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**WEST BATON ROUGE PARISH SCHOOL BOARD**

**PORT ALLEN, LOUISIANA**

**JUNE 30, 2019**

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Postlethwaite & Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

**WEST BATON ROUGE PARISH SCHOOL BOARD**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2019**

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## **Independent Auditors' Report**

The Members of the  
West Baton Rouge Parish School Board  
Port Allen, 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 West Baton Rouge Parish School Board (the School Board) as of and for the year ended June 30, 2019, 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.

### ***Auditors' 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 auditors' 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, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of changes in total other post-employment benefits liability and related ratios, the schedule of school board's proportionate share of the net pension liability for the retirement systems, and the schedule of employer contributions to the retirement systems and related notes, presented on pages 3 through 9, pages 55 through 60, page 61, page 62, and pages 63 through 67, respectively, 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.

### ***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 as a whole. The combining non-major governmental fund financial statements; the schedule of board members' compensation; and the schedule of compensation, benefits, and other payments to the superintendent; on pages 68 through 75, page 76, and page 77, respectively, 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 and accompanying notes on pages 82 and 83 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining non-major governmental fund financial statements; the schedule of board members' compensation; the schedule of compensation benefits, and other payments to the superintendent; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The information included in the performance and statistical data on pages 92 through 94 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. Our report on performance of agreed-upon procedures with respect to such information is dated December 31, 2019.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2019, 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, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 31, 2019

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2019**

The Management's Discussion and Analysis of the West Baton Rouge Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

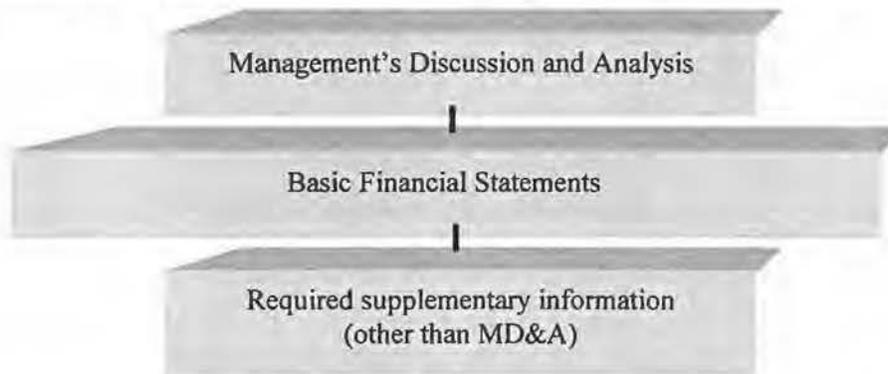
**FINANCIAL HIGHLIGHTS**

- ★ The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$65,209,754 at the close of fiscal year 2019.
- ★ During the year, the School Board's revenues exceeded expenses by \$4,308,748.
- ★ State MFP funding increased by \$561,384 from the prior year.
- ★ Ad valorem tax revenue increased by \$5,155,731 over the prior year as additional ad valorem taxes were received for the full year of levying for the security of the general bonds of \$85,245,000 that were issued during 2018. There was also a decrease in sales and uses tax of \$793,669 from the prior year.
- ★ The General Fund operated at a surplus of \$275,454, and ended the fiscal year with an accumulated fund balance of \$2,871,643, which is 8.1% of current year total expenditures for the general fund.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.



These financial statements consist of four sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), required supplementary information, and an optional section that presents combining statements for non-major governmental funds and other supplementary information.

**Government-wide financial statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to private sector business.

The *statement of net position* presents information on all of the School Board's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference among them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

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

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2019**

**Fund financial statements**

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

**Governmental funds**

*Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Projects Fund, the Bond Building Fund, the 2007 Property Tax Fund, the 2017 Property Tax Fund, and the EFID Sales Tax Fund, all of which are considered major funds.

The remaining funds are combined into a single, aggregated presentation under the label of other non-major governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The School Board adopts annual appropriated budgets for the General Fund, Capital Projects Fund, 2007 Property Tax Fund, 2017 Property Tax Fund, EFID Sales Tax Fund, the Special Education Fund, Debt Service Fund, and all other Special Revenue Funds.

**Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The sole fiduciary fund of the School Board is the School Activity Fund, which contains monies belonging to the schools, their students, clubs, and other activities.

**Notes to the financial statements**

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

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE ENTITY**

Statements of Net Position  
As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018 Restated</u>	<u>Change</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 63,117,798	\$ 98,949,306	\$ (35,831,508)
Receivables and other assets	3,994,039	3,877,966	116,073
Investments	5,311,497	5,914,984	(603,487)
Capital assets, net	<u>64,567,745</u>	<u>26,491,110</u>	<u>38,076,635</u>
Total assets	<u>136,991,079</u>	<u>135,233,366</u>	<u>1,757,713</u>
<b>Total deferred outflows of resources</b>			
	<u>29,507,754</u>	<u>10,692,931</u>	<u>18,814,823</u>
<b>Liabilities</b>			
Accounts, salaries, and other payables	10,266,531	9,191,762	1,074,769
Accrued interest payable	1,324,206	1,389,174	(64,968)
Total post-employment benefit liability	49,363,571	36,854,016	12,509,555
Compensated absences payable	572,387	556,570	15,817
Bonds payable/premiums	95,987,564	99,353,452	(3,365,888)
Pension privatization liability	453,253	524,822	(71,569)
Claims and judgments	25,000	-	25,000
Net pension liability	<u>61,216,923</u>	<u>60,835,013</u>	<u>381,910</u>
Total liabilities	<u>219,209,435</u>	<u>208,704,809</u>	<u>10,504,626</u>
<b>Total deferred inflows of resources</b>			
	<u>12,499,152</u>	<u>6,739,990</u>	<u>5,759,162</u>
<b>Net Position</b>			
Net investment in capital assets	23,395,794	16,341,563	7,054,231
Restricted for state, federal, and donor grants	286,677	162,335	124,342
Restricted for debt service	2,409,581	2,041,946	367,635
Restricted for food service	377,442	279,045	98,397
Restricted for compensation	1,305,093	1,283,852	21,241
Restricted for operations and maintenance	567,704	565,000	2,704
Unrestricted (Deficit)	<u>(93,552,045)</u>	<u>(90,192,243)</u>	<u>(3,359,802)</u>
Total net position (deficit)	<u>\$ (65,209,754)</u>	<u>\$ (69,518,502)</u>	<u>\$ 4,308,748</u>

- Cash and cash equivalents account for approximately 46% of the total assets of the School Board. Capital assets, which are reported net of accumulated depreciation, account for approximately 47% of the total assets of the School Board for the most recent year end. The decrease in cash and cash equivalents and increase in capital assets is due to capital projects funded with bond proceeds.
- Accounts, salaries, and other payables increased by approximately \$1,075,000 from the prior year and account for approximately 5% of total liabilities reported. Total post-employment benefit liability accounts for approximately 23% of total liabilities and increased by approximately \$12,510,000 or 34% from the prior year due to valuation by actuary.
- Net pension liability accounts for approximately 28% of total liabilities at June 30, 2019.
- Net position at June 30, 2019 shows a deficit of \$65,209,754 predominantly due to the recording of the net pension liability and total other post-employment benefit liability.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2019**

Changes in Net Position (for fiscal year)

	2019	2018 (restated)	change
Revenues			
Charges for services	\$ 1,116,931	\$ 1,155,583	\$ (38,652)
Operating grants	7,544,732	7,024,991	519,741
General revenues			
Taxes	41,642,569	37,280,507	4,362,062
Earnings on investments	1,453,731	927,024	526,707
MFP	13,423,109	12,861,725	561,384
Other	572,130	605,136	(33,006)
	<u>65,753,202</u>	<u>59,854,966</u>	<u>5,898,236</u>
Expenses			
Regular education	17,353,342	17,578,445	(225,103)
Special education	8,043,487	7,915,164	128,323
Other education	8,212,983	7,994,289	218,694
Pupil support	3,267,183	3,260,012	7,171
Instructional staff	2,608,188	2,660,707	(52,519)
General administrative	1,508,110	1,488,000	20,110
School administrative	3,426,706	3,215,538	211,168
Business services	407,344	424,037	(16,693)
Plant operation and maintenance	5,146,115	5,211,337	(65,222)
Student transportation	3,716,291	3,097,047	619,244
Central services	404,643	262,378	142,265
Appropriations	1,043,642	753,662	289,980
Food service	3,117,396	2,936,683	180,713
Interest and bank charges	3,189,024	3,633,892	(444,868)
	<u>61,444,454</u>	<u>60,431,191</u>	<u>(1,013,263)</u>
Change in net position	<u>4,308,748</u>	<u>(576,225)</u>	<u>4,884,973</u>
Net position - beginning	(69,518,502)	(68,284,197)	(1,234,305)
Prior period adjustment – deferred outflows	-	(133,258)	133,258
Prior period adjustment – privatization liability	-	(524,822)	524,822
Net position - ending	<u>\$ (65,209,754)</u>	<u>\$ (69,518,502)</u>	<u>\$ 4,308,748</u>

- Operating grants increased by approximately \$520,000 from the prior year as funding for various grants increased.
- Taxes have increased by approximately \$4,362,000 or 11.7% from prior year as the School Board issued additional ad valorem tax levies for security of the issuance of the new general obligation bonds and fiscal year 2019 was the first full year of collection. MFP funds increased by approximately \$561,000 as there was an adjustment in the School Board's provided MFP funding.
- Total expenses have increased by approximately \$1,013,000 or 1.7% during the fiscal year. Salaries include an estimated 1% step increase earned by employees based on their length of employment with the School Board. Also, additional staff were hired for continued implementation of educational initiatives.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2019**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2019, the West Baton Rouge Parish School Board had \$64,567,745 (net of depreciation) invested in a broad range of capital assets, including land, construction in progress, building, and equipment (See table below).

This amount represents a net increase (including additions, deductions, and changes in capitalization) of \$38,076,635, or 144%.

Capital Assets at Year-end  
(Net of Depreciation)

	2019	2018	change
Land	\$ 5,962,883	\$ 4,261,780	\$ 1,701,103
Construction in Progress	41,171,951	10,149,547	31,022,404
Land improvements	750,190	875,950	(125,760)
Buildings and improvements	15,706,792	10,083,643	5,623,149
Equipment and fixtures	975,929	1,120,190	(144,261)
	<u>\$ 64,567,745</u>	<u>\$ 26,491,110</u>	<u>\$ 38,076,635</u>

There was approximately \$39,691,000 in purchases of capital assets made by the School Board during 2019 and approximately \$1,614,000 in depreciation expense. The capital asset purchases are related to planned major capital projects funded by the general obligation bonds issuances. Additional information on the School Board's capital assets can be found in Note 8 to the basic financial statements.

**Long-term Debt**

Pension privatization liabilities were included as a restatement due to the school board continuing to privatize certain bus driver positions and the retirement system assessing the school board an unfunded liability for those employees. Other changes to long-term debt consisted of principal payments as scheduled for the outstanding bonds and premiums on bonds and net increases in accruals of compensated absences and claims and judgments.

Long-Term Debt at June 30, 2019 and 2018

	2019	2018 (as restated)
Compensated absences	\$ 572,387	\$ 556,570
Pension privatization liability	453,253	524,822
Claims and judgments	25,000	-
Bonds payable	84,360,000	87,080,000
Premium on bonds	11,627,564	12,273,452
	<u>\$ 97,038,204</u>	<u>\$ 100,434,844</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2019**

**ANALYSIS OF THE SCHOOL BOARD'S GENERAL FUND**

- The majority of the School Board's financial activity occurs in the general fund. The fund balance at June 30, 2019, is \$2,871,643. This fund balance is a result of accumulated operating surpluses and deficits from the current and prior fiscal years and serves to sustain the system during periods of decreased revenue or major events.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

There were no budget amendments adopted during the year ended June 30, 2019.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The financial stability that is necessary to fund services provided by the School Board is achieved through federal and state funding. These revenue sources represent 30%, or \$21.9 million, of total projected 2020 proceeds. Local revenues (primarily sales and use and ad valorem taxes) represent 62%, or \$45.3 million, of total projected proceeds. Other sources of funds represent 8%, or \$5.4 million.

The West Baton Rouge Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- Ad valorem (property) tax revenue is budgeted to be about 8.7% higher collections as compared to 2018-19 collections. Sales and use tax revenue is expected to generate a 1.5% increase compared to the prior year. The Louisiana Department of Education released its Minimum Foundation Program (MFP) funding schedule for the 2019-2020 fiscal year which indicates that the West Baton Rouge Parish School Board is projected to receive around \$14.1 million dollars in State Aid. Federal revenues are projected at \$6.9 million dollars, the amount of approved grant applications.
- Total salaries budgeted include the step increase earned by all employees, which is projected at a 1.5% increase, due to their length of employment with the School Board. This increase has been factored in across all major funds of the West Baton Rouge Parish School Board. Retirement costs will decrease by approximately \$200,000 in 2019-2020 due to rate decreases. In addition, the budget anticipates minor increases in commercial insurance, electricity, and property insurance.

