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A Professional Accounting Corporation

Legislative Auditor
Baton Rouge, LA

151

Re: Revised Report

After our submission of the June 30, 2017 audit report for West Feliciana Parish School Board (#2676), we noted that Note 18 Prior Period Adjustment did not agree to page 19 of the financial statements. Note 18 Prior Period Adjustment has been corrected and agrees to page 19 of the financial statements. Please accept this revised reporting package.

Thanks you for your consideration in this matter.

Rodney D. Combs, CPA
Director
Postlethwaite & Netterville

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

Release Date APR 04 2018

REISSUE

WEST FELICIANA PARISH SCHOOL BOARD

ST. FRANCISVILLE, LOUISIANA

JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

TABLE OF CONTENTS

Independent Auditors' Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION – Part I

Management's Discussion and Analysis	4-13
--------------------------------------	------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements (GWFS)

Statement of Net Position	14
---------------------------	----

Statement of Activities	15
-------------------------	----

Fund Financial Statements (FFS)

Governmental Funds:

Balance Sheet	16
---------------	----

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
--	----

Statement of Revenues, Expenditures, and Changes in Fund Balances	18-19
---	-------

Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance to Statement of Activities	20
---	----

Proprietary Funds – Group Insurance Internal Service Fund

Statement of Net Position	21
---------------------------	----

Statement of Revenues, Expenses, and Changes in Net Position	22
--	----

Statement of Cash Flows	23
-------------------------	----

<u>Fiduciary Funds:</u> Statement of Fiduciary Net Position	24
---	----

Notes to the Financial Statements	25-57
-----------------------------------	-------

REQUIRED SUPPLEMENTARY INFORMATION – Part II

Major Fund Descriptions	58
-------------------------	----

Budgetary Comparison Schedules:

General Fund	59
--------------	----

Other Post-Employment Benefits Plan Retiree Health, Dental, and Life Insurance Programs Schedule of Funding Progress and Schedule of Employer Contributions	60
--	----

TABLE OF CONTENTS (continued)

REQUIRED SUPPLEMENTARY INFORMATION – Part II (continued)

Schedule of School Board's Proportionate Share of the Net Pension Liability for the Retirement Systems	61
Schedule of Employer Contributions to the Retirement Systems	62
Notes to Required Supplementary Information	63
Other Supplemental Information:	
Non-major Governmental Funds:	
Non-major Governmental Fund Descriptions	64-66
Combining Balance Sheet	67-70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	71-74
Schedule of Board Members' Compensation	75
Schedule of Compensation, Benefits, and Other Payments to the Superintendent	76
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 <i>Government Auditing Standards</i>	77-78
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	79-81
Schedule of Expenditures of Federal Awards and Accompanying Notes	82-83
Schedule of Findings and Questioned Costs	84-89
Summary Schedule of Prior Audit Findings	90-91
Performance and Statistical Data:	
Independent Accountants' Report on Applying Agreed-Upon Procedures	92-96
Description of Schedules	97-98
Prescribed Schedules	99-109

INDEPENDENT AUDITORS' REPORT

The Members of the
West Feliciana Parish School Board
St. Francisville, 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 Feliciana Parish School Board (the School Board) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity 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 information, the schedules of funding progress and employer contributions for other post-employment benefit plans, the schedule of the school board's proportionate share of the net pension liability for the retirement systems, the schedule of employer contributions to the retirement systems and the notes to required supplementary information presented on pages 4 through 13, pages 59, page 60, page 61, page 62, and page 63, 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 64 through 74, page 75, and page 76, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 82 through 83 is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining 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 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 section on pages 92 through 109 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 29, 2017

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

Our discussion and analysis of the financial performance of the West Feliciana Parish School Board (the School Board) provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2017. Please read this discussion and analysis in conjunction with the School Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis. 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).

