63.70%

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Employer's Share of Net Pension Liability
Louisiana School Employees' Retirement System
For the Year Ended June 30, 2018

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.536828%	\$3,435,307	\$1,535,060	223.8%	75.03%
2017	0.579096%	\$4,368,395	\$1,649,389	264.8%	70.09%
2016	0.598315%	\$3,794,077	\$1,670,648	227.1%	74.49%
2015	0.65720%	\$3,961,314	\$1,834,271	216.0%	76.18%

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Employer Contributions
Teachers' Retirement System of Louisiana
For the Year Ended June 30, 2018

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$6,775,932	\$6,775,932	\$ -	\$25,473,429	26.60%
2017	\$6,440,449	\$6,440,449	\$ -	\$25,249,907	25.51%
2016	\$6,992,655	\$6,992,655	\$ -	\$26,588,040	26.30%
2015	\$7,398,948	\$7,398,948	\$ -	\$26,424,814	28.00%

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

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana

Schedule of Employer Contributions
 Louisiana School Employees' Retirement System
 For the Year Ended June 30, 2018

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 431,149	\$ 431,149	\$ -	\$ 1,562,134	27.60%
2017	\$ 419,071	\$ 419,071	\$ -	\$ 1,535,060	27.30%
2016	\$ 498,115	\$ 498,115	\$ -	\$ 1,649,389	30.20%
2015	\$ 551,314	\$ 551,314	\$ -	\$ 1,670,648	33.00%

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2018

(1) Budget and Budgetary Accounting

The proposed budget for 2018 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2018 budget on September 6, 2017. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, was published in the official journal ten days prior to the public hearing.

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

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. With the exception of multi-year projects in the capital projects funds, appropriations lapse at the end of each fiscal year. The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds. The Superintendent and/or Chief Finance Officer are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

(2) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$284,890 for the year ended June 30, 2018.

(3) Retirement Systems

A. Teachers' Retirement System of Louisiana

Change of benefit terms: 1.5% COLA, effective July 1, 2014 proved by Act 204 of the 2014 Louisiana Regular Legislative Session. There were no changes of assumptions for the year ended June 30, 2018.

B. Louisiana School Employees' Retirement System

There were no changes of benefit terms or changes of assumptions for the year ended June 30, 2018.

(continued)

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to the Required Supplementary Information (Continued)
For the Year Ended June 30, 2018

(4) OPEB Plan

Changes in Benefit Terms – There were no changes in benefit terms.

Changes of Assumptions – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate increased from 3.58% to 3.87% from prior to current year.

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

OTHER SUPPLEMENTARY INFORMATION

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet - By Fund Type
 June 30, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>School Dist. 4 Capital Projects</u>	<u>Totals</u>
ASSETS				
Cash and interest-bearing deposits	\$ 2,215,592	\$ 808,652	\$ 18,144	\$ 3,042,388
Receivables:				
Due from other governmental units	<u>917,489</u>	<u>796</u>	<u>-</u>	<u>918,285</u>
Total assets	<u>\$ 3,133,081</u>	<u>\$ 809,448</u>	<u>\$ 18,144</u>	<u>\$ 3,960,673</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 156,530	\$ -	\$ -	\$ 156,530
Salaries and benefits payable	334,243	-	-	334,243
Due to other funds	<u>644,507</u>	<u>-</u>	<u>-</u>	<u>644,507</u>
Total liabilities	<u>1,135,280</u>	<u>-</u>	<u>-</u>	<u>1,135,280</u>
Fund balances:				
Restricted	2,061,979	809,448	18,144	2,889,571
Unassigned	<u>(64,178)</u>	<u>-</u>	<u>-</u>	<u>(64,178)</u>
Total fund balances	<u>1,997,801</u>	<u>809,448</u>	<u>18,144</u>	<u>2,825,393</u>
Total liabilities and fund balances	<u>\$ 3,133,081</u>	<u>\$ 809,448</u>	<u>\$ 18,144</u>	<u>\$ 3,960,673</u>