**CONTACTING THE WEST BATON ROUGE PARISH SCHOOL BOARD'S MANAGEMENT**

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Jared Gibbs, Supervisor of Business Services, West Baton Rouge Parish School Board, 3761 Rosedale Road, Port Allen, LA 70767.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 63,117,798
Receivables	3,939,498
Investments	5,311,497
Inventory	54,541
Capital assets, net of accumulated depreciation	<u>64,567,745</u>
TOTAL ASSETS	<u>136,991,079</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred outflow amounts related to pension liability	18,416,726
Deferred outflow amounts related to other post-employment benefit liability	<u>11,091,028</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>29,507,754</u>
<b><u>LIABILITIES</u></b>	
Accounts, salaries, and other payables	10,266,531
Accrued interest payable	1,324,206
Long-term liabilities	
Due within one year	
Compensated absences payable	39,621
Bonds payable/premiums	3,595,888
Total post-employment benefit liability	1,625,000
Pension privatization liability	71,569
Claims and judgments	25,000
Due in more than one year	
Compensated absences payable	532,766
Bonds payable/premiums	92,391,676
Total post-employment benefit liability	47,738,571
Net pension liability	61,216,923
Pension privatization liability	<u>381,684</u>
TOTAL LIABILITIES	<u>219,209,435</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred inflow amounts related to pension liability	10,986,694
Deferred inflow amounts related to other post-employment benefit liability	<u>1,512,458</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,499,152</u>
<b><u>NET POSITION</u></b>	
Net invested in capital assets	23,395,794
Restricted for:	
State, federal, and donor grants	286,677
Debt service	2,409,581
Food service	377,442
Compensation	1,305,093
Operations and maintenance	567,704
Unrestricted (Deficit)	<u>(93,552,045)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (65,209,754)</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		Program Revenues		Net (Expense)
Expenses	Charges for	Operating	Grants and	Revenue and
	Services	Contributions	Contributions	Changes in Net
				Position
<u>Functions/Programs</u>				Governmental
				Unit
Instruction:				
Regular education programs	\$ 17,353,342	\$ -	\$ 212,986	\$ (17,140,356)
Special education programs	8,043,487	-	499,568	(7,543,919)
Other education programs	8,212,983	-	3,151,512	(5,061,471)
Support Services:				
Pupil support services	3,267,183	947,103	175,931	(2,144,149)
Instructional staff services	2,608,188	-	472,396	(2,135,792)
General administration services	1,508,110	-	9,229	(1,498,881)
School administration services	3,426,706	-	5,285	(3,421,421)
Business services	407,344	-	577	(406,767)
Plant operation and maintenance	5,146,115	-	6,150	(5,139,965)
Student transportation	3,716,291	-	269,163	(3,447,128)
Central services	404,643	-	602	(404,041)
Appropriations:				
Charter school	1,043,642	-	-	(1,043,642)
Non-Instruction Services:				
Food service	3,117,396	169,828	2,741,333	(206,235)
Debt Service:				
Interest and fiscal charges	3,189,024	-	-	(3,189,024)
Total Governmental Activities	61,444,454	1,116,931	7,544,732	(52,782,791)
General Revenues				
Taxes:				
Ad Valorem taxes				26,192,051
Sales and use taxes				15,450,518
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				13,423,109
Interest and investment earnings				1,453,731
Miscellaneous				572,130
			Total general revenues	57,091,539
Change in Net Position				4,308,748
Net Position - June 30, 2018 (as restated)				(69,518,502)
Net Position - June 30, 2019				\$ (65,209,754)

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2019**

	General	Capital Projects	Bond Building	2007 Property Tax	2017 Property Tax	EFID Sales Tax	Other Non-major Governmental	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$7,191,915	\$ 1,583,911	\$ 48,499,763	1,498,300	\$ 691,475	\$ 718,259	\$ 2,934,175	\$ 63,117,798
Receivables	1,306,009	611	73,867	-	-	595,843	1,963,168	3,939,498
Investments	-	4,845,000	-	-	-	200,560	265,937	5,311,497
Due from other funds	1,500,473	-	3,610,031	4,394	4,806	5,552	-	5,125,256
Inventory	-	-	-	-	-	-	54,541	54,541
<b>TOTAL ASSETS</b>	<b>\$9,998,397</b>	<b>\$ 6,429,522</b>	<b>\$ 52,183,661</b>	<b>\$ 1,502,694</b>	<b>\$ 696,281</b>	<b>\$ 1,520,214</b>	<b>\$ 5,217,821</b>	<b>\$ 77,548,590</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 78,246	\$ -	\$ 4,274,520	\$ -	\$ -	\$ -	\$ 8,503	\$ 4,361,269
Salaries and benefits payable	3,438,477	-	-	684,206	674,161	488,025	620,393	5,905,262
Due to other funds	3,610,031	-	-	-	-	-	1,515,225	5,125,256
<b>TOTAL LIABILITIES</b>	<b>7,126,754</b>	<b>-</b>	<b>4,274,520</b>	<b>684,206</b>	<b>674,161</b>	<b>488,025</b>	<b>2,144,121</b>	<b>15,391,787</b>
Fund balances:								
Nonspendable	-	-	-	-	-	-	54,541	54,541
Spendable:								
Restricted	-	-	-	818,488	22,120	1,032,189	3,019,159	4,891,956
Committed	-	6,429,522	47,909,141	-	-	-	-	54,338,663
Unassigned	2,871,643	-	-	-	-	-	-	2,871,643
<b>TOTAL FUND BALANCES</b>	<b>2,871,643</b>	<b>6,429,522</b>	<b>47,909,141</b>	<b>818,488</b>	<b>22,120</b>	<b>1,032,189</b>	<b>3,073,700</b>	<b>62,156,803</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$9,998,397</b>	<b>\$ 6,429,522</b>	<b>\$ 52,183,661</b>	<b>\$ 1,502,694</b>	<b>\$ 696,281</b>	<b>\$ 1,520,214</b>	<b>\$ 5,217,821</b>	<b>\$ 77,548,590</b>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

Total Fund Balances at June 30, 2019 - Governmental Funds		\$ 62,156,803
Cost of capital assets at June 30, 2019	\$ 83,589,073	
Less: Accumulated depreciation as of June 30, 2019:	<u>(19,021,328)</u>	64,567,745
Accrued interest on long-term debt		(1,324,206)
Long-term liabilities at June 30, 2019:		
Bonds payable/premiums	\$ (95,987,564)	
Compensated absences payable	(572,387)	
Claims and judgments	(25,000)	
Pension privatization liability	<u>(453,253)</u>	<u>(97,038,204)</u>
Total post-employment liability balances in accordance with GASB 75:		
Deferred outflow of resources - related to total OPEB	11,091,028	
Total other post-employment liability	(49,363,571)	
Deferred inflow of resources - related to total OPEB	<u>(1,512,458)</u>	<u>(39,785,001)</u>
Net pension obligation balances in accordance with GASB 68:		
Deferred outflow of resources - related to net pension liability	18,416,726	
Net pension liability	(61,216,923)	
Deferred inflow of resources - related to net pension liability	<u>(10,986,694)</u>	<u>(53,786,891)</u>
Total net position at June 30, 2019 - Governmental Activities		<u>\$ (65,209,754)</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General	Capital Projects	Bond Building	2007 Property Tax	2017 Property Tax	EFID Sales Tax	Other Non-major Governmental	Total
<b>REVENUES</b>								
Local sources:								
Ad valorem taxes	\$ 8,773,381	\$ -	\$ -	\$ 5,123,138	\$ 5,123,138	\$ -	\$ 7,172,394	\$ 26,192,051
Sales and use taxes	7,802,517	-	-	-	-	7,648,001	-	15,450,518
Earnings on investments	254,767	107,083	1,044,147	-	-	4,570	43,164	1,453,731
Food services - paid meals	-	-	-	-	-	-	169,828	169,828
Other	947,103	216,389	-	-	-	-	226,209	1,389,701
State sources:								
Unrestricted grants-in-aid, MFP	13,078,918	-	-	-	-	-	344,191	13,423,109
Restricted grants-in-aid	64,770	-	-	-	-	-	546,513	611,283
Revenue sharing	129,532	-	-	-	-	-	-	129,532
Federal grants	-	-	-	-	-	-	6,933,449	6,933,449
<b>TOTAL REVENUES</b>	<b>31,050,988</b>	<b>323,472</b>	<b>1,044,147</b>	<b>5,123,138</b>	<b>5,123,138</b>	<b>7,652,571</b>	<b>15,435,748</b>	<b>65,753,202</b>
<b>EXPENDITURES</b>								
Current:								
Instruction:								
Regular education programs	11,990,162	-	-	2,388,799	1,520,494	1,219,916	186,876	17,306,247
Special education programs	4,312,791	-	-	870,464	1,610,196	727,730	653,346	8,174,527
Other education programs	3,098,388	-	-	726,521	656,905	495,211	3,315,200	8,292,225
Support:								
Pupil support services	2,336,568	-	-	269,550	261,915	199,776	227,621	3,295,430
Instructional staff services	1,582,850	-	-	158,641	154,184	88,071	516,931	2,500,677
General administration services	1,084,956	-	-	175,552	177,786	118,904	9,901	1,567,099
School administration services	2,798,467	-	-	259,074	231,428	68,207	-	3,357,176
Business administration services	305,563	-	-	29,923	50,551	22,990	-	409,027
Plant operation and maintenance	3,256,526	-	-	184,642	205,765	175,350	-	3,822,283
Student transportation	3,213,616	-	-	15,905	17,390	21,860	284,627	3,553,398
Food services	-	-	-	17,310	199,771	-	2,847,498	3,064,579
Central services	318,814	-	-	23,157	21,324	30,640	-	393,935
Appropriations:								
Charter school	1,043,642	-	-	-	-	-	-	1,043,642
Facility acquisition and construction	-	178,599	39,328,867	-	-	-	239,302	39,746,768
Debt service - principal	-	-	-	-	-	-	2,720,000	2,720,000
Debt service - interest	-	-	-	-	-	-	3,899,880	3,899,880
<b>TOTAL EXPENDITURES</b>	<b>35,342,343</b>	<b>178,599</b>	<b>39,328,867</b>	<b>5,119,538</b>	<b>5,107,709</b>	<b>3,168,655</b>	<b>14,901,182</b>	<b>103,146,893</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (4,291,355)</b>	<b>\$ 144,873</b>	<b>\$ (38,284,720)</b>	<b>\$ 3,600</b>	<b>\$ 15,429</b>	<b>\$ 4,483,916</b>	<b>\$ 534,566</b>	<b>\$ (37,393,691)</b>

(continued)

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General	Capital Projects	Bond Building	2007 Property Tax	2017 Property Tax	EFID Sales Tax	Other Non-major Governmental	Total
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ 4,590,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 613,745	\$ 5,203,923
Transfers out	(23,369)	-	(12,037)	-	-	(4,479,000)	(689,517)	(5,203,923)
TOTAL OTHER FINANCING SOURCES (USES)	4,566,809	-	(12,037)	-	-	(4,479,000)	(75,772)	-
<b>NET CHANGES IN FUND BALANCE</b>								
	275,454	144,873	(38,296,757)	3,600	15,429	4,916	458,794	(37,393,691)
Fund balances, June 30, 2018	2,596,189	6,284,649	86,205,898	814,888	6,691	1,027,273	2,614,906	99,550,494
FUND BALANCES, JUNE 30, 2019	\$ 2,871,643	\$ 6,429,522	\$ 47,909,141	\$ 818,488	\$ 22,120	\$ 1,032,189	\$ 3,073,700	\$ 62,156,803 (concluded)

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD  
PORT ALLEN, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS -  
STATEMENT OF REVENUES, EXPENDITURES, and  
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Total Net Changes in Fund Balance - Governmental Funds		\$ (37,393,691)
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 39,690,889	
Depreciation expense for year ended June 30, 2019	<u>(1,614,254)</u>	38,076,635
Change in accrued interest on long-term debt		64,968
Long Term Debt:		
Principal portion of debt service payments	2,720,000	
Amortization of premium on issuance of debt	645,888	
Pension privatization liability payments	71,569	
Change in claims and judgments	(25,000)	
Change in compensated absences payable	<u>(15,817)</u>	3,396,640
Change in total other post-employment liability and deferred inflows and outflows of resources in accordance with GASB 75		<u>(1,627,287)</u>
Change in Net pension liability and deferred inflows and outflows of resources in accordance with GASB 68		<u>1,791,483</u>
Change in Net Position - Governmental Activities		<u>\$ 4,308,748</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SCHOOL BOARD  
PORT ALLEN, LOUISIANA

FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2019

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents - School Activity Accounts	\$ 636,436
Investments - School Activity Accounts	<u>22,961</u>
 TOTAL ASSETS	 <u>\$ 659,397</u>
 <b><u>LIABILITIES</u></b>	
Amounts held for others	<u>\$ 659,397</u>
 TOTAL LIABILITIES	 <u>\$ 659,397</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

1. **GENERAL INFORMATION**

The West Baton Rouge Parish School Board (School Board) is a corporate body created under Louisiana Revised Statutes 17:51. A board consisting of 10 members (the Board) elected from legally established districts is charged with the management and operation of the school system.

The school system is composed of a central office and 10 schools. Student enrollment as of October 2018 was approximately 3,900. The regular school term normally begins during the middle of August and runs until the end of May.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the School Board conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles.

A. **Financial Reporting Entity**

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

B. **Fund Accounting**

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School Board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Emphasis of fund financial reporting is on the major funds. Non-major funds (by category) or fund type are summarized into a single column. The major funds of the School Board consist of the General Fund, Capital Projects Fund, Bond Building Fund, 2007 Property Tax Fund, 2017 Property Tax Fund, and the Educational Facilities Improvement District (EFID) Sales Tax Fund.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **Fund Accounting** (continued)

Funds of the School Board are classified into two broad categories: Governmental and Fiduciary, as discussed below.

**Governmental Fund Types:**

Governmental funds are used to account for all or most of the School Board's general operating activities. These funds focus on the sources, uses and balances of the current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental fund types:

*General Fund* - The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

*Debt Service Fund* - The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

*Capital Projects Fund* - The Capital Projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Fiduciary Fund:**

Fiduciary fund reporting focuses on net position and changes in the net position. The only fund accounted for in this category by the school board is the Agency Fund. Agency funds are used to account for assets held by the School Board in a trustee capacity or as an agent for individuals, private organizations or other governmental units and/or other funds. Consequently, the Agency Fund has no measurement focus, but utilizes the accrual basis of accounting.

C. **Basis of Presentation**

The School Board's basic financial statements consist of the government-wide statements and fund financial statements (individual major fund, combined non-major fund, and fiduciary fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the GASB *Codification of Accounting and Financial Reporting Standards*. The government-wide financial statements also employ many private sector standards through the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for those which are fiduciary in nature. Those activities are reported in the statement of fiduciary assets and liabilities at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Sales taxes are recognized when the underlying sales transactions occur and property taxes are recognized when a legally enforceable claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from parties outside of 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, generally taxes.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatments applied to a fund are determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Such revenue items are ad valorem taxes, sales taxes and state and federal entitlements. Sales and use taxes and ad valorem taxes are considered "available" when expected to be collected within the next two months. Revenue from state and federal grants is recorded when the reimbursable expenditures have been incurred and is considered available if collected within six months after year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees and general long-term obligations principal and interest payments are recognized only when due.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. **Budget and Budgetary Accounting**

The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

The General Fund and the Special Revenue Funds are the only funds with legally required budgets. All of the Special Revenue Funds have legally required budgets. The General Fund budget and the Special Revenue Funds' budgets are adopted on an annual basis.

Prior to September 15, the Superintendent submits to the Board a proposed annual appropriated budget for the General Fund for the fiscal year commencing the prior July 1.

The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments.

Formal budgetary integration is employed as a management control device during the year for the General Fund Special Revenue Funds, and Capital Projects Fund. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

Unencumbered appropriations in the General Fund lapse at the end of the fiscal year. Budgeted amounts are as originally adopted or as amended by the Board. Legally the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the fund level and management can transfer amounts between line items.

Special Revenue Funds' budgets that are not grant-oriented have annual appropriated budgets adopted prior to September 15 by the Board. Grant funds are included in Special Revenue Funds and their budgets are adopted at the time the grant applications are approved by the grantor. Unencumbered appropriations of grant-oriented Special Revenue Funds are re-appropriated at the beginning of the following fiscal year. Un-encumbered appropriations of certain non-grant-oriented Special Revenue Funds lapse at the end of the fiscal year.

The Capital Projects Fund budget is adopted prior to September 15 by the Board. Although, by statute, the Board is not required to adopt a budget for its Capital Projects Fund.

All budget amounts presented in the combined financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. All budget revisions are approved by the 10-member Board.

F. **Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and certificates of deposits with maturity dates within three months of the dates acquired.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

G. **Investments**

Investments are limited by LSA-R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investment income includes interest earned, realized gains and losses, and unrealized gains and losses.

H. **Inventory**

Inventory is stated at the lower of cost or market based on information provided by the United States Department of Agriculture. Inventory consists of expendable supplies and food items held for consumption. The costs of inventory items are recognized as expenditures when used.

I. **Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where the actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of the donation. The School Board maintains a \$5,000 threshold level for capitalizing assets.

Capital assets are recorded in the GWFS, but are not recorded in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 40 years for buildings and 5 to 20 years for equipment.

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 or other immovable property such as stadiums. 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 capital assets.

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

J. **Interfund Transactions**

During the course of normal operations, the School Board has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. For purposes of the statement of activities, all interfund transactions between individual government funds have been eliminated.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

K. Sales and Use Tax

The School Board levies two separate sales taxes on taxable sales within the Parish. The sales tax is collected by West Baton Rouge Parish Department of Revenue and remitted to the School Board in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax in the month after collection by vendors.

In October 1965, the voters of the parish approved a permanent one percent sales and use tax. The net proceeds (after deduction for the cost of collection) are dedicated for salaries of teachers and for the general operations of the schools. Proceeds from this tax are included as revenue in the General Fund.

In May 1999, the voters of the parish approved an additional one percent sales and use tax. The net proceeds (after deduction for cost of collection) are dedicated as follows: 1) 45% to be used for teachers' and support staff salaries; 2) 55% to eliminate operating deficits of the General Fund by providing monies to pay the cost of operation and maintenance of the school system. Proceeds from this tax are included as revenues in the Educational Facilities Improvement District Special Revenue Fund.

L. Compensated Absences

Teachers and other school employees accrue from 10 to 13 days of sick leave per year depending upon the number of months worked. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 25 days is paid to employees or their heirs at the employee's current rate of pay. The accrual computation for earned sick leave is calculated on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, accumulated sick leave beyond 25 days is used in the retirement benefit computation as earned service.

All 12-month employees earn from 10 to 20 days of annual vacation leave per year depending on length of service with the School Board. Vacation leave can be accumulated and up to 50 days can be carried forward. Upon separation, all unused vacation is paid to the employee.

In Governmental Fund types, sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expenditure in the year claimed. Sick leave accrued as of the end of the fiscal year is valued using employees' current rates of pay. Accrued sick leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick and vacation leave forfeited when employees resign or retire.

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

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

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

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

L. Compensated Absences (continued)

Liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach.

M. Pension Plans

The School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 5. 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 each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

N. Government-wide Net Position

The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. 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.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

N. **Government-wide Net Position** (continued)

Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

O. **Fund Equity of Fund Financial Statements**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

**Nonspendable** – Represents nonspendable balances that are not expected to be converted to cash.

**Spendable:**

**Restricted** – Represents balances where constraints have been established by parties outside the School Board or by enabling legislation.

**Committed** – Represents balances where constraints have been established by formal action of the School Board. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

**Assigned** – Represents balances where informal constraints have been established by the School Board or committee or delegate thereof, but are not restricted nor committed.

**Unassigned** – Represents balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

P. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has two types of items that qualify for reporting in this category. It has deferred outflows of resources related to pension contributions and deferred outflows of resources related to the net pension liability. See Note 5 for additional information on deferred outflows of resources related to defined benefit pension plans. The School Board also has deferred outflows of resources related to total other post-employment benefit liability. See Note 6 for additional information on deferred outflows of resources related to the total post-employment benefit liability.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has one item that qualifies for reporting in this category. It has deferred inflows of resources related to the net pension liability. See Note 5 for additional information on deferred inflows of resources related to defined benefit pension plans.

R. Restatement of Net Position

The School Board reported prior period adjustments in fiscal year ended June 30, 2019 to correct accounting errors as follows:

	<u>Governmental Activities</u>
Total Net Position (Deficit),	
June 30, 2018 as previously reported	(\$68,860,422)
Record adjustment to deferred outflows related to pension liability of June 30, 2018	(133,258)
Record pension privatization liability at June 30, 2018	<u>(524,822)</u>
Net effect	<u>(658,080)</u>
Total Net Position, June 30, 2018, Restated	<u><u>(\$69,518,502)</u></u>

S. Current Year Adoption of New Accounting Standard

The School Board adopted GASB Statement 83, *Certain Asset Retirement Obligations (ARO)*. This standard establishes criteria for determining the timing and pattern of recognition of an ARO liability and a corresponding deferred outflow of resources. An ARO is a legally enforceable liability associated with the sale, recycling, retirement, abandonment or disposal in some other manner of a tangible capital asset permanently removed from service. The School Board has determined that there is no impact to the financial statements as of and for the year ended June 30, 2019.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

S. **Current Year Adoption of New Accounting Standard** (continued)

The School Board adopted GASB Statement 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct. This standard establishes criteria to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The School Board has determined that there is no impact to the financial statements as of and for the year ended June 30, 2019.

3. **EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS**

A. **Equity in Pooled Cash**

Cash and investments consist of demand deposit accounts and certificates of deposit at a local bank. The School Board maintains a cash pool that is available for use by all funds. Positive book cash balances are displayed on the combined balance sheet as "Cash." Negative book cash balances are included in "Due to Other Funds" on the combined balance sheet.

B. **Deposits**

The carrying amount of the School Board's deposits with financial institutions was \$67,845,742 and the bank balances were \$70,911,496. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2019, the School Board's deposits were not exposed to custodial credit risk. Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and political subdivisions.

C. **Investments**

Investments	Fair Value	Years to Maturity	
		Less than 1	1 - 5
<b>Investments at fair value</b>			
Certificates of deposit	\$ 4,091,508	\$ 2,065,627	\$ 2,025,881
Subtotal investments at fair value	<u>4,091,508</u>	<u>2,065,627</u>	<u>2,025,881</u>
<b>Investments measured at the net asset value (NAV)</b>			
External investment pool	1,242,950	1,242,950	-
Total investments measured at NAV	<u>1,242,950</u>	<u>1,242,950</u>	<u>-</u>
Total investments	<u>\$ 5,334,458</u>	<u>\$ 3,308,577</u>	<u>\$ 2,025,881</u>

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

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

3. **EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS** (continued)

C. **Investments** (continued)

Investments consist of certificates of deposit with original maturities of greater than 90 days.

Amounts invested in an external investment pool, Louisiana Asset Management Pool, totaled \$1,242,950. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is a governmental external investment pool that reports at fair value. The following facts are relevant for an investment pool:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The School Board's investment is with the pool, not the securities that make up the pool; therefore, no public disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 33 days as of June 30, 2019.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. The School Board reports its investment in LAMP at net asset value.

There were not any unfunded commitments related to the LAMP investments at June 30, 2019.

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

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras St., Suite 2220, New Orleans, LA 70130.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

4. **AD VALOREM TAXES**

Ad valorem (property) taxes were levied for the fiscal year 2019 by the School Board on June 20, 2018 based on the assessed valuation of property as of January 1, 2018. These taxes become due and payable on November 15 of each year and become delinquent after December 31 of the year levied.

Total assessed value was \$475,466,980 in calendar year 2018. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$47,509,760 of the assessed value in calendar year 2018.

A summary of the various taxes levied for 2018 is as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund:			
Constitutional School Tax	4.39	4.39	N/A
Special	15.00	15.00	2023
Special – Salaries (I)	12.00	12.00	2026
Special – Salaries (II)	12.00	12.00	2026
Debt Service (Special II)	16.80	16.80	2036

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed. All property taxes are recorded in the General Fund, the 2007 Property Tax Fund, and the 2017 Property Tax Fund on the basis explained in Note 2D. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

5. **DEFINED BENEFIT PENSION PLANS**

The School Board is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

TRSL:	LSERS:	LASERS:
8401 United Plaza Blvd.	8660 United Plaza	8401 United Plaza Blvd.
P. O. Box 94123	Blvd.	P. O. Box 44213
Baton Rouge, Louisiana	Baton Rouge, LA	Baton Rouge, Louisiana
70804-9123	70804	70804-4213
(225) 925-6446	(225) 925-6484	(225) 925-0185
www.trsl.org	www.lasers.net	www.lasersonline.org

The School Board applies Government Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68*. These standards require the School Board to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

**Plan Descriptions:**

**Teachers' Retirement System of Louisiana (TRSL)**

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. The School Board has participants in TRSL's Regular Plan and in Plan A. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761. Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of creditable service, 2) at the age of 55 with at least 25 years of creditable service, or 3) at any age with at least 30 years of creditable service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Final average salary is based upon the member's highest successive 36 months (highest successive 60 months for members employed after January 1, 2011).

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Under LRS 11:778, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and have five or more years' creditable service, or if employed on or after January 1, 2011 and attained at least 10 years of creditable service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of his average compensation multiplied by his years of creditable service, but not more than 50% of his average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equal to the regular retirement formula without reduction by reason of age.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Plan Descriptions:** (continued)

**Teachers' Retirement System of Louisiana (TRSL)** (continued)

Survivor benefits are provided for in LRS 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service credit regardless of when earned. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if he had retired on the date of his death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater.

**Louisiana School Employees' Retirement System (LSERS)**

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3⅓% of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2½% of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service.

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Plan Descriptions:** (continued)

**Louisiana School Employees' Retirement System (LSERS)** (continued)

LRS 11:1147 provides that members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2½% of his average compensation multiplied by his years of creditable service, but not less than 33⅓% of his average compensation for members employed prior to July 1, 2006 and 3% of his average compensation multiplied by his years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age. Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members salary are available for surviving spouses and minor children of members with at least five years of service.

**Louisiana State Employees' Retirement System (LASERS)**

The Louisiana State Employees' Retirement System (LASERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. The School Board has participants in this plan who began service under the LASER plan and later transferred to employment with the School Board. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification. The substantial majority of members may retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The computation of retirement benefits is provided for in LRS 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of creditable service.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Plan Descriptions:** (continued)

**Louisiana State Employees' Retirement System (LASERS)** (continued)

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Eligibility requirements and benefit computations for disability benefits are provided for in LRS 11:461. All members with ten or more years of creditable service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

Provisions for survivor's benefits are provided for in LRS 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student. The minimum service requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

**Funding Policy:**

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

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2019, for the School Board and covered employees were as follows:

	<u>School Board</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	26.70%	8.00%
Plan A	26.70%	9.10%
School Employees' Retirement System	28.00%	7.50% - 8.00%
State Employees' Retirement System	37.90%	7.50% - 8.00%

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Funding Policy:** (continued)

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Teachers' Retirement System	\$ 7,309,582	\$ 7,408,403	\$ 6,548,405
School Employees' Retirement System	170,598	208,749	194,606
State Employees' Retirement System	-	-	-

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2018 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2019 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2018 along with the change compared to the June 30, 2017 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension Liability at June 30, 2018</u>	<u>Rate at June 30, 2018</u>	<u>Increase (Decrease) to June 30, 2017 Rate</u>
Teachers' Retirement System	\$ 59,600,258	0.6064%	0.0268%
School Employees' Retirement System	1,616,665	0.2420%	0.0214%
State Employees' Retirement System	-	0.0000%	0.0000%
	<u>\$ 61,216,923</u>		

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

The following schedule list each pension plan's recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the School Board for the year ended June 30, 2019:

	<u>Pension Expense</u>
Teachers' Retirement System	\$ 5,563,223
School Employees' Retirement System	190,819
State Employees' Retirement System	<u>(65,344)</u>
	<u>\$ 5,688,698</u>

At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,105	\$ (2,007,968)
Changes of assumptions	3,897,619	-
Net difference between projected and actual earnings on pension plan investments	4,006,497	(7,847,622)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	3,000,325	(1,131,104)
Employer contributions subsequent to the measurement date	7,480,180	-
Total	<u>\$ 18,416,726</u>	<u>\$ (10,986,694)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 18,034,884	\$ (10,904,370)
School Employees' Retirement System (LSERS)	381,842	(82,324)
State Employees' Retirement System (LASERS)	-	-
	<u>\$ 18,416,726</u>	<u>\$ (10,986,694)</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

The School Board reported a total of \$7,480,180 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2020. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Teachers' Retirement System	\$ 7,309,582
School Employees' Retirement System (LSERS)	170,598
State Employees' Retirement System (LASERS)	-
	\$ 7,480,180

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

Year	TRSL	LSERS	LASERS	Total
2020	\$ 1,231,102	\$ 87,875	\$ -	\$ 1,318,977
2021	(278,479)	82,345	-	(196,134)
2022	(1,551,516)	(48,819)	-	(1,600,335)
2023	419,825	7,518	-	427,343
	\$ (179,068)	\$ 128,919	\$ -	\$ (50,149)

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2018 are as follows:

	TRSL	LSERS	LASERS
<b>Valuation Date</b>	June 30, 2018	June 30, 2018	June 30, 2018
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Actuarial Assumptions:</b>			
<b>Expected Remaining</b>			
<b>Service Lives</b>	5 years	3 years	3 years
<b>Investment Rate of Return</b>	7.65% net of investment expenses (decreased from 7.70% in 2017)	7.0625% per annum; net of plan investment expenses, including inflation (decreased from 7.125% in 2017)	7.65% net of investment expenses (decreased from 7.70% in 2017)
<b>Inflation Rate</b>	2.50% per annum	2.50% per annum (decreased from 2.625% in 2017)	2.75% per annum

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions** (continued)

<b>Mortality</b>	<p>Mortality rates were projected based on: Active Members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.</p> <p>Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.</p> <p>Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.</p> <p>These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.</p>	<p>Mortality rates based on the RP-2014 Healthy Annuitant Tables; RP-2014 Sex Distinct Employee Tables; RP-2014 Sex Distinct Disabled Tables</p>	<p><b>Non-disabled members</b> - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.</p> <p><b>Disabled members</b> - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>																		
<b>Termination, Disability, and Retirement</b>	<p>Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2012 - June 30, 2017) experience study of the System's members.</p>		<p>Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.</p>																		
<b>Salary Increases</b>	<p>3.3% - 4.8% varies depending on duration of service</p>	<p>Salary increases were projected based on the 2013-2017 experience study, 3.25%</p>	<p>Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.80%</td> <td style="text-align: center;">12.80%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.80%</td> <td style="text-align: center;">5.30%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.80%	12.80%	Judges	2.80%	5.30%	Corrections	3.40%	14.30%	Hazardous Duty	3.40%	14.30%	Wildlife	3.40%	14.30%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																			
Regular	3.80%	12.80%																			
Judges	2.80%	5.30%																			
Corrections	3.40%	14.30%																			
Hazardous Duty	3.40%	14.30%																			
Wildlife	3.40%	14.30%																			

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS (continued)**

**Actuarial Assumptions (continued)**

**Cost of Living Adjustments**    None

Not substantively automatic. The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present value and accrued liabilities include future COLA, though not yet authorized by the legislature by including the recognition of the existing balance in the Experience Account together with the present value of future contributions to the account up to the maximum permissible value of the Account based upon current amount limitations.

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The following schedule lists the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

TRSL

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 8.07% for 2018.