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Governmental Funds

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

	Special Revenue	Debt Service	School Dist. 4 Capital Projects	Totals
Revenues				
Parish sources -				
Ad valorem taxes	\$ 3,332,382	\$ 459,796	\$ -	\$ 3,792,178
Other	9,187	31,667	-	40,854
State sources	801,918	-	-	801,918
Federal sources	<u>4,699,812</u>	<u>-</u>	<u>-</u>	<u>4,699,812</u>
Total revenues	<u>8,843,299</u>	<u>491,463</u>	<u>-</u>	<u>9,334,762</u>
Expenditures				
Current:				
Instruction -				
Regular programs	249,344	-	-	249,344
Special education programs	780,069	-	-	780,069
Special programs	2,278,885	-	-	2,278,885
Adult and continuing education programs	3,834	-	-	3,834
Vocational education programs	84,514	-	-	84,514
Other instructional programs	206,847	-	10,312	217,159
Support services -				
Pupil support services	838,939	-	-	838,939
Instructional staff support services	1,076,920	-	-	1,076,920
General administration	117,124	-	-	117,124
Business services	19,283	-	-	19,283
Operation and maintenance of plant services	3,593,019	-	-	3,593,019
Student transportation	1,407	-	-	1,407
Central services	206,338	-	-	206,338
Facilities acquisition and construction	151,915	-	64,001	215,916
Debt service:				
Principal retirement	-	1,273,000	-	1,273,000
Interest and fiscal charges	<u>-</u>	<u>290,154</u>	<u>-</u>	<u>290,154</u>
Total expenditures	<u>9,609,518</u>	<u>1,563,154</u>	<u>74,313</u>	<u>11,246,985</u>
Deficiency of revenues over expenditures	<u>(766,219)</u>	<u>(1,071,691)</u>	<u>(74,313)</u>	<u>(1,912,223)</u>
Other financing sources (uses)				
Transfers in	30,753	994,487	-	1,025,240
Transfers out	<u>(333,397)</u>	<u>-</u>	<u>-</u>	<u>(333,397)</u>
Total other financing sources (uses)	<u>(302,644)</u>	<u>994,487</u>	<u>-</u>	<u>691,843</u>
Net change in fund balance	(1,068,863)	(77,204)	(74,313)	(1,220,380)
Fund balances, beginning	<u>3,066,664</u>	<u>886,652</u>	<u>92,457</u>	<u>4,045,773</u>
Fund balances, ending	<u>\$ 1,997,801</u>	<u>\$ 809,448</u>	<u>\$ 18,144</u>	<u>\$ 2,825,393</u>

NONMAJOR SPECIAL REVENUE FUNDS

Parishwide and Basile Maintenance Funds

To account for receipt and use of the proceeds of ad valorem taxes levied for the purpose of maintaining and improving the schools within each district and the proceeds of state revenue received.

Basile High School Athletic Fund

To account for the receipt and use of proceeds of ad valorem taxes levied for the operation and maintenance of the Basile High School athletic department.

8G Programs

To account for funds from state sources to provide a computer based introduction to writing and reading for grades K and 1 in all elementary schools in the parish.

Temporary Assistance for Needy Families

To account for funds from federal sources for the purpose of providing students with an avenue for achieving academically and earning credentials that will make it possible for them to exit high school and enter postsecondary education and/or the workforce.

Rural Education Achievement

To account for funds from federal sources to provide assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.

Adult Education

To account for funds from federal and state sources utilized to provide instruction to adults working toward a high school diploma and to provide continuing education courses.

Improving Teacher Quality

To account for federal funds provided to increase the academic achievement of students by helping schools to improve teacher and principal quality and to ensure that all teachers are highly qualified.

Special Education

Special education funds are federally financed programs of free education in the least restricted environment in children with exceptionalities.