LSERS

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2%, and an adjustment for the effect of rebalancing/ diversification. The resulting long-term arithmetic nominal expected return is 7.76%.

LASERS

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges 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 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 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.83% for 2018.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions** (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2018:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	(0.48)%
Domestic equity	27.0%	-	25.0%	4.01%	-	4.31%
International equity	19.0%	-	32.0%	4.90%	-	5.26%
US equity	-	20.0%	-	-	6.15%	-
Developed equity	-	18.0%	-	-	7.11%	-
Emerging markets equity	-	10.0%	-	-	9.41%	-
Global REITs	-	3.0%	-	-	5.77%	-
Domestic fixed income	13.0%	-	8.0%	1.36%	-	1.49%
International fixed income	5.5%	-	6.0%	2.35%	-	2.23%
Core fixed income	-	8.0%	-	-	1.68%	-
High yield fixed income	-	5.0%	-	-	4.13%	-
Emerging mkts debt fixed income	-	7.0%	-	-	4.42%	-
Global fixed income	-	10.0%	-	-	1.63%	-
Alternatives	-	-	22.0%	-	-	7.67%
Alternative – private equity	-	5.0%	-	-	10.28%	-
Alternative – hedge fund or funds	-	3.0%	-	-	3.94%	-
Alternative – real estate	-	5.0%	-	-	4.90%	-
Private equity	25.5%	-	-	8.39%	-	-
Other private equity	10.0%	-	-	3.57%	-	-
Global asset allocation	-	-	7.0%	-	-	4.96%
Real assets – timber	-	2.0%	-	-	5.67%	-
Real assets – oil and gas	-	2.0%	-	-	10.57%	-
Real assets – infrastructure	-	2.0%	-	-	6.25%	-
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>			

Inflation

Expected Arithmetic Nominal  
Return

n/a - amount not provided by Retirement System

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. **DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions** (continued)

**Discount Rate**

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.65%, 7.0625% and 7.65%, respectively for the year ended June 30, 2018. The discount rates for TRSL and LASERS decreased by 0.05% since the prior measurement date, and the discount rate of LSERS decreased by 0.0625% since the prior measurement date.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<b>TRSL</b>			
Rates	6.65%	7.65%	8.65%
WBRPSB Share of NPL	\$ 78,955,914	\$ 59,600,258	\$ 43,272,754
<b>LSERS</b>			
Rates	6.0625%	7.0625%	8.0625%
WBRPSB Share of NPL	\$ 2,219,298	\$ 1,616,665	\$ 1,101,534
<b>LASERS</b>			
Rates	6.65%	7.65%	8.65%
WBRPSB Share of NPL	\$ -	\$ -	\$ -

**Payables to the Pension Plan**

The School Board recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2019 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the retirement systems at June 30, 2019 is as follows:

	<u>June 30, 2019</u>
TRSL	\$ 1,390,640
LSERS	-
LASERS	-
	<u>\$ 1,390,640</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**6. OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

*Plan description* – The School Board provides certain continuing health care and life insurance benefits for its retirees, disabled retirees and their eligible beneficiaries. Current employees are eligible for these plan benefits if they retire as members of one of three School Board sponsored retirement systems. These benefits are provided through an Other Post Employment Benefit Plan (the OPEB Plan) categorized as a single-employer defined benefit plan that the School Board administers. The School Board’s board has the authority to establish and/or amend the obligation of the employer, employees and retirees as provided by Louisiana Revised Statute Title 17 Sections 1221 through 1224. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

*Benefits Provided* – Medical benefits are 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 plan is a fully insured, multiple-employer arrangement and this plan has been deemed to be a single employer defined benefit OPEB plan (within the meaning of GASB 74/75) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement from either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS). The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 5 years of service. For membership after January 1, 2011, the earliest allowable retirement age is age 60.

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

*Employees covered by benefit terms* – The June 30, 2019 total OPEB liability was determined using the July 1, 2018 actuarial valuation that included the following employees covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	210
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	496
	706

**Total OPEB Liability**

The School Board’s total OPEB liability of \$49,363,571 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

*Actuarial Assumptions and other inputs* – The total OPEB liability as of June 30, 2019 was based on an actuarial valuation dated July 1, 2018 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.87% annually (beginning of year for Actuarially Determined Contribution)
	3.50% annually (as of end of year measurement date)
Healthcare cost trend rates	Flat 5.50% annually

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

6. **OTHER POST-EMPLOYMENT BENEFITS** (continued)

**Total OPEB Liability** (continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2014 mortality tables modified according to a TRSL experience study.

The actuarial assumptions did not assume any sharing of benefits with inactive employees.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

**Changes in the Total OPEB Liability**

Balance at June 30, 2018	<u>\$</u>	36,854,016
Changes for the year:		
Service cost		1,085,378
Interest		1,395,623
Differences between expected and actual experience		2,261,276
Changes in assumptions		9,350,092
Benefit payments		<u>(1,582,814)</u>
Net changes		<u>12,509,555</u>
 Balance at June 30, 2019	 <u>\$</u>	 <u>49,363,571</u>

The amount of total OPEB liability estimated to be due and payable within one year is \$1,625,000.

*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 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1.0% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1.0% Increase (4.50%)</u>
Total OPEB liability	<u>\$ 59,712,729</u>	<u>\$ 49,363,571</u>	<u>\$ 41,416,070</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**6. OTHER POST-EMPLOYMENT BENEFITS** (continued)

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current healthcare trend rates:

	<b>1.0% Decrease (4.50%)</b>	<b>Current Discount Rate (5.50%)</b>	<b>1.0% Increase (6.50%)</b>
Total OPEB liability	\$ 41,169,984	\$ 49,363,571	\$ 59,970,617

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

For the year ended June 30, 2019, the School Board recognized OPEB expense of \$3,210,101. At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,099,756	\$ -
Changes in assumptions	8,991,272	(1,512,458)
<b>Total</b>	<b>\$ 11,091,028</b>	<b>\$ (1,512,458)</b>

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

<b>Years ending June 30:</b>	
2020	\$ 730,100
2021	730,100
2022	730,100
2023	730,100
2024	730,100
Thereafter	5,928,070
	<b>\$ 9,578,570</b>

**7. GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2019:

	<b>July 1, 2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2019</b>	<b>Due Within One Year</b>
General Obligation Bonds	\$ 85,245,000	\$ -	\$ (2,375,000)	\$ 82,870,000	\$2,595,000
Bond From Direct Placement					
Limited Tax Revenue Bond	1,835,000	-	(345,000)	\$1,490,000	355,000
Premium on Bonds	12,273,452	-	(645,888)	11,627,564	645,888
Compensated Absences	556,570	43,925	(28,108)	572,387	39,621
Claims and Judgments	-	25,000	-	25,000	25,000
Pension Privatization Liability	524,822	-	(71,569)	453,253	71,569
<b>Total</b>	<b>\$ 100,434,844</b>	<b>\$ 68,925</b>	<b>\$ (3,465,565)</b>	<b>\$ 97,038,204</b>	<b>\$ 3,732,078</b>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

7. **GENERAL LONG-TERM OBLIGATIONS** (continued)

General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds issued included the following:

	<u>Principal Outstanding at June 30, 2019</u>
\$3,400,000 Limited Tax Revenue Bonds, Series 2013, issued August 14, 2013 for the purpose of construction, rehabilitation, or repair of public school facilities due in annual installments of \$285,000 to \$390,000 through March 31, 2023 with interest at 1.1% to 3.5% secured by an annual ad valorem tax levy.	<u>\$ 1,490,000</u>
\$74,745,000 General Obligation Limited Tax Revenue Bonds, Series 2017, issued July 12, 2017 for the purpose of acquiring and/or improving lands, school buildings and facilities, and the acquiring of necessary equipment and furnishings due in semi-annual installments of \$1,000,000 to \$6,135,000 through March 1, 2037 with interest at 2.0% to 5.0% secured by an annual ad valorem tax levy.	<u>\$ 72,370,000</u>
\$10,500,000 General Obligation Limited Tax Revenue Bonds, Series 2018, issued June 28, 2018 for the purpose of acquiring and/or improving lands, school buildings and facilities, and the acquiring of necessary equipment and furnishings due in semi-annual installments of \$140,000 to \$795,000 through September 1, 2038 with interest at 3.0% to 5.0% secured by an annual ad valorem tax levy.	<u>\$ 10,500,000</u>

The general obligation bonds were offered for public sale that are subject to the following events of default, termination events, and acceleration clauses:

- *Events of default with finance-related consequences* – These bonds will be in default for failure of payment of principal and interest when due. The School Board has the authority to assess and collect property taxes that will be used to repay this debt.
- *Termination events with finance related consequences* – Events that will result in finance related consequences include bonds being callable early and insufficient taxes levied and collected to meet debt service requirements on all bonds outstanding.
- *Subjective acceleration clauses* – The School Board may refund early with refunding certificates or bonds, and the School Board may defease bonds.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

7. **GENERAL LONG-TERM OBLIGATIONS** (continued)

The limited tax revenue bond is a direct placement bond that is subject to the following events of default, termination events, and acceleration clauses:

- *Events of default with finance-related consequences* – These bonds will be in default for failure of payment of principal and interest when due, non-performance of observance of covenants, agreements, or conditions in Certificate Resolution or supplemental resolution continuing for more than 30 days after written notice of non-performance or observance, and filing petition or seeking relief under Federal or State bankruptcy law.
- *Termination events with finance related consequences* – Events that will result in finance related consequences include bonds being callable early. The School Board is obligated to annually budget a sufficient amount to pay principal and interest to meet annual debt service requirements.
- *Subjective acceleration clauses* – The School Board may refund early with refunding certificates or bonds, and the School Board may defease bonds.

At June 30, 2019, the School Board has accumulated \$2,409,581 in the debt service fund for future debt retirement. The annual requirements to amortize all bonds at June 30, 2019, including interest of \$44,278,838 are as follows:

Year Ending June 30,	General Obligation Bonds		Bonds From Direct Placement		Total
	Principal	Interest	Principal	Interest	
2020	\$ 2,595,000	\$ 3,925,906	\$ 355,000	\$ 46,713	\$ 6,922,619
2021	2,825,000	3,848,056	365,000	36,950	7,075,006
2022	3,075,000	3,732,006	380,000	26,000	7,213,006
2023	3,350,000	3,605,856	390,000	13,650	7,359,506
2024	3,470,000	3,448,556	-	-	6,918,556
2025 – 2029	20,455,000	14,524,780	-	-	34,979,780
2030 – 2034	26,640,000	8,987,115	-	-	35,627,115
2035 – 2038	20,460,000	2,083,250	-	-	22,543,250
<b>Total</b>	<b>\$ 82,870,000</b>	<b>\$44,155,525</b>	<b>\$ 1,490,000</b>	<b>\$ 123,313</b>	<b>\$ 128,638,838</b>

In accordance with LSA – R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property within the parish. At June 30, 2019, the total assessed value of taxable property for the parish was \$475,466,980, which resulted in a statutory limit of \$237,733,490.

Compensated absences payable consist of the portion of accumulated sick and annual leave of the governmental funds that is not of Homestead expected to require current resources. These liabilities will be liquidated through the general and special revenue funds.

Due to the School Board continuing to privatize certain bus driver positions as the employees are retiring or terminated, the retirement system is assessing the school board an unfunded liability of those employees previously in the pension plan. The pension privatization liability will be liquidated through the general fund.

The claims and judgments will be liquidated from the general fund.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2019 is as follows:

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment and Fixtures</u>	<u>Construction in Progress</u>	<u>Total</u>
Cost at June 30, 2018	\$ 4,261,780	\$ 2,029,795	\$ 23,673,491	\$ 3,783,571	\$ 10,149,547	\$ 43,898,184
Additions	1,701,103	15,000	3,512,858	355,776	34,106,152	39,690,889
Transfers	-	-	3,083,748	-	(3,083,748)	-
Cost at June 30, 2019	<u>\$ 5,962,883</u>	<u>\$ 2,044,795</u>	<u>\$ 30,270,097</u>	<u>\$ 4,139,347</u>	<u>\$ 41,171,951</u>	<u>\$ 83,589,073</u>
Accumulated depreciation at June 30, 2018	\$ -	\$ 1,153,845	\$ 13,589,848	\$ 2,663,381	\$ -	\$ 17,407,074
Additions (* see below)	-	140,760	973,457	500,037	-	1,614,254
Accumulated depreciation at June 30, 2019	<u>\$ -</u>	<u>\$ 1,294,605</u>	<u>\$ 14,563,305</u>	<u>\$ 3,163,418</u>	<u>\$ -</u>	<u>\$ 19,021,328</u>
Capital assets, net of depreciation at June 30, 2019	<u>\$ 5,962,883</u>	<u>\$ 750,190</u>	<u>\$ 15,706,792</u>	<u>\$ 975,929</u>	<u>\$ 41,171,951</u>	<u>\$ 64,567,745</u>

\* Depreciation expense of \$1,614,254 for the year ended June 30, 2019 was charged to the following governmental functions:

Regular education programs	\$ 156,840
Special education programs	70,621
Other education programs	71,327
Pupil support services	29,087
Instructional staff services	23,740
General administrative services	13,276
School administration services	28,690
Business and central services	3,783
Plant operation and maintenance	1,160,714
Student transportation services	27,633
Central services	2,341
Food services	26,202
	<u>\$ 1,614,254</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

9. **CONTINGENCIES**

**Litigation.** The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School Board's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government. An accrual of \$25,000 has been made within the statement of net position to cover any potential exposure.

**Grant Disallowances.** The School Board participates in a number of state and federally assisted grant programs. The programs are subject to audits under the single audit approach as well as audits conducted by the Louisiana and U.S. Department of Education. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

10. **RECEIVABLES**

Receivables as of June 30, 2019 for the School Board are as follows by fund:

	<u>General</u>	<u>Capital Projects</u>	<u>Bond Building</u>	<u>EFID Sales Tax</u>	<u>Non-Major Governmental</u>	<u>Total</u>
<b><u>Receivables:</u></b>						
Sales taxes	\$ 608,105	\$ -	\$ -	\$ 595,843	\$ -	\$ 1,203,948
Due from other governments	697,904	611	73,867	-	1,963,168	2,735,550
Gross receivables	<u>\$ 1,306,009</u>	<u>\$ 611</u>	<u>\$ 73,867</u>	<u>\$ 595,843</u>	<u>\$ 1,963,168</u>	<u>\$ 3,939,498</u>

11. **CHANGES IN AGENCY DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others for the year ended June 30, 2019 are as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
School Activity Agency Fund	<u>\$ 621,604</u>	<u>\$ 1,326,232</u>	<u>\$ (1,288,439)</u>	<u>\$ 659,397</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

12. **INTERFUND TRANSACTIONS**

Interfund Receivable/Payable:

<u>Interfund Receivable</u>		<u>Interfund Payable</u>	
General	\$ 1,500,473	General	\$ 3,610,031
2007 Property Tax	4,394	Property Tax 2007	-
2017 Property Tax	4,806	Property Tax 2017	-
EFID Sales Tax	5,552	EFID Sales Tax	-
Bond Building	3,610,031	Bond Building	-
Non-Major		Non-Major	
Governmental	-	Governmental	1,515,225
Total	<u>\$ 5,125,256</u>	Total	<u>\$ 5,125,256</u>

The primary purpose of interfund advances is to cover expenditures on cost reimbursement grant programs until reimbursements are received from the granting agencies. These amounts are expected to be repaid within one year.

Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 4,590,178	\$ 23,369
Bond Building	-	12,037
EFID Sales Tax	-	4,479,000
Non-major		
Governmental	613,745	689,517
	<u>\$ 5,203,923</u>	<u>\$ 5,203,923</u>

The purpose of interfund transfers is predominantly to cover operating expenditures of the General Fund through indirect cost recoveries charged to grant programs and through transfers from the EFID Sales Tax Fund to cover eligible costs paid for by the General Fund.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

13. **OPERATING LEASE**

The School Board leases school buses through a lease arrangement which qualifies as an operating lease. The pricing for the agreement is based on the quantity of buses needed, special accessories needed on the bus, and frequency of use per day. The lease payments are to be made on a monthly basis. The lease is scheduled over a five-year period ending June 30, 2020.

The School Board leases three copier/printers through a lease agreement that qualifies as an operating lease which began on April 1, 2017. The payments in the amount of \$916 are scheduled in advance monthly over a three-year period ending March 31, 2020.

Management has estimated that the minimum future lease payments under these lease agreements to be as follows:

<u>Year ended June 30,</u>	
2020	\$ <u>3,608,244</u>

Payments made during June 30, 2019 totaled approximately \$3,200,000 for the school bus lease arrangement and \$11,300 for the copier/printer lease agreement.

14. **COMMITMENTS**

The School Board entered into a maintenance agreement for air conditioning services. Payments in the amount of \$26,750 were scheduled in advance monthly over a 5-year period ending September 30, 2018. Beginning October 1, 2018, the maintenance agreement switched to month-to-month, retaining the same monthly payment amounts of \$26,750, until completion of the construction of the new schools.

Payments made during June 30, 2019 related to the maintenance agreement totaled approximately \$402,000, including additional services not included in the agreement.

The School Board had construction commitments of approximately \$43,270,000 related to the Bond Building Projects at June 30, 2019.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

15. **EDUCATION EXCELLENCE FUND**

Pursuant to Act #161 of the 2002 First Extraordinary Session of the Legislature, the State of Louisiana established the Education Excellence Fund (EEF) for the oversight, appropriation, and disposition of proceeds from the tobacco settlements. These funds are dedicated for use in educational programs, and are available to local school districts, subject to the approval of an expenditure plan by the Louisiana Department of Education. The funds are held and invested by the Treasurer of the State of Louisiana on behalf of local school districts and are disbursed in accordance with approved expenditure plans. At June 30, 2019, the School Board's EEF funds invested through the Treasurer totaled approximately \$1,021,000. These funds are recognized as revenue to the School Board upon submission and subsequent approval of an annual expenditure plan. The School System expended approximately \$67,000 during the 2018-2019 fiscal year in accordance with its respective expenditure plan.

16. **DETAILED RESTRICTED NET POSITION AND FUND BALANCES**

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

	Governmental Activities
Net Position Restricted for:	
Specific programs:	
State, federal, and donor grants	\$ 286,677
Food service	377,442
Total Net Position restricted for specific programs	664,119
Debt service	2,409,581
External legal constraints:	
Dedicated property and sales taxes authorized by the electorate to specific special revenue funds – salaries and benefits	1,305,093
Dedicated sales taxes authorized by the electorate for specific revenue funds – operations and maintenance	567,704
Total net position restricted for external legal constraints	1,872,797
Total Restricted Net Position	\$ 4,946,497

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

16. **DETAILED RESTRICTED NET POSITION AND FUND BALANCES** (continued)

b. Details of nonspendable, restricted, committed, and unassigned fund balances at year-end are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Bond Building</u>	<u>2007 Property Tax</u>	<u>2017 Property Tax</u>	<u>EFID Sales Tax</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:								
Nonspendable:								
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,541	\$ 54,541
Restricted for:								
Food service	-	-	-	-	-	-	322,901	322,901
State, federal, and donor grants	-	-	-	-	-	-	286,677	286,677
Dedicated property taxes:								
Debt service	-	-	-	-	-	-	2,409,581	2,409,581
Salaries and benefits	-	-	-	818,488	22,120	-	-	840,608
Dedicated sales taxes:								
Salaries and benefits	-	-	-	-	-	464,485	-	464,485
Operations and maintenance	-	-	-	-	-	567,704	-	567,704
Total Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>818,488</u>	<u>22,120</u>	<u>1,032,189</u>	<u>3,019,159</u>	<u>4,891,956</u>
Committed to:								
Capital improvements	-	6,429,522	47,909,141	-	-	-	-	54,338,663
Unassigned	2,871,643	-	-	-	-	-	-	2,871,643
Total fund balances	<u>\$ 2,871,643</u>	<u>\$ 6,429,522</u>	<u>\$47,909,141</u>	<u>\$ 818,488</u>	<u>\$ 22,120</u>	<u>\$ 1,032,189</u>	<u>\$ 3,073,700</u>	<u>\$ 62,156,803</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**17. Future Accounting Changes**

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the School Board's financial report:

GASB Statement 84, Fiduciary Activities. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the School Board controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The standard is effective for annual reporting periods beginning after December 15, 2018. The School Board will include the requirements of this standard, as applicable, in its June 30, 2020 financial statements. The effect of this standard or its applicability to the School Board are unknown at this time.

GASB Statement 87, Leases. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. The School Board will include the requirements of this standard, as applicable, in its June 30, 2021 financial statements. All of the School Board lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the School Board are unknown at this time.

**18. Disaggregation of Accounts Payable and Accrued Liabilities**

Accounts, salaries and other payables as of June 30, 2019, were as follows:

Vendors	\$ 4,361,268
Salaries and benefits	<u>5,905,263</u>
Total governmental fund encumbrances	<u>\$10,266,531</u>

**19. Tax Revenues Abated**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2019, \$18,041,311 in West Baton Rouge Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

20. **Appropriations to Charter Schools**

Appropriations to Type 2 Charter Schools during the year ended June 30, 2019 were as follows:

	<u>General Fund</u>
Type 2 Charter Schools	
Madison Prep	\$ 60,156
Louisiana Key Academy	135,351
Advantage Charter Academy	50,130
Iberville Charter Academy	511,326
GEO Prep Mid-City	10,026
GEO Academies EBR	15,039
Laurel Oaks	5,013
Apex Collegiate Academy	20,052
Louisiana Virtual Charter Academy	98,273
University View Academy	<u>135,351</u>
Subtotal – Type 2 Charter Schools	<u>1,040,717</u>
Office of Juvenile Justice (OJJ)	<u>2,925</u>
Grand Total	<u>\$ 1,043,642</u>

Charter schools are entitled to receive an apportionment of local tax revenue. That amount, determined by the Louisiana Department of Education, is withheld from the School Board's MFP funding and remitted to the charter schools. An appropriation of \$1,043,642 has been recorded for the School Board's apportionment of local taxes to the charter schools.

**WEST BATON ROUGE PARISH SCHOOL BOARD**

**MAJOR FUND DESCRIPTIONS**

**GENERAL FUND**

The General Fund is used to account for resources traditionally associated with the School Board which are not legally required or required by sound accounting practices to be accounted for in another fund.

**CAPITAL PROJECTS FUND**

The Capital Projects Fund accounts for financial resources to be used for the renovation of major capital facilities.

**BOND BUILDING FUND**

The Bond Building Capital Project Fund accounts for projects to be funded by the July 2017 and June 2018 General Obligation Bonds.

**PROPERTY TAX (2007 AND 2017) FUNDS**

The Property Tax Special Revenue Fund accounts for both of the 10 year, 12 mills property taxes. The purpose of these taxes is to give additional support to the public elementary and secondary schools in the district by providing funds for improving and maintaining salaries and benefits of teachers and other public school personnel employed by the School Board as well as to help pay for the debt incurred from the 2017 and 2018 General Obligation Bonds.

**EDUCATIONAL FACILITIES IMPROVEMENT DISTRICT FUND**

The Educational Facilities Improvement District (EFID) Special Revenue Fund accounts for the collection of a 1 percent sales and use tax; 45% of which is dedicated to salaries and 55% of which is available for general operations.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad valorem	\$ 8,358,789	\$ 8,358,789	\$ 8,773,381	\$ 414,592
Sales and use	8,050,600	8,050,600	7,802,517	(248,083)
Earnings on investments	171,500	171,500	254,767	83,267
Other	725,950	725,950	947,103	221,153
State sources:				
Unrestricted grants-in-aid	14,967,869	14,967,869	13,078,918	(1,888,951)
Restricted grants-in-aid	13,050	13,050	64,770	51,720
Revenue sharing	127,565	127,565	129,532	1,967
Total revenues	32,415,323	32,415,323	31,050,988	(1,364,335)
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	12,660,031	12,660,031	11,990,162	669,869
Special education programs	5,352,175	5,352,175	4,312,791	1,039,384
Other education programs	3,332,286	3,332,286	3,098,388	233,898
Support services:				
Pupil support services	2,172,583	2,172,583	2,336,568	(163,985)
Instructional staff services	1,750,823	1,750,823	1,582,850	167,973
General administration services	1,062,378	1,062,378	1,084,956	(22,578)
School administration services	2,698,170	2,698,170	2,798,467	(100,297)
Business administration services	374,798	374,798	305,563	69,235
Plant operation and maintenance	3,314,297	3,314,297	3,256,526	57,771
Transportation	2,879,287	2,879,287	3,213,616	(334,329)
Central services	354,058	354,058	318,814	35,244
Appropriations:				
Charter school	717,117	717,117	1,043,642	(326,525)
Total expenditures	36,668,003	36,668,003	35,342,343	1,325,660
Excess (deficiency) of revenues over expenditures	\$ (4,252,680)	\$ (4,252,680)	\$ (4,291,355)	\$ (38,675)

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Other financing sources (uses):</u></b>				
Operating transfers in	\$ 4,752,850	\$ 4,752,850	\$ 4,590,178	\$ (162,672)
Operating transfers out	<u>-</u>	<u>-</u>	<u>(23,369)</u>	<u>(23,369)</u>
Total other financing sources (uses)	<u>4,752,850</u>	<u>4,752,850</u>	<u>4,566,809</u>	<u>(186,041)</u>
Net changes in fund balance	<u>500,170</u>	<u>500,170</u>	<u>275,454</u>	<u>(224,716)</u>
Fund balances, June 30, 2018	<u>3,225,193</u>	<u>3,225,193</u>	<u>2,596,189</u>	<u>(629,004)</u>
FUND BALANCES, JUNE 30, 2019	<u>\$ 3,725,363</u>	<u>\$ 3,725,363</u>	<u>\$ 2,871,643</u>	<u>\$ (853,720)</u> (concluded)

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**CAPITAL PROJECTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Local sources:				
Earnings on investments	\$ 94,000	\$ 94,000	\$ 107,083	\$ 13,083
Other	104,000	104,000	216,389	112,389
Total revenues	198,000	198,000	323,472	125,472
<b><u>Expenditures:</u></b>				
Facilities acquisition and construction	197,500	197,500	178,599	18,901
Total expenditures	197,500	197,500	178,599	18,901
Net changes in fund balance	500	500	144,873	144,373
Fund balances, June 30, 2018	6,383,389	6,383,389	6,284,649	(98,740)
FUND BALANCES, JUNE 30, 2019	\$ 6,383,889	\$ 6,383,889	\$ 6,429,522	\$ 45,633

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**2007 PROPERTY TAX FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad valorem	\$ 4,866,708	\$ 4,866,708	\$ 5,123,138	\$ 256,430
Total revenues	<u>4,866,708</u>	<u>4,866,708</u>	<u>5,123,138</u>	<u>256,430</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	1,847,722	1,847,722	2,388,799	(541,077)
Special education programs	915,656	915,656	870,464	45,192
Other education programs	858,504	858,504	726,521	131,983
Support services:				
Pupil support services	298,389	298,389	269,550	28,839
Instructional staff services	182,240	182,240	158,641	23,599
General administration services	176,971	176,971	175,552	1,419
School administration services	266,888	266,888	259,074	7,814
Business administration services	30,802	30,802	29,923	879
Plant operation and maintenance	229,540	229,540	184,642	44,898
Transportation	20,741	20,741	15,905	4,836
Food services	-	-	17,310	(17,310)
Central services	23,751	23,751	23,157	594
Total expenditures	<u>4,851,204</u>	<u>4,851,204</u>	<u>5,119,538</u>	<u>(268,334)</u>
Net changes in fund balance	<u>15,504</u>	<u>15,504</u>	<u>3,600</u>	<u>(11,904)</u>
Fund balances, June 30, 2018	<u>1,121,209</u>	<u>1,121,209</u>	<u>814,888</u>	<u>(306,321)</u>
FUND BALANCES, JUNE 30, 2019	<u>\$ 1,136,713</u>	<u>\$ 1,136,713</u>	<u>\$ 818,488</u>	<u>\$ (318,225)</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**2017 PROPERTY TAX FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad valorem	\$ 4,866,708	\$ 4,866,708	\$ 5,123,138	\$ 256,430
Total revenues	<u>4,866,708</u>	<u>4,866,708</u>	<u>5,123,138</u>	<u>256,430</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	1,796,282	1,796,282	1,520,494	275,788
Special education programs	905,293	905,293	1,610,196	(704,903)
Other education programs	811,609	811,609	656,905	154,704
Support services:				
Pupil support services	247,086	247,086	261,915	(14,829)
Instructional staff services	185,099	185,099	154,184	30,915
General administration services	178,635	178,635	177,786	849
School administration services	235,151	235,151	231,428	3,723
Business administration services	33,023	33,023	50,551	(17,528)
Plant operation and maintenance	231,579	231,579	205,765	25,814
Transportation	22,093	22,093	17,390	4,703
Food services	182,463	182,463	199,771	(17,308)
Central services	21,473	21,473	21,324	149
Total expenditures	<u>4,849,786</u>	<u>4,849,786</u>	<u>5,107,709</u>	<u>(257,923)</u>
Net changes in fund balance	<u>16,922</u>	<u>16,922</u>	<u>15,429</u>	<u>(1,493)</u>
Fund balances, June 30, 2018	<u>66,012</u>	<u>66,012</u>	<u>6,691</u>	<u>(59,321)</u>
FUND BALANCES, JUNE 30, 2019	<u>\$ 82,934</u>	<u>\$ 82,934</u>	<u>\$ 22,120</u>	<u>\$ (60,814)</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**EFID SALES TAX FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Sales and use	\$ 7,944,000	\$ 7,944,000	\$ 7,648,001	\$ (295,999)
Earnings on investments	2,500	2,500	4,570	2,070
Total revenues	<u>7,946,500</u>	<u>7,946,500</u>	<u>7,652,571</u>	<u>(293,929)</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	1,164,916	1,164,916	1,219,916	(55,000)
Special education programs	678,411	678,411	727,730	(49,319)
Other education programs	516,951	516,951	495,211	21,740
Support services:				
Pupil support services	191,437	191,437	199,776	(8,339)
Instructional staff services	95,850	95,850	88,071	7,779
General administration services	128,317	128,317	118,904	9,413
School administration services	65,400	65,400	68,207	(2,807)
Business administration services	20,275	20,275	22,990	(2,715)
Plant operation and maintenance	185,525	185,525	175,350	10,175
Transportation	22,581	22,581	21,860	721
Food services	169,693	169,693	-	169,693
Central services	30,873	30,873	30,640	233
Total expenditures	<u>3,270,229</u>	<u>3,270,229</u>	<u>3,168,655</u>	<u>101,574</u>
Excess (deficiency) of revenues over expenditures	<u>4,676,271</u>	<u>4,676,271</u>	<u>4,483,916</u>	<u>(192,355)</u>
<b><u>Other financing sources (uses):</u></b>				
Operating transfers out	<u>(4,650,000)</u>	<u>(4,650,000)</u>	<u>(4,479,000)</u>	<u>171,000</u>
Total other financing sources (uses)	<u>(4,650,000)</u>	<u>(4,650,000)</u>	<u>(4,479,000)</u>	<u>171,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	<u>26,271</u>	<u>26,271</u>	<u>4,916</u>	<u>(21,355)</u>
Fund balances, June 30, 2018	<u>1,170,056</u>	<u>1,170,056</u>	<u>1,027,273</u>	<u>(142,783)</u>
FUND BALANCES, JUNE 30, 2019	<u>\$ 1,196,327</u>	<u>\$ 1,196,327</u>	<u>\$ 1,032,189</u>	<u>\$ (164,138)</u>