Rehabilitation Services

To account for funding that provides individuals with disabilities services that prepare them to engage in competitive integrated employment and achieve economic self-sufficiency.

Vocational Education

To account for state allocated federal funds to assist and conduct vocational education programs for persons who desire and need education and training for employment.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Medicaid

To account for state funds to provide medical assistance for students.

Education Excellence

To account for state tobacco funds used to improve the schools math instructional programs for grades K-8.

Child Care and Development Block Grant

To account for funds from federal and state sources used to prepare our youngest learners for Kindergarten.

Title I

To account for grant revenues to be used for educationally deprived children.

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet
 June 30, 2018

	Parishwide Maintenance	Basile Maintenance	Basile High School Athletic	8G Programs	TANF	Rural Education Achievement
ASSETS						
Cash and interest-bearing deposits	\$ 1,144,863	\$ 794,052	\$ 130,999	\$ 12,896	\$ -	\$ -
Receivables	<u>4,451</u>	<u>828</u>	<u>5,118</u>	<u>-</u>	<u>149,561</u>	<u>3,012</u>
Total assets	<u><u>\$ 1,149,314</u></u>	<u><u>\$ 794,880</u></u>	<u><u>\$ 136,117</u></u>	<u><u>\$ 12,896</u></u>	<u><u>\$ 149,561</u></u>	<u><u>\$ 3,012</u></u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 131,785	\$ 14,249	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	3,210	12,896	57,712	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,849</u>	<u>3,012</u>
Total liabilities	<u><u>131,785</u></u>	<u><u>14,249</u></u>	<u><u>3,210</u></u>	<u><u>12,896</u></u>	<u><u>149,561</u></u>	<u><u>3,012</u></u>
Fund balances:						
Restricted	1,017,529	780,631	132,907	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u><u>1,017,529</u></u>	<u><u>780,631</u></u>	<u><u>132,907</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total liabilities and fund balances	<u><u>\$ 1,149,314</u></u>	<u><u>\$ 794,880</u></u>	<u><u>\$ 136,117</u></u>	<u><u>\$ 12,896</u></u>	<u><u>\$ 149,561</u></u>	<u><u>\$ 3,012</u></u>

(continued)

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet (Continued)
 June 30, 2018

		<u>Adult Education</u>	<u>Improving Teacher Quality</u>	<u>Special Education</u>	<u>Rehabilitation Services</u>	<u>Vocational Education</u>
ASSETS						
Cash and interest-bearing deposits	\$	-	\$ -	\$ 1,870	\$ -	\$ -
Receivables		-	36,517	271,112	20,254	37,436
Total assets		<u>\$ -</u>	<u>\$ 36,517</u>	<u>\$ 272,982</u>	<u>\$ 20,254</u>	<u>\$ 37,436</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	-	\$ -	\$ 10,496	-	\$ -
Salaries and benefits payable		-	7,054	61,037	6,928	-
Due to other funds		-	29,463	201,449	13,326	37,436
Total liabilities		<u>-</u>	<u>36,517</u>	<u>272,982</u>	<u>20,254</u>	<u>37,436</u>
Fund balances:						
Restricted		-	-	-	-	-
Unassigned		-	-	-	-	-
Total fund balances		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances		<u>\$ -</u>	<u>\$ 36,517</u>	<u>\$ 272,982</u>	<u>\$ 20,254</u>	<u>\$ 37,436</u>

(continued)

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet (Continued)
 June 30, 2018

		<u>Medicaid</u>	<u>Education Excellence</u>	<u>Child Care Development Block Grant</u>	<u>Title I</u>	<u>Total</u>
ASSETS						
Cash and interest-bearing deposits	\$ -	\$ 130,912	\$ -	\$ -	\$ -	\$2,215,592
Receivables	-	-	4,555	384,645	-	917,489
Total assets	<u>\$ -</u>	<u>\$ 130,912</u>	<u>\$ 4,555</u>	<u>\$ 384,645</u>	<u>\$ -</u>	<u>\$3,133,081</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,530
Salaries and benefits payable	48,296	-	-	137,110	-	334,243
Due to other funds	15,882	-	4,555	247,535	-	644,507
Total liabilities	<u>64,178</u>	<u>-</u>	<u>4,555</u>	<u>384,645</u>	<u>-</u>	<u>1,135,280</u>
Fund balances:						
Restricted	-	130,912	-	-	-	2,061,979
Unassigned	(64,178)	-	-	-	-	(64,178)
Total fund balances	<u>(64,178)</u>	<u>130,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,997,801</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 130,912</u>	<u>\$ 4,555</u>	<u>\$ 384,645</u>	<u>\$ -</u>	<u>\$3,133,081</u>

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Special Revenue Funds

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

	Parishwide Maintenance	Basile Maintenance	Basile High School Athletic	8G Programs	TANF	Rural Education Achievement
Revenues						
Parish sources:						
Taxes -						
Ad valorem	\$2,753,932	\$ 498,355	\$ 80,095	\$ -	\$ -	\$ -
Other	9,187	-	-	-	-	-
State sources:						
Other	-	-	-	107,550	204,068	-
Federal sources						
	-	-	-	-	287,975	155,446
Total revenues	2,763,119	498,355	80,095	107,550	492,043	155,446
Expenditures						
Current:						
Instruction -						
Regular programs	177,815	34,581	36,948	-	-	-
Special education programs	-	-	-	-	-	-
Special programs	-	-	-	109,638	448,707	139,809
Adult and continuing education programs	-	-	-	-	-	-
Vocational education programs	-	-	-	-	-	-
Other instructional programs	5,590	-	40,881	-	-	-
Support services -						
Pupil support services	-	-	-	-	-	-
Instructional staff services	-	-	-	-	52,759	-
General administration	89,087	16,178	2,619	-	-	-
School administration	1,080	-	-	-	-	-
Business services	11,694	2,339	-	-	-	-
Operation and maintenance of plant services	3,136,169	413,747	15,454	-	-	-
Student transportation	-	-	-	-	-	-
Central services	79,418	9,603	-	-	-	3,580
Non-instructional services -						
Facilities acquisition and construction	151,915	-	-	-	-	-
Total expenditures	3,652,768	476,448	95,902	109,638	501,466	143,389
Excess (deficiency) of revenues over expenditures	(889,649)	21,907	(15,807)	(2,088)	(9,423)	12,057
Other financing sources (uses)						
Transfers in	-	-	-	2,088	9,423	-
Transfers out	(13,428)	-	-	-	-	(12,057)
Total other financing sources (uses)	(13,428)	-	-	2,088	9,423	(12,057)
Change in fund balance	(903,077)	21,907	(15,807)	-	-	-
Fund balances, beginning	1,920,606	758,724	148,714	-	-	-
Fund balances, ending	\$ 1,017,529	\$ 780,631	\$ 132,907	\$ -	\$ -	\$ -

(continued)

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 For the Year Ended June 30, 2018