WEST BATON ROUGE PARISH SCHOOL BOARD  
PORT ALLEN, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT  
BENEFITS LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2019

Financial statement reporting date	Measurement date	Service cost	Interest	Difference between actual and expected experience	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
6/30/2018	6/30/2018	\$ 820,846	\$ 1,321,835	\$ 360,552	\$ (1,764,534)	(1,614,870)	\$ (876,171)	\$ 37,730,187	\$ 36,854,016	\$ 30,221,324	121.95%
6/30/2019	6/30/2019	\$ 1,085,378	\$ 1,395,623	\$ 2,261,276	\$ 9,350,092	(1,582,814)	\$ 12,509,555	\$ 36,854,016	\$ 49,363,571	\$ 24,056,455	205.20%

**Notes to Schedule:**

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET PENSION**  
**LIABILITY FOR THE RETIREMENT SYSTEMS**  
**FOR THE YEAR ENDED JUNE 30, 2019 (\*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<b>Teachers Retirement System of Louisiana</b>						
	2019	0.6064%	\$ 59,600,258	\$ 27,851,138	213.9958%	68.20%
	2018	0.5796%	59,423,571	25,680,021	231.4000%	65.60%
	2017	0.5922%	69,501,272	26,664,308	260.6528%	59.90%
	2016	0.5892%	63,352,310	25,944,754	244.1816%	62.50%
	2015	0.5682%	58,079,211	22,578,785	257.2291%	63.70%
<b>Louisiana School Employees Retirement System</b>						
	2019	0.2420%	1,616,665	720,993	224.2276%	74.44%
	2018	0.2206%	1,411,442	633,946	222.6439%	75.03%
	2017	0.2372%	1,789,048	668,202	267.7406%	70.09%
	2016	0.2337%	1,482,227	661,606	224.0347%	74.49%
	2015	0.2417%	1,400,959	683,611	204.9351%	76.18%
<b>Louisiana State Employees Retirement System</b>						
	2019	0.0000%	-	-	0.0000%	64.30%
	2018	0.0000%	-	-	0.0000%	62.50%
	2017	0.0000%	-	-	0.0000%	57.70%
	2016	0.0029%	194,523	62,673	310.3777%	62.70%
	2015	0.0028%	173,518	58,895	294.6226%	65.00%

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

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

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Pension Plan	Year	Contractually Required Contribution <sup>1</sup>	Contributions in Relation to Contractually Required Contribution <sup>2</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll <sup>3</sup>	Contributions as a % of Covered Payroll
<b>Teachers Retirement System of Louisiana</b>						
	2019	\$ 7,309,582	\$ 7,309,582	-	\$ 27,376,713	26.7000%
	2018	7,408,403	7,408,403	-	27,851,138	26.6000%
	2017	6,548,405	6,548,405	-	25,680,021	25.5000%
	2016	7,012,713	7,012,713	-	26,664,308	26.3000%
	2015	7,264,531	7,264,531	-	25,944,754	28.0000%
<b>Louisiana School Employees Retirement System</b>						
	2019	170,598	170,598	-	609,280	28.0000%
	2018	208,749	208,749	-	720,993	28.9500%
	2017	194,606	194,606	-	633,946	30.7000%
	2016	225,812	225,812	-	668,202	33.7900%
	2015	218,330	218,330	-	661,606	33.0000%
<b>Louisiana State Employees Retirement System</b>						
	2019	-	-	-	-	0.0000%
	2018	-	-	-	-	0.0000%
	2017	-	-	-	-	0.0000%
	2016	-	-	-	-	0.0000%
	2015	23,189	23,189	-	62,673	37.0000%

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

**For reference only:**

<sup>1</sup> Employer contribution rate multiplied by employer's covered payroll.

<sup>2</sup> Actual employer contributions remitted to Retirement Systems.

<sup>3</sup> Employer's covered employee payroll amount for the year ended June 30 of each year.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

1. **Changes in Benefit Terms and Assumptions Related to Defined Pension Plans**

*Changes of Benefit Terms include:*

Following is a listing of changes in benefit terms, as applicable, for the three pension plans for the years presented.

Teachers Retirement System of Louisiana and Louisiana State Employees' Retirement System

2016 - Act 93 of the 2016 provides for a 1.5% permanent benefit increase on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16 for those retired on or before 6/30/15 who are at least the age of 60.

Louisiana School Employees Retirement System

2016 - Act 93 of the 2016 provides for an up to 2.0% COLA on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16.

Louisiana State Employees' Retirement System

2016 - The Harbor Police Retirement System transferred into LASERS in 2016 that resulted in a change in benefit terms.

*Changes of Assumptions:*

The following discount rate changes were made to the pension plan as identified in the following table:

Discount Rate:		
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
TRSL		
2018	7.650%	-0.050%
2017	7.700%	-0.050%
2016	7.750%	-
2015	7.750%	
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
LSERS		
2018	7.063%	-0.062%
2017	7.125%	-
2016	7.125%	0.125%
2015	7.000%	
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
LASERS		
2018	7.650%	-0.050%
2017	7.700%	-0.050%
2016	7.750%	-
2015	7.750%	

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

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

1. **Changes in Benefit Terms and Assumptions Related to Defined Pension Plans** (continued)

*Changes of Assumptions (continued):*

The following inflation rate changes were made to the pension plans identified in the following table:

Inflation Rate:		
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
TRSL		
2018	2.500%	-
2017	2.500%	-
2016	2.500%	-
2015	2.500%	
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
LSERS		
2018	2.500%	-0.125%
2017	2.625%	-
2016	2.625%	-0.125%
2015	2.750%	
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
LASERS		
2018	2.750%	-
2017	2.750%	-0.250%
2016	3.000%	-
2015	3.000%	

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

The following mortality table changes were made to the pension plans identified in the following table:

Mortality Table:

<u>Year(*)</u>	<u>Range</u>
TRSL	
2018	Active members – RP-2014 White Collar Employee tables, adjusted 1.010 for males and 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
2017	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

1. **Changes in Benefit Terms and Assumptions Related to Defined Pension Plans** (continued)

*Changes of Assumptions (continued):*

Mortality Table:

<u>Year(*)</u>	<u>Range</u>
LSERS	
2018	RP-2014 Healthy Annuitant, Sex Distinct Employee, Sex Distinct Disabled Tables
2017	RP-2000 Sex Distinct Mortality and Disabled Lives Mortality Tables

The following changes to projected salary increases were made to the pension plans identified in the following table:

Salary:	
<u>Year(*)</u>	<u>Range</u>
TRSL	
2018	3.30% to 4.80% for various member types
2017	3.50% to 10.00% for various member types
2016	3.50% to 10.00% for various member types
<u>Year(*)</u>	<u>Range</u>
LSERS	
2018	3.25%
2017	3.075% to 5.375%
2016	3.200% to 5.500%
<u>Year(*)</u>	<u>Range</u>
LASERS	
2018	2.80% to 14.30% for various member types
2017	2.80% to 14.30% for various member types
2016	3.00% to 14.50% for various member types

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

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

2. **Changes in Benefit Terms and Assumptions Related to the Other Post Employment Liability**

Benefit changes: There were no changes in benefit terms for the year ended June 30, 2019.

Changes in assumptions: The changes in assumptions balance was a result of changes in the discount rate and mortality table used. The following are the discount rates and mortality tables used in each measurement of total OPEB liability.

Discount Rate Assumption:

Measurement Date	Discount Rate
6/30/2019	3.50%
6/30/2018	3.87%
6/30/2017	3.58%

Mortality:

Measurement Date	Table Used
6/30/2019	RP-2014 modified according to TRSL experience study
6/30/2018	RP-2000 without projection, 50% unisex blend

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**NON-MAJOR FUND DESCRIPTIONS**

**TITLE I FUNDS**

The Title I fund accounts for the Title I grants. This is a program for economically and educationally deprived children which are federally financed, state-administered, and locally operated by the School Board. The Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

**TITLE II FUNDS**

This fund accounts for the federal grants which combine the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training, and recruiting high-quality teachers.

**SCHOOL LUNCH**

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

**SPECIAL EDUCATION FUNDS**

*Public Law 101-476* is a federally financed program providing free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.

*Public Law 89-313* is a federally financed program providing "per child" funding that follows the child as he leaves his facility and enters public schools or day developmental training programs.

**HEAD START**

The objectives of the Head Start Program are to provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children so that the children will attain overall social competence. Parents also participate in various decision-making processes related to the operation of the program.

**PRE-K STATE**

The objective of this program is to provide high quality early childhood educational experiences to four-year old children who are considered to be "at risk" of achieving later academic success.

**STRIVING READERS**

The purpose of this program is to improve the school readiness and success for disadvantaged youth, birth through grade 12, by advancing their literacy skills; to establish a comprehensive approach to literacy development based on Louisiana's Comprehensive Literacy Plan; and to address established LDOE priorities related to common core implementation, birth to 5 systems, and teacher effectiveness.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**NON-MAJOR FUND DESCRIPTIONS**

**TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) FUNDS**

The objective of this program is to provide high quality early childhood educational experiences to four-year old children who are considered to be "at risk" of achieving later academic success.

**DEBT SERVICE FUND**

This fund accumulates funds for the payment of the 2013 general obligation limited tax revenue bonds.

**OTHER FUNDS**

Other funds consist primarily of certain smaller programs funded through state grants and federal grants approved by the State Board of Elementary and Secondary Education and which are to be used for local initiatives. Also, included in other funds are funds containing contributions from the general public for specific education programs within the school district.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	Title I	Title II	School Lunch	Special Education
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ -	\$ -	\$ 484,883	\$ -
Receivables	362,709	94,960	34,974	723,822
Investments	-	-	-	-
Inventory	-	-	54,541	-
TOTAL ASSETS	\$ 362,709	\$ 94,960	\$ 574,398	\$ 723,822
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 8,503	\$ -
Salaries and benefits payable	114,005	-	188,453	47,909
Due to other funds	248,704	94,960	-	675,913
TOTAL LIABILITIES	362,709	94,960	196,956	723,822
Fund balances:				
Nonspendable	-	-	54,541	-
Spendable:				
Restricted	-	-	322,901	-
TOTAL FUND BALANCES	-	-	377,442	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 362,709	\$ 94,960	\$ 574,398	\$ 723,822

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>Head Start</u>	<u>Pre-K State</u>	<u>Striving Readers</u>	<u>TANF</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ -	\$ 178,488	\$ -	\$ -
Receivables	264,427	98,433	89,055	177,063
Investments	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 264,427</u>	<u>\$ 276,921</u>	<u>\$ 89,055</u>	<u>\$ 177,063</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	99,297	85,112	-	71,992
Due to other funds	165,130	32,292	89,055	105,071
TOTAL LIABILITIES	<u>264,427</u>	<u>117,404</u>	<u>89,055</u>	<u>177,063</u>
Fund balances:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	159,517	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>159,517</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 264,427</u>	<u>\$ 276,921</u>	<u>\$ 89,055</u>	<u>\$ 177,063</u>

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	Debt Service	Other Funds	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,206,392	\$ 64,412	\$ 2,934,175
Receivables	-	117,725	1,963,168
Investments	203,189	62,748	265,937
Inventory	-	-	54,541
TOTAL ASSETS	\$ 2,409,581	\$ 244,885	\$ 5,217,821
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 8,503
Salaries and benefits payable	-	13,625	620,393
Due to other funds	-	104,100	1,515,225
TOTAL LIABILITIES	-	117,725	2,144,121
Fund balances:			
Nonspendable	-	-	54,541
Spendable:			
Restricted	2,409,581	127,160	3,019,159
TOTAL FUND BALANCES	2,409,581	127,160	3,073,700
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,409,581	\$ 244,885	\$ 5,217,821

(concluded)

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Title I</u>	<u>Title II</u>	<u>School Lunch</u>	<u>Special Education</u>
<b><u>REVENUES</u></b>				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Food services - paid meals	-	-	169,828	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid, MFP	-	-	34,814	309,377
Restricted grants-in-aid	-	-	24,355	-
Federal grants	1,263,656	256,219	2,719,034	864,150
<b>TOTAL REVENUES</b>	<b>1,263,656</b>	<b>256,219</b>	<b>2,948,031</b>	<b>1,173,527</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Instruction:				
Regular education programs	-	995	-	-
Special education programs	-	-	-	615,846
Other education programs	1,069,159	240,243	-	4,577
Support:				
Pupil support services	-	-	-	227,621
Instructional staff services	145,895	5,126	2,136	211,390
General administration services	-	-	-	-
Student transportation	-	-	-	87,367
Food services	-	-	2,847,498	-
Facility Acquisition and Construction	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,215,054</b>	<b>246,364</b>	<b>2,849,634</b>	<b>1,146,801</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>48,602</b>	<b>9,855</b>	<b>98,397</b>	<b>26,726</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	178,000	-
Transfers out	(48,602)	(9,855)	(178,000)	(26,726)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(48,602)</b>	<b>(9,855)</b>	<b>-</b>	<b>(26,726)</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u></b>				
	-	-	98,397	-
Fund balances, June 30, 2018	-	-	279,045	-
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 377,442</b>	<b>\$ -</b>