	<u>Adult Education</u>	<u>Improving Teacher Quality</u>	<u>Special Education</u>	<u>Rehabilitation Services</u>	<u>Vocational Education</u>
Revenues					
Parish sources:					
Taxes -					
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
State sources:					
Other	-	-	-	-	-
Federal sources	<u>5,092</u>	<u>364,108</u>	<u>1,422,057</u>	<u>110,685</u>	<u>85,720</u>
Total revenues	<u>5,092</u>	<u>364,108</u>	<u>1,422,057</u>	<u>110,685</u>	<u>85,720</u>
Expenditures:					
Current:					
Instruction -					
Regular programs	-	-	-	-	-
Special education programs	-	-	732,503	41,366	-
Special programs	-	217,504	2,431	-	-
Adult and continuing education programs	3,834	-	-	-	-
Vocational education programs	-	-	-	-	84,514
Other instructional programs	-	-	-	-	-
Support services -					
Pupil support services	-	-	271,243	88,213	-
Instructional staff services	-	38,549	261,456	-	-
General administration	-	-	5,320	-	1,206
School administration	-	-	-	-	-
Business services	-	-	4,161	-	-
Operation and maintenance of plant services	1,258	-	5,288	-	-
Student transportation	-	-	1,407	-	-
Central services	-	79,812	33,925	-	-
Non-instructional services -					
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	<u>5,092</u>	<u>335,865</u>	<u>1,317,734</u>	<u>129,579</u>	<u>85,720</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>28,243</u>	<u>104,323</u>	<u>(18,894)</u>	<u>-</u>
Other financing sources (uses)					
Transfers in	-	-	-	18,894	-
Transfers out	-	<u>(28,243)</u>	<u>(104,323)</u>	-	-
Total other financing sources (uses)	<u>-</u>	<u>(28,243)</u>	<u>(104,323)</u>	<u>18,894</u>	<u>-</u>
Change in fund balance	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 For the Year Ended June 30, 2018

	Medicaid	Education Excellence	Child Care Development Block Grant	Title I	Total
Revenues					
Parish sources:					
Taxes -					
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ 3,332,382
Other	-	-	-	-	9,187
State sources:					
Other	360,249	120,217	9,834	-	801,918
Federal sources	-	-	8,143	2,260,586	4,699,812
Total revenues	360,249	120,217	17,977	2,260,586	8,843,299
Expenditures:					
Current:					
Instruction -					
Regular programs	-	-	-	-	249,344
Special education programs	6,200	-	-	-	780,069
Special programs	-	-	13,489	1,347,307	2,278,885
Adult and continuing education programs	-	-	-	-	3,834
Vocational education programs	-	-	-	-	84,514
Other instructional programs	-	160,376	-	-	206,847
Support services -					
Pupil support services	479,483	-	-	-	838,939
Instructional staff services	3,054	2,989	1,033	717,080	1,076,920
General administration	-	-	2,714	-	117,124
School administration	-	-	-	-	1,080
Business services	-	-	1,089	-	19,283
Operation and maintenance of plant services	250	-	-	20,853	3,593,019
Student transportation	-	-	-	-	1,407
Central services	-	-	-	-	206,338
Non-instructional services -					
Facilities acquisition and construction	-	-	-	-	151,915
Total expenditures	488,987	163,365	18,325	2,085,240	9,609,518
Excess (deficiency) of revenues over expenditures	(128,738)	(43,148)	(348)	175,346	(766,219)
Other financing sources (uses)					
Transfers in	-	-	348	-	30,753
Transfers out	-	-	-	(175,346)	(333,397)
Total other financing sources (uses)	-	-	348	(175,346)	(302,644)
Change in fund balance	(128,738)	(43,148)	-	-	(1,068,863)
Fund balances, beginning	64,560	174,060	-	-	3,066,664
Fund balances (deficit), ending	\$ (64,178)	\$ 130,912	\$ -	\$ -	\$ 1,997,801

NONMAJOR DEBT SERVICE FUNDS

District 7 Sinking Fund

To accumulate monies for the payment of the 2016 general obligation school bonds of School District No. 7, which are serial bonds due in annual installments, plus interest, through maturity in 2036.

2010 QZAB Sinking

To accumulate monies for the payment of the \$3,000,000 Taxable Certificates of Indebtedness (Qualified Zone Academy Bond), Series 2010, which is due in one total payment on maturity date in 2019. Debt service is financed by the excess annual revenues in the General Fund. The School Board has chosen to pay this debt annually.

Technology Upgrade Limited Tax Revenue Bonds

To accumulate monies for the payment of the \$2,450,000 Limited Tax Revenue Bonds, Series 2014, which are serial bonds due in annual installments, plus interest, through maturity in 2021. Debt service is financed by the excess annual revenues in the General Fund.