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

	Head Start	Pre-K State	Striving Readers	TANF
<b><u>REVENUES</u></b>				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Food services - paid meals	-	-	-	-
Other	-	151,700	-	-
State sources:				
Unrestricted grants-in-aid, MFP	-	-	-	-
Restricted grants-in-aid	-	354,252	-	-
Federal grants	958,997	-	221,294	459,830
<b>TOTAL REVENUES</b>	<b>958,997</b>	<b>505,952</b>	<b>221,294</b>	<b>459,830</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Instruction:				
Regular education programs	-	-	137,869	35,481
Special education programs	-	-	-	-
Other education programs	669,961	478,015	68,326	366,002
Support:				
Pupil support services	-	-	-	-
Instructional staff services	91,776	-	6,597	42,026
General administration services	-	-	-	-
Student transportation	197,260	-	-	-
Food services	-	-	-	-
Facility Acquisition and Construction	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>958,997</b>	<b>478,015</b>	<b>212,792</b>	<b>443,509</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	27,937	8,502	16,321
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	(8,502)	(16,321)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(8,502)</b>	<b>(16,321)</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u></b>				
	-	27,937	-	-
Fund balances, June 30, 2018	-	131,580	-	-
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ -</b>	<b>\$ 159,517</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

	Debt Service	Other Funds	Total
<b><u>REVENUES</u></b>			
Local sources:			
Ad valorem taxes	\$ 7,172,394	\$ -	\$ 7,172,394
Earnings on investments	42,385	779	43,164
Food services - paid meals	-	-	169,828
Other	-	74,509	226,209
State sources:			
Unrestricted grants-in-aid, MFP	-	-	344,191
Restricted grants-in-aid	-	167,906	546,513
Federal grants	-	190,269	6,933,449
<b>TOTAL REVENUES</b>	<b>7,214,779</b>	<b>433,463</b>	<b>15,435,748</b>
<b><u>EXPENDITURES</u></b>			
Current:			
Instruction:			
Regular education programs	-	12,531	186,876
Special education programs	-	37,500	653,346
Other education programs	-	418,917	3,315,200
Support:			
Pupil support services	-	-	227,621
Instructional staff services	-	11,985	516,931
General administration services	-	9,901	9,901
Student transportation	-	-	284,627
Food services	-	-	2,847,498
Facility Acquisition and Construction	239,302	-	239,302
Debt service - Principal	2,720,000	-	2,720,000
Debt service - Interest	3,899,880	-	3,899,880
<b>TOTAL EXPENDITURES</b>	<b>6,859,182</b>	<b>490,834</b>	<b>14,901,182</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>355,597</b>	<b>(57,371)</b>	<b>534,566</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	412,376	23,369	613,745
Transfers out	(400,338)	(1,173)	(689,517)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>12,038</b>	<b>22,196</b>	<b>(75,772)</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u></b>			
	<b>367,635</b>	<b>(35,175)</b>	<b>458,794</b>
Fund balances, June 30, 2018	2,041,946	162,335	2,614,906
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 2,409,581</b>	<b>\$ 127,160</b>	<b>\$ 3,073,700</b>

(concluded)

WEST BATON ROUGE PARISH SCHOOL BOARD  
PORT ALLEN, LOUISIANA

SCHEDULE OF BOARD MEMBERS' COMPENSATION

FOR THE YEAR ENDED JUNE 30, 2019

Teri Bergeron	\$ 9,600
George A. Chustz, Jr.	9,600
Leon Goudeau	9,600
Ronald P. LeBlanc	9,600
Jason Manola	9,600
Michael Maranto	9,600
Rose A. Roche	4,800
Chareeka T. Grace	4,800
Craig Sarradet	9,600
Toby Sarradet	9,600
Dr. Atley D. Walker, Sr.	<u>9,600</u>
	<u>\$ 96,000</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS**  
**TO THE SUPERINTENDENT**

**FOR THE YEAR ENDED JUNE 30, 2019**

**Superintendent Name: Wesley S. Watts**

Salary, including incentive and bonus	\$ 140,400
Benefits-insurance	11,108
Benefits-retirement	40,157
Benefits-other	2,057
Car allowance	10,000
Cell phone	1,185
Dues	1,125
Per diem	76
Registration fees	<u>720</u>
	<u>\$ 206,828</u>

**INDEPENDENT AUDITORS' 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**

The Members of the  
West Baton Rouge Parish School Board  
Port Allen, 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 West Baton Rouge Parish School Board (the School Board), as of and for the year ended June 30, 2019, 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 31, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2019-001 and 2019-002.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

### **The School Board's Response to Findings**

The School Board's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's responses were 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 School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 31, 2019

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

The Members of the  
West Baton Rouge Parish School Board  
Port Allen, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited West Baton Rouge Parish School Board's (the 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, 2019. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.



## Report on Internal Control over Compliance

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

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 31, 2019

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grant Year</u>	<u>Grantor Project Number</u>	<u>CFDA Number</u>	<u>Expenditures 2019</u>
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>				
Pass-through program from Louisiana Department of Agriculture and Forestry:				
Food Distribution - Commodities	18-19	N/A	10.555	\$ 199,109
Pass-through program from Louisiana Department of Education:				
School Lunch Program	18-19	05-SFS-084	10.555	1,610,954
School Breakfast Program	18-19	05-SFS-084	10.553	660,918
Summer Feeding	18-19	05-SFS-084	10.559	34,974
Child Nutrition Cluster Total				\$ 2,505,955
Dinner Feeding	18-19	05-SFS-084	10.558	213,079
Total United States Department of Agriculture				<u>2,719,034</u>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>				
Passed through Louisiana Department of Education:				
Title I Grants to Local Educational Agencies-Part A Basic	18-19	28-19-T1-61-396	84.010A	1,263,656
Special Education Regular Project-Part B	18-19	28-19-B1-61-396	84.027A	675,946
High Cost Services	18-19	28-19-RH-61-396	84.027A	96,407
Believe and Prepare - IDEA	18-19	28-19-BPT6-61-396	84.027A	36,000
Positive Behavioral Support	18-19	N/A	84.027A	53,968
Special Education Preschool	18-19	28-19-P1-61-396	84.173A	14,162
Early Childhood Community Network Pilots - IDEA	18-19	28-18-CY-61-396	84.173A	4,760
Special Education Cluster (IDEA) Total				881,243
State Personnel Development Grant	17-18	28-18-P718-61-396	84.323A	18,907
Title IVA SSAE	18-19	28-19-71-61-396	84.424A	74,516
Carl Perkins Grant	18-19	28-19-02-61-396	84.048A	46,228
Title II Regular Project	18-19	28-19-50-61-396	84.367A	256,219
Direct Student Services	18-19	28-19-DSS-61-396	84.010A	14,771
Title III - Immigrant	18-19	28-19-60-61-396	84.365A	4,414
Striving Readers Comprehensive Literacy Program	18-19	28-18-SR(01-06)-61-396	84.371C	221,294
Jobs For America's Graduates	18-19	28-19-JSPT-61-396	84.126A	3,290
Total United States Department of Education				<u>2,784,538</u>
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Pass-through program from Louisiana Department of Education:				
Jobs For America's Graduates	18-19	28-19-JS-61-396	93.558	32,192
The Cecil J. Picard LA 4 Early Childhood Program TANF	18-19	28-19-36-61-396	93.558	424,348
Temporary Assistance for Needy Families Cluster Total				456,540
Early Childhood Community Network Pilots - Block Grant Lead Agencies	18-19	28-19-CO-61-396	93.575	14,340
CCDF (Child Care and Development Fund) Cluster Total				14,340
Direct grant:				
Administration for Children, Youth, and Families - Head Start	18-19	06CH7180-04-00	93.600	589,577
Administration for Children, Youth, and Families - Head Start	18-19	06CH7180-05-00	93.600	369,420
Head Start Total				958,997
Total United States Department of Health and Human Services				<u>1,429,877</u>
Total Expenditures of Federal Awards				<u>\$ 6,933,449</u>

See the accompanying notes to the schedule of expenditures of federal awards.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Baton Rouge Parish School Board and is presented on the modified accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. During the year ended June 30, 2019, the School Board received commodities valued at \$199,109. At June 30, 2019, the organization had food commodities totaling \$15,746 in inventory.

**NOTE C – DE MINIMUS COST RATE**

During the year ended June 30, 2019, the West Baton Rouge Parish School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

**NOTE D – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS**

During the year ended June 30, 2019, the West Baton Rouge Parish School Board did not pass through any federal funding to subrecipient.

**NOTE E – RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS**

Reconciliation of the Schedule of Expenditures of Federal Awards (SEFA) to the Financial Statements

Total Federal Revenues	\$ <u>6,933,449</u>
Total Federal Expenditures – SEFA	\$ <u>6,933,449</u>

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2019**

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_   x   yes    \_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_   x   yes    \_\_\_\_\_ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? \_\_\_\_\_ yes      x   no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
10.553, 10.555, 10.559	Child Nutrition Cluster

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.
- The West Baton Rouge Parish School Board did not qualify as a low-risk auditee.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2019**

**B. Findings – Financial Statement Audit**

**2019-001**

**Violation of State Budget Law**

Criteria: Louisiana Revised Statute 39:1310 requires governments to amend special revenue fund budgets when actual expenditures exceed budgeted amounts by 5% or more.

Condition: The 2007 Property Tax Fund's actual expenditures exceeded budgeted expenditures by 5.5% and the 2017 Property Tax Fund's actual expenditures exceeded budgeted expenditures by 5.3%.

Cause: The School Board did not amend the budget during the 2018-2019 fiscal period.

Effect: The School Board is non-compliant with the Louisiana Budget Law.

Recommendation: The School Board should amend the budget in accordance with the statute.

Repeat Finding: No.

View of Responsible Official:

*Management will continuously monitor the actual revenue and expenditures of funds throughout the year to comply with the State Budget Law.*

**2019-002**

**Capital Assets**

Criteria: A strong control environment should ensure that the School Board maintains accurate records of capital assets, which reflect assets acquired and disposed of and the cost of these items.

Condition: The capital assets records were not properly reconciled to the general ledger accounts.

Cause: The School Board did not initially include approximately \$4,275,000 of construction in progress purchases in the provided schedules.

Effect: There were significant revisions proposed to the capital assets records provided during the audit.

Recommendation: The process for recording capital assets should be enhanced to ensure that all capital assets are included in the records.

Repeat Finding: No.

View of Responsible Official:

*On a quarterly basis, the business manager will review the detailed general ledger of the capital outlay accounts to determine if the transactions need to be included in the capital assets records in the fiscal year.*

WEST BATON ROUGE PARISH SCHOOL BOARD  
PORT ALLEN, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

**C. Findings and Questioned Costs – Major Federal Award Programs**

None.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**B. Findings – Financial Statement Audit**

**2018-001**

**Public Bid Law**

Criteria: Louisiana Revised Statute RS 38.2212 requires if there is an extreme emergency and such emergency has been certified by the public entity, the Public Bid Law may be waived provided that notice was given to the public by publishing in the official journal within 10 days of declaring such public emergency or as soon as practicable thereafter.

Condition: The School Board made an emergency purchase of a school bus for special education students. However, management did not publish the declaration in the office journal when practicable, thus, violating the public bid law.

Cause: The School Board was not aware that the purchase was subject to the emergency provision of the public bid law.

Effect: The School Board is non-compliant with state public bid law.

Recommendation: The School Board should develop written policies and procedures to include public bid law compliance during an emergency declaration.

*View of Responsible Official and Planned Corrective Action:*

*School Board management will update its public bid law procedures to ensure compliance during and emergency declaration.*

Current Status: *The planned corrective action has been implemented as prescribed above. Thus, the finding is considered resolved.*

**2018-002**

**Continuing Disclosure Agreement**

Criteria: The School Board has ordinances authorizing the issuance of bonds and require that certain continuing disclosure agreements be followed.

Condition: The School Board did not comply with continuing disclosures related to the Series 2017 General Obligation Bonds which, as defined in the Continuing Disclosure Agreement, the School Board must submit its annual report to the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access Center (EMMA) no later than 8 months after the end of the issuer's fiscal year end.

Cause: The School Board was not fully aware of the requirements of the ordinances.

Effect: The School Board is non-compliant with continuing disclosure requirements as specified in the bond ordinances.

Recommendation: The School Board should fully comply with all continuing disclosure agreements set forth in the bond ordinances.

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**PORT ALLEN, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**B. Findings – Financial Statement Audit (continued)**

**2018-002**

**Continuing Disclosure Agreement** (continued)

View of Responsible Official and Planned Corrective Action:

*The School Board plans to address noncompliance associated with the bond ordinances immediately.*

Current Status:

*The planned corrective action has been implemented as prescribed above. Thus, the finding is considered resolved.*

**C. Findings and Questioned Costs – Major Federal Award Programs**

None.

**Independent Accountants' Report  
On Applying Agreed-Upon Procedures**

To the Members of the  
West Baton Rouge Parish School Board,  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the West Baton Rouge Parish School Board (the School Board) and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School Board for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

*Procedure #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

*No exceptions noted.*

Class Size Characteristics (Schedule 2)

Procedure # 2

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

*No exceptions noted.*

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

Procedure # 3

We obtained October 1<sup>st</sup> 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. We traced a sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the PEP data (or equivalent listing prepared by management).

*When testing the experience of the full-time teachers, assistant principals, and principals, two discrepancies (out of 25) existed between the schedule and the personnel files.*

Public School Staff Data: Average Salaries (NO SCHEDULE)

Procedure #4

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

*When testing the average salaries of classroom teachers and full-time equivalents, one discrepancy (out of 25) existed between the schedule and the personnel files.*

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board as required by Louisiana Revised Statute 24:514.I, 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.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana

December 31, 2019

**WEST BATON ROUGE PARISH SCHOOL BOARD**

**PORT ALLEN, LOUISIANA**

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

**As of and for the Year Ended June 30, 2019**

**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.

WEST BATON ROUGE PARISH SCHOOL BOARD  
PORT ALLEN, LOUISIANA

Schedule 1

General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2019

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	17,012,975	
Other Instructional Staff Activities		2,576,053	
Instructional Staff Employee Benefits		8,991,178	
Purchased Professional and Technical Services		294,739	
Instructional Materials and Supplies		1,000,533	
Instructional Equipment		-	
Total Teacher and Student Interaction Activities			\$ 29,875,478

Other Instructional Activities

\$ -

Pupil Support Activities

\$ 3,099,928

Less: Equipment for Pupil Support Activities

-

Net Pupil Support Activities

\$ 3,099,928

Instructional Staff Services

\$ 2,025,141

Less: Equipment for Instructional Staff Services

-

Net Instructional Staff Services

\$ 2,025,141

School Administration

\$ 3,352,666

Less: Equipment for Instructional Staff Services

(16,190)

Net School Administration

\$ 3,336,476

Total General Fund Instructional Expenditures

\$ 38,337,023

Total General Fund Equipment Expenditures

\$ 19,184

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$	1,874,215	
Renewable Ad Valorem Tax		16,650,200	
Debt Service Ad Valorem Tax		7,172,394	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		495,243	
Sales and Use Taxes		15,450,518	
Total Local Taxation Revenue			\$ 41,642,570

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$	216,389	
Earnings from Other Real Property		-	
Total Local Earnings on Investment in Real Property			\$ 216,389

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	54,054	
Revenue Sharing - Other Taxes		75,478	
Revenue Sharing - Excess Portion		-	
Other Revenue in Lieu of Taxes		-	
Total State Revenue in Lieu of Taxes			\$ 129,532

Nonpublic Textbook Revenue

\$ 10,932

Nonpublic Transportation Revenue

-

Total State Revenue for Non-public Education

\$ 10,932

**Class Size Characteristics  
 As of October 1, 2018**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number		Number	Percent	Number	Percent	Number
Elementary	66%	301	32%	145	2%	8	0%	1
Elementary Activity Classes	56%	34	41%	25	3%	2	0%	-
Middle/Jr. High	65%	217	22%	72	13%	44	0%	-
Middle/Jr. High Activity Classes	95%	88	5%	5	0%	-	0%	-
High	70%	331	25%	114	5%	25	0%	-
High Activity Classes	90%	129	2%	3	3%	4	5%	7
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

**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.

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**WEST BATON ROUGE PARISH SCHOOL BOARD**

**REPORT ON STATEWIDE**  
**AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL**  
**AREAS**

**FOR THE YEAR ENDED JUNE 30, 2019**

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Postlethwaite & Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the  
West Baton Rouge Parish School Board and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A, which were agreed to by West Baton Rouge Parish School Board (the School Board) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The School Board's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 31, 2019

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity" is indicated.