Reorganization Sinking Fund

To accumulate monies for the payment of the \$4,000,000 School Improvement Bonds, Series 2004 which are serial bonds due in annual installments, plus interest, through maturity in 2019. Debt service is financed by the excess annual revenues in the General Fund.

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Debt Service Funds

Combining Balance Sheet
 June 30, 2018

	School District No. 7	2010 QZAB Sinking	Technology Upgrade Sinking	Reorganization Sinking	Total
ASSETS					
Interest-bearing deposits	\$ 808,652	\$ -	\$ -	\$ -	\$ 808,652
Receivables	796	-	-	-	796
	<u>\$ 809,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 809,448</u>
FUND BALANCES					
Fund balances:					
Restricted	<u>\$ 809,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 809,448</u>

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Nonmajor Debt Service Funds

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

	<u>School District No. 7</u>	<u>2010 QZAB Sinking</u>	<u>Technology Upgrade Sinking</u>	<u>Reorganization Sinking</u>	<u>Total</u>
Revenues:					
Parish sources -					
Taxes:					
Ad valorem	\$ 459,796	\$ -	\$ -	\$ -	\$ 459,796
Interest earnings	-	31,667	-	-	31,667
Total revenues	<u>459,796</u>	<u>31,667</u>	<u>-</u>	<u>-</u>	<u>491,463</u>
Expenditures:					
Debt service -					
Principal	300,000	300,000	350,000	323,000	1,273,000
Interest	<u>237,000</u>	<u>-</u>	<u>30,096</u>	<u>23,058</u>	<u>290,154</u>
Total expenditures	<u>537,000</u>	<u>300,000</u>	<u>380,096</u>	<u>346,058</u>	<u>1,563,154</u>
Deficiency of revenues over expenditures	(77,204)	(268,333)	(380,096)	(346,058)	(1,071,691)
Other financing sources:					
Transfers in	<u>-</u>	<u>268,333</u>	<u>380,096</u>	<u>346,058</u>	<u>994,487</u>
Change in fund balance	(77,204)	-	-	-	(77,204)
Fund balances, beginning	<u>886,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>886,652</u>
Fund balances, ending	<u>\$ 809,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 809,448</u>

FIDUCIARY FUNDS

AGENCY FUNDS

School Activity Funds

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana
Fiduciary Funds
Agency Funds
School Activity Funds

Statement of Fiduciary Assets and Liabilities
June 30, 2018

ASSETS

Cash and interest-bearing deposits	<u>\$582,877</u>
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LIABILITIES

School activity funds payable	<u>\$582,877</u>
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EVANGELINE PARISH SCHOOL BOARD

Ville Platte, Louisiana

Fiduciary Funds

Agency Funds

School Activity Funds

Schedule of Changes in Deposits Due to Others

For the Year Ended June 30, 2018

<u>School</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Basile High	\$ 60,088	\$ 223,960	\$ 218,254	\$ 65,794
Bayou Chicot Elementary	127,771	145,065	176,261	96,575
Chataignier Elementary	14,089	49,469	47,117	16,441
Evangeline Central	2,856	1,305	2,408	1,753
Mamou High	84,150	392,779	381,520	95,409
Mamou Elementary	34,738	95,212	98,019	31,931
Pine Prairie High	103,009	341,099	340,733	103,375
Vidrine Elementary	29,361	34,208	34,583	28,986
Ville Platte High	62,491	225,302	267,897	19,896
Ville Platte Elementary	60,984	33,762	37,188	57,558
James Stephens Montessori	34,361	54,603	46,848	42,116
W. W. Stewart Elementary	<u>22,485</u>	<u>48,077</u>	<u>47,519</u>	<u>23,043</u>
Total balances	<u>\$ 636,383</u>	<u>\$ 1,644,841</u>	<u>\$ 1,698,347</u>	<u>\$ 582,877</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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

* A Professional Accounting Corporation

Mr. Darwan Lazard, Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Evangeline Parish School Board (School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 10, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2018-001.

Evangeline Parish School Board's Response to Findings

The Evangeline Parish School Board's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 10, 2018

KOLDER, 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

Mr. Darwan Lazard, Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with 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 of the School Board's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 10, 2018

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Pass-through Identifying Number	CFDA Number	Federal Expenditures
<u>United States Department of Education</u>			
Passed-Through State Department of Education:			
Special Education Cluster -			
Special Education-Grants to States	28-18-B1-20	84.027	\$ 1,402,128
Special Education Pre-school Grants	28-18-CY-20	84.173	<u>19,929</u>
Total Special Education cluster			1,422,057
Adult Education-Basic Grants to States	-	84.002	5,092
Title I Grants to Local Educational Agencies	28-18-T1-20	84.010	2,260,586
Career and Technical Education -Basic Grants to States	28-18-02-20	84.048	85,720
Rural Education	28-18-RE-20	84.358	155,446
Rehabilitation Services	28-18-JSPT-20	84.126	110,685
Education for Homeless Children and Youth	-	84.196	112
Improving Teacher Quality State Grants	28-18-50-20	84.367	<u>364,108</u>
Total Department of Education			<u>4,403,806</u>
<u>United States Department of Agriculture</u>			
Passed-Through State Department of Education:			
Child Nutrition cluster -			
School Breakfast Program	-	10.553	946,514
National School Lunch Program	-	10.555	2,954,571
Summer Food Service Program for Children	-	10.559	<u>31,915</u>
Total Child Nutrition cluster			3,933,000
Fresh Fruit and Vegetable Program	-	10.582	<u>51,100</u>
Total Department of Agriculture			<u>3,984,100</u>
<u>United States Department of Health and Human Services</u>			
Passed-Through Office of Family Support:			
TANF cluster -			
Temporary Assistance for Needy Families	28-18-36-20	93.558	287,975
CCDF cluster -			
Child Care and Development Block Grant	28-17-CO-20	93.575	<u>8,143</u>
Total Department of Health and Human Services			<u>296,118</u>
Total expenditures of federal awards			<u>\$ 8,684,024</u>

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Evangeline Parish School Board under programs of the federal government for the year ended 6/30/2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Evangeline Parish School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Evangeline Parish School Board.

(2) Summary of Significant Accounting Policies

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

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

(3) Commodities

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received. At June 30, 2018, the School Board had \$137,920 of commodities inventory.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Evangeline Parish School Board were prepared in accordance with GAAP.
2. There were no significant deficiencies or material weaknesses in internal control disclosed by the audit of the basic financial statements.
3. There was one instance of noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards*.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit of the basic financial statements.
5. The auditor's report on compliance for the major federal award program expresses an unmodified opinion on the major federal program.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as a major program were:
School Breakfast Program, CFDA #10.553
National School Lunch Program, CFDA #10.555
Summer Food Service Program for Children, CFDA #10.559
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Evangeline Parish School Board did qualify as a low-risk auditee.

Part II. Findings – Financial Statement Audit

A. Compliance Findings –

See compliance finding 2018-001 in Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

B. Internal Control Findings –

There were no internal control findings noted.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2018

Part III. Findings and questioned costs – Major Federal Award Programs Audit

There are no findings that are required to be reported under the above guidance.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended June 30, 2018

CURRENT YEAR (06/30/18) --

Internal Control

There were no internal control findings noted.

Compliance

2018-001 The School Board did not comply with RS 39:1225. Bank balances were under secured in the amount of \$136,676 at June 30, 2018.

Condition:

The School Board did not comply with FDIC regulation 12 CFR 330.15.

Criteria:

The School Board must follow requirements of FDIC regulation 12 CFR 330.15 for insurance coverage of public accounts.

Cause:

Procedures to ensure proper coverage were not followed.

Effect:

The School Board could have deposit accounts not adequately insured in the event of the failure of the bank.

Recommendation:

The School Board should monitor securities pledged at all banks to ensure bank balances are adequately insured.