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

d) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*No exception noted.*

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

*No exception noted.*

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

*The Entity has written policies for Contracting; however, the policy does not specifically address (3) legal review, (4) approval process, and (5) monitoring process.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

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

*No exception noted.*

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

*No exception noted.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The Entity has written policies for Ethics; however, the policy does not specifically address (4) regarding the requirement that all employees, including elected officials, annual attest through signature verification that they have read the entity's ethics policy.*

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

*The Entity has written policies for Debt Service; however, the policy does not specifically address (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.*

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*The Entity has written policies for Disaster Recovery/ Business Continuity; however, the policy does not specifically address (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, and (5) timely application of all available system and software patches/updates.*

***Board or Finance Committee***

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2. 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:

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- 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.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

***Bank Reconciliations***

---

3. 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 listing of bank accounts was provided and included a total of 25 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations, resulting in 5 bank reconciliations obtained and subjected to the below procedures.*

- 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);

*Of the 5 bank reconciliations obtained, 3 did not have a date evidencing the date prepared.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

- 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

*Of the 5 bank reconciliations obtained, 3 did not have evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation.*

- 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.

*Of the 5 bank accounts selected, 2 bank reconciliations had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.*

**Collections**

---

4. 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).

*A listing of deposit sites was provided and included a total of 19 deposit sites. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 deposit sites and performed the procedures below.*

5. 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 listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 19 collection locations. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exception noted.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

- 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 exception 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.

*For 2 of the 5 locations selected for our procedures, the employee responsible for collecting cash posts collections entries to the general ledger and reconciles ledger postings to each other and the deposit. Another employee is not responsible for reconciling ledger postings to each other and to the deposit.*

- 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.

*For 2 of the 5 locations selected for our procedures, the employee responsible for collecting cash posts collections entries to the general ledger and reconciles ledger postings to each other and the deposit. Another employee is not responsible for verifying the reconciliation.*

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

*The Entity stated that all employees who have access to cash are bonded and/or covered under the Entity's insurance policy.*

7. 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). *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:

*We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.*

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

*For 4 of the 10 deposits selected for our procedures, a sequentially pre-numbered receipt was unable to be provided. For 2 of the 10 deposits, the receipt was not sequentially pre-numbered.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

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

*For 4 of the 10 deposits selected for our procedures, we were unable to perform the procedure as the sequentially pre-numbered receipt was unable to be provided.*

- 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).

*For 4 of the 10 transactions tested, no documentation could be obtained as to when the cash was collected. In addition, 2 of the transactions were deposited over 1 business day of receipt at the collection location.*

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

*No exception noted.*

**Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 locations and performed the procedures below.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*For 4 of the 5 locations selected for our procedures, fewer than two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*

- b) At least two employees are involved in processing and approving payments to vendors.

*For 4 of the 5 locations selected for our procedures, fewer than two employees are involved in processing and approving payments to vendors.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The Entity does not maintain a list of employees who have access to add/modify vendor files. As such, we were unable to perform this procedure.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*For 4 of the 5 locations selected for our procedures, the employee responsible for signing checks is not responsible for mailing the payment or giving the signed check to another employee to mail who is not responsible for processing payments.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

*A listing of non-payroll disbursements for each payment processing location selected in procedure #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exception noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exception noted.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

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

---

11. 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.

*A listing of cards was provided. No exceptions were noted as a result of performing this procedure.*

12. 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:

*From the one active credit card provided, we randomly selected one monthly statement and performed the procedures noted below.*

- 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.]

*P&N notes no documentation of review and approval of the credit card statement by someone other than the card holder.*

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

*There was a finance charge included on the credit card statement tested.*

13. 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).

*For 1 of the 10 transactions tested, no itemized receipt was included noting precisely what was purchased. For 3 of the 10 transactions tested, the expense was not supported by documentation of a business or public purpose.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

***Payroll and Personnel***

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

**WEST BATON ROUGE PARISH SCHOOL BOARD**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2019**

Schedule A

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

**WEST BATON ROUGE PARISH SCHOOL BOARD  
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS  
JUNE 30, 2018**

Schedule B

***Corrective Action***

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See Attached Corrective Action Plan



# West Baton Rouge Parish Schools

## CORRECTIVE ACTION PLAN STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES December 31, 2019

West Baton Rouge Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018 correct actions implemented.

Postlethwaite & Netterville, APAC  
8550 United Plaza Blvd.  
Suite 1001  
Baton Rouge, LA 70809

Period: July 1, 2018 to June 30, 2019

### Written Policies and Procedures

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

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

*The Entity has written policies for Contracting; however the policy does not specifically address (3) legal review, (4) approval process, and (5) monitoring process.*

**Planned Corrective Action:** The School Board will develop (3) legal review, (4) approval process, and (5) monitoring process into its written policies for Contracting.

i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The Entity has written policies for Ethics; however, the policy does not specifically address attribute (4) regarding the requirement that all employees, including elected officials, annual attest through signature verification that they have read the entity's ethics policy.*

**Planned Corrective Action:** The School Boards will develop written policies for Ethics to be compliant with Louisiana Law.

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

*The Entity has written policies for Debt Service; however, the policy does not specifically address (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.*

**Planned Corrective Action:** The School Board will develop (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements into its written policies for Debt Service.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*The Entity has written policies for Disaster Recovery/Business Continuity; however, the policy does not specifically address (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, and (5) timely application of all available system and software patches/updates.*

**Planned Corrective Action:** The School Board will develop (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, and (5) timely application of all available system and software patches/updates into its written policies for Disaster Recovery/Business Continuity.

### **Bank Reconciliations**

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3. 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);

*Of the 5 bank reconciliations obtained, 3 did not have a date evidencing the date prepared.*

**Planned Corrective Action:** The School Board's Policies will be modified to ensure evidence of review is properly documented.

- 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

*Of the 5 bank reconciliations obtained, 3 did not have evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation.*

**Planned Corrective Action:** The School Board's Policies will be modified to ensure evidence of review is properly documented.

- c) Managements 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.

*Of the 5 bank accounts selected, 2 bank reconciliations had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.*

**Planned Corrective Action: The School Board's Policies will be modified to ensure that reconciling items over 12 months old will be reviewed and properly documented.**

### **Collections**

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5. 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:
- 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.

*For 2 of the 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit. Another employee is not responsible for reconciling ledger postings to each other and to the deposits.*

**Planned Corrective Action: The School Board will reiterate to employees that cash should not be collected by the same person who is responsible for recording the truncation and depositing the cash. Exceptions may be made for school closures where only one or two staff may be present at the time of collection.**

7. 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). *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.

*For 4 of the 10 deposits selected for our procedures, a sequentially pre-numbered receipt was unable to be provided. For 2 of the 10 deposits, the receipt was not sequentially pre-numbered.*

**Planned Corrective Action: The School Board will examine the practice of establishing receipts that are sequentially pre-numbered.**

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

*For 4 of the 10 deposits selected for our procedures, we were unable to perform the procedure as the sequentially pre-numbered receipt was unable to be provided.*

**Planned Corrective Action: The School Board will examine the practice of establishing receipts that are sequentially pre-numbered.**

- 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).

*For 4 of the 10 transactions tested, no documentation could be obtained as to when the cash was collected. In addition, 2 of the transactions were deposited over 1 business day of receipt at the collection location.*

**Planned Corrective Action:** The School Board will update its policies and procedures to ensure documentation is maintained as to when cash was collected and deposited.

**Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

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9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*For 4 of the 5 locations selected for our procedures, fewer than two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*

**Planned Corrective Action:** The School Board will update its policies and procedures to ensure at least two people are involved with the purchasing process.

- b) At least two employees are involved in processing and approving payments to vendors.

*For 4 of the 5 locations selected for our procedures, fewer than two employees are involved in processing and approving payments to vendors.*

**Planned Corrective Action:** The School Board will update its policies and procedures to ensure at least two people are involved with the purchasing process.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The Entity does not maintain a list of employees who have access to add/modify vendor files. As such, we were unable to perform this procedure.*

**Planned Corrective Action:** The School Board will correct this policy as the Business Manager is responsible for periodic review of vendor files.

- d) Either the employee/official responsible for signing checks mails payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*For 4 of the 5 locations selected for our procedures, the employee responsible for signing checks is not responsible for mailing the payment or giving the signed check to another employee to mail who is not responsible for processing payments*

**Planned Corrective Action:** The School Board will correct this policy and have another individual, who does not sign checks or is not responsible for processing payments, mail the checks to vendors.

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

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12. 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.]]

*P&N notes no documentation of review and approval of the credit card statement by someone other than the card holder.*

**Planned Corrective Action:** The School Board will establish a procedure where someone other than the card holder reviews the credit card statement on a monthly basis.

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

*There was a finance charge included on the credit card statement tested.*

**Planned Corrective Action:** The School Board will establish procedures to ensure that credit card payments are paid timely and in full to avoid finance charges.

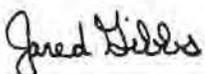
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject 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).

*For 1 of the 10 transactions tested, no itemized receipt was included noting precisely what was purchased. For 3 of the 10 transactions tested, the expense was not supported by documentation of a business or public purpose.*

**Planned Corrective Action:** The School Board will communicate the requirement of documentation of business/public purpose on all transactions.

If there are questions regarding this plan, please call Jared Gibbs at (225) 343-8309.

Sincerely,



Jared Gibbs,  
Supervisor of Business Services

WEST BATON ROUGE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2019



Postlethwaite & Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

WEST BATON ROUGE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2019

December 31, 2019

Members of the Board and Management  
West Baton Rouge Parish School Board  
Port Allen, Louisiana

In planning and performing our audit of the financial statements of the West Baton Rouge Parish School Board (School Board) for the year ended June 30, 2019, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

However, during our audit, we became aware of the following matters that are opportunities for improving financial reporting, refining policies and procedures and enhancing compliance with laws and regulations. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 31, 2019, on the financial statements of the School Board.

**2019-1**

**Enhancement of Policies and Procedures**

**Condition:** During the performance of our statewide agreed-upon procedures engagement, we reviewed several control and compliance areas including those pertaining to maintenance of written policies and procedures. Certain of these areas were identified as having opportunities for improvement.

**Recommendation:** While the School Board maintains written policies and procedures over most transactions and significant areas, it was noted that these written policies and procedures could be strengthened to reflect certain best practices as recommended by the legislative auditor, particularly those regarding contracting, ethics, debt service, and disaster recovery/business continuity.

*Management's  
Response:*

*The School Board's policies will be modified to address the recommendation above.*

**2019-2**

**Documentation of Process Reviews**

**Condition:** School Board Management has communicated to us that there are controls in place for the review of certain federal program reports and journal entries. We corroborated that the controls were in place during our audit procedures. However, we noted that these reviews are not evidenced by the signing or initialing the documents or utilizing any form of documentation of review.

**Recommendation:** We recommend that the review of federal program reports and journal entries be evidenced on the documents themselves or the use of an end of month/quarter checklist indicating the date of the review and the person that performed the review.

2019-2                      Documentation of Process Reviews (continued)

*Management's Response:*                      *We concur with the recommendation above.*

2019-3                      Fund Balance

Condition:                      During the preparation of the financial statements, it was noted that the General Fund's fund balance was less than 10% of total expenditures.

Recommendation:                      While the School Board strives to maintain healthy fund balances, total expenditures for the general fund exceeded 10% of fund balance. As a best practice, the school board should maintain a fund balance of greater than 10% of total expenditures.

*Management's Response:*                      *We concur with the recommendation above.*

2019-4                      Timely Filing of Grant Reimbursement Requests

Condition:                      During the performance of our accounts receivable and single auditing testing procedures, we reviewed several subsequent receipts and reimbursement requests that were not timely submitted.

Recommendation:                      The School Board should be more proactive in filing for reimbursement of expenses relating to federal and state grants.

*Management's Response:*                      *We concur with the recommendation above.*

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the School Board staff for their cooperation with us during the performance of the audit.

This letter is intended solely for the information and use of the West Baton Rouge Parish School Board, management of the West Baton Rouge Parish School Board, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Postlethwaite & Netterville*

**STATUS OF PRIOR YEAR REPORT TO MANAGEMENT**

**2018-1**

**Enhancement of Policies and Procedures**

Condition: During the performance of our statewide agreed-upon procedures engagement, we reviewed several control and compliance areas including those pertaining to maintenance of written policies and procedures. Certain of these areas were identified as having opportunities for improvement.

Recommendation: While the School Board maintains written policies and procedures over most transactions and significant areas, it was noted that these written policies and procedures could be strengthened to reflect certain best practices as recommended by the legislative auditor, particularly those regarding purchasing, contracting, ethics, and debt service.

Management's Response: *The School Board's policies will be modified to address the recommendation above.*

Current status: *This matter was noted during the current year audit. Therefore, the matter is included in the current year management letter as 2019-1.*

**2018-2**

**Documentation of Process Reviews**

Condition: School Board Management has communicated to us that there are controls in place for the review of certain federal program reports and journal entries. We corroborated that the controls were in place during our audit procedures. However, we noted that these reviews are not evidenced by the signing or initialing the documents or utilizing any form of documentation of review.

Recommendation: We recommend that the review of federal program reports and journal entries be evidenced on the documents themselves or the use of an end of month/quarter checklist indicating the date of the review and the person that performed the review.

Management's Response: *We concur with the recommendation above.*

Current status: *This matter was noted during the current year audit. Therefore, the matter is included in the current year management letter as 2019-2.*