Corrective Action Planned:

The School Board will monitor securities pledged at all banks to ensure bank balances are adequately insured.

PRIOR YEAR (06/30/17) --

Internal Control

There were no internal control findings noted.

Compliance

There were no compliance findings noted.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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Mr. Darwan Lazard, Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Evangeline Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor, on the performance and statistical data accompanying the annual financial statements of the Evangeline Parish School Board for the fiscal year ended June 30, 2018, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education, in compliance with Louisiana Revised Statute 24:5141. Management of the Evangeline Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

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

There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

There were no exceptions noted.

Education Levels/Experience of Public School Staff (No Schedule)

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

There were no exceptions noted.

Public School Staff Data: Average Salaries (No Schedule)

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

There were no exceptions noted.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Evangeline Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 10, 2018

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
For the Year Ended June 30, 2018

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

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

Schedule 2 (Formerly Schedule 6) - Class Size Characteristics

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures -

Teacher and Student Interaction Activities:	
Classroom Teacher Salaries	\$16,211,774
Other Instructional Staff Activities	1,308,594
Instructional Staff Employee Benefits	9,929,826
Purchased Professional and Technical Services	51,043
Instructional Materials and Supplies	432,724
Instructional Equipment	-
Total Teacher and Student Interaction Activities	\$27,933,961
Other Instructional Activities	468,439
Pupil Support Services	2,430,169
Less: Equipment for Pupil Support Services	-
Net Pupil Support Services	2,430,169
Instructional Staff Services	1,124,161
Less: Equipment for Instructional Staff Services	-
Net Instructional Staff Services	1,124,161
School Administration	3,446,566
Less: Equipment for School Administration	-
Net School Administration	3,446,566
Total General Fund Instructional Expenditures	\$35,403,296

Total General Fund Equipment Expenditures \$ 200,656

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 1,095,546
Renewable Ad Valorem Tax	5,790,159
Debt Service Ad Valorem Tax	475,339
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	178,297
Sales and Use Taxes	7,260,049
Total Local Taxation Revenue	\$14,799,390

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 519,322
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State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 55,872
Revenue Sharing - Other Taxes	146,379
Total State Revenue in Lieu of Taxes	\$ 202,251

Nonpublic Textbook Revenue	\$ 14,016
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Nonpublic Transportation Revenue	\$ -
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EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Class Size Characteristics
As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	67.73%	447	25.61%	169	6.21%	41	0.45%	3
Elementary Activity Classes	50.00%	53	31.13%	33	5.66%	6	13.21%	14
Middle/Jr. High	100.00%	57	0.00%	0	0.00%	0	0.00%	0
Middle/Jr. High Activity Classes	100.00%	2	0.00%	0	0.00%	0	0.00%	0
High	0.00%	0	0.00%	0	0.00%	0	0.00%	0
High Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Combination	58.81%	614	31.03%	324	10.06%	105	0.10%	1
Combination Activity Classes	63.19%	91	17.36%	25	9.03%	13	10.42%	15

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.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Management of the Evangeline Parish School Board
And Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Evangeline Parish School Board and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period June 1, 2017 through May 31, 2018. The entity's management is responsible for those C/C areas identified in the SAUPs.

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

Board or Finance Committee

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

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

No exceptions noted.

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

No exceptions noted.

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

No exceptions noted.

Bank Reconciliations

2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Two bank reconciliations did not have evidence that they were prepared within two months of the statement closing date and two bank reconciliations did not include evidence of management review.

Collections

3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
No exceptions noted.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
No exceptions noted.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
No exceptions noted.

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

In two of the locations there is no process to reconcile cash collections to the general ledger.

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

All employees with access to cash are bonded.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)¹. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

There was one deposit in which we could not determine date of collection. No other exceptions were noted.

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

No exceptions noted.

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

7. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
8. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Management's Response:

Management of the Evangeline Parish School Board concurs with the exceptions and are working to address the deficiencies identified.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 10, 2018