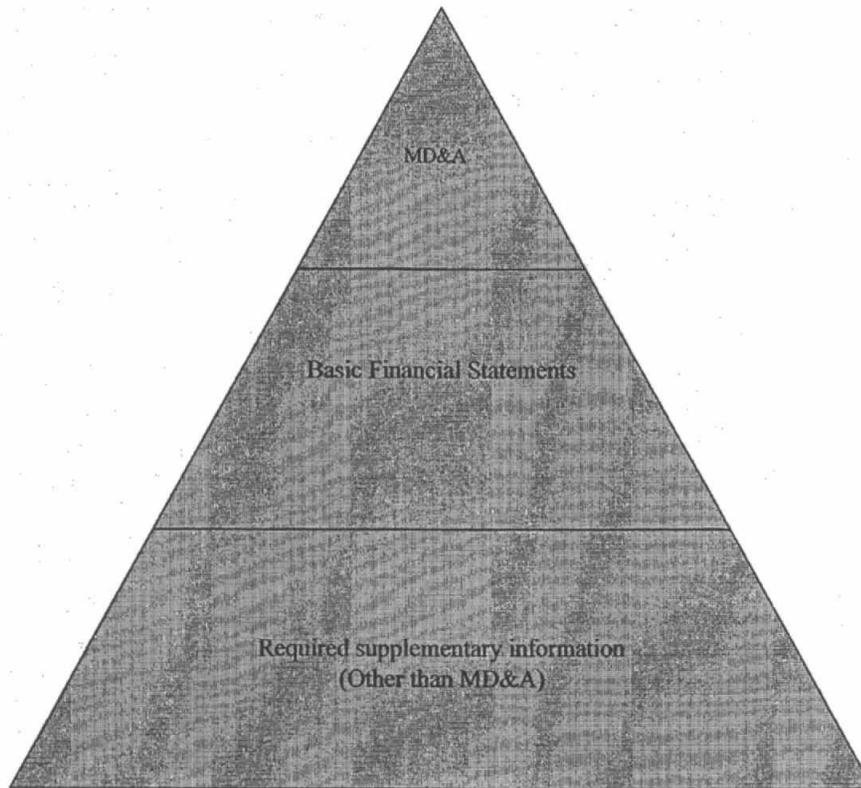
Financial Highlights

- The School Board's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$22,567,056 at the close of the fiscal year 2017. Of this net position deficit amount, there is a \$37,775,956 unrestricted net deficit predominantly due to the recording of the unfunded net post-employment benefit obligation of \$8,595,875 and a net pension liability of \$38,962,530.
- The School Board's total net position decreased by \$463,074 during the current fiscal year. This decrease was predominantly due to the School Board increasing staff levels by hiring new instructional and non-instructional personnel.
- As of the close of the current fiscal year, the School Board's governmental funds reported combined ending fund balances of \$7,169,413, a decrease of \$80,417 in comparison with the prior year. Of this fund balance, \$6,867,843 is available for spending at the School Board's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the School Board's general fund was \$6,883,354 or 25.4% of total general fund expenditures.
- The School Board's total bonded debt decreased by \$484,000 during the current fiscal year due to scheduled principal payments. The School Board has fully paid off the bond as of June 30, 2017.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School Board's financial statements. The School Board's financial statements comprise three components: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information. The following graphics illustrates the minimum requirements for Special Purpose Governments:

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**



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 a 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 between the items 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 or related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 14-15 of this report.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported 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 financing 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

Proprietary funds. Proprietary funds are used to account for health insurance service costs of the School Board in an internal service fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the School Board cannot use these funds to finance its operations.

The School Board uses agency funds to account for resources held for student activities and groups and sales tax collections for other taxing authorities. The basic fiduciary fund financial statement can be found on page 24 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 to 57 of this report.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School Board, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$22,567,056 at the close of the most recent fiscal year, and thus caused a deficit net position. The comparative statements below show the composition of June 30, 2017 and 2016:

**Statements of Net Position
as of June 30, 2017 and 2016**

	2017	2016 (as restated)
Assets		
Cash and cash equivalents	\$ 973,201	\$ 1,562,070
Certificate of deposit	100,000	100,000
Investments	7,910,642	7,392,855
Receivables	377,467	422,688
Inventory	25,049	26,253
Land, building, and equipment, net	15,039,825	15,938,075
Total assets	24,426,184	25,441,941
Deferred outflows of resources - pension related	7,386,611	4,658,399
Liabilities		
Accounts payable and accrued expenses	2,387,498	2,262,411
Unearned revenues	12,196	72,933
Interest payable	-	3,049
Long-term liabilities		
Due within one year	973,349	1,552,146
Due in more than one year	160,363	257,446
Net post-employment benefit obligation	8,595,875	7,846,125
Net pension liability	38,962,530	37,841,809
Total liabilities	51,091,811	49,835,919
Deferred inflows of resources - pension related	3,288,040	2,368,403
Net position:		
Net investment in capital assets	14,932,379	15,282,359
Restricted for debt service	-	61,048
Restricted for capital projects	276,521	263,201
Restricted for state and federal grant programs	-	99,566
Unrestricted (deficit)	(37,775,956)	(37,810,156)
Total net position	\$ (22,567,056)	\$ (22,103,982)

Net position as of June 30, 2016 has been restated to reflect the recording of fixed assets and the accompanying capital lease and an adjustment for the recording of prior period expenses.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

Government-wide Financial Analysis (continued)

- The largest portion of the School Board's net position reflects its investment in capital assets (e.g. land, buildings, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the School Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Unrestricted net position* contains a deficit of \$37,775,956 of total net position, which is predominantly due to the net pension liability of \$38,962,530 and the net other post-employment benefits obligation of \$8,595,875 exceeding assets available to service those liabilities.
- Restrictions on net position of \$276,521 are to be used for capital improvements to the Julius Freyhan building and other major capital assets.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

The School Board's net position *decreased* by \$463,074 during the current fiscal year. The following discussion and analysis on governmental activities focuses on this:

**Changes in Net Position
for the years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Program revenues		
Charges for services	\$ 183,049	\$ 191,040
Operating grants	3,595,163	4,163,766
General revenues		
Property taxes	9,863,173	9,861,848
Sales and use taxes	7,548,417	6,196,185
Earnings on Investments	54,239	22,718
MFP	9,493,197	9,904,849
Other	304,703	308,400
Total	<u>31,041,941</u>	<u>30,648,806</u>
Expenses		
Regular education	9,960,845	9,577,998
Special education	3,056,855	2,676,695
Other education	2,688,958	2,566,751
Pupil support	1,373,590	1,281,354
Instructional staff	2,183,710	1,652,251
General administrative	767,662	860,868
School administrative	1,894,921	1,782,755
Business services	705,884	86,119
Plant operations and maintenance	4,083,712	3,733,773
Transportation	1,952,790	1,688,660
Technical support and central services	1,544,699	1,594,235
Food service	1,215,408	1,212,960
Community service programs	15,880	22,644
Charter school appropriations	51,706	65,394
Interest and bank charges (debt service)	8,395	15,720
	<u>31,505,015</u>	<u>28,818,177</u>
Change in net position	<u>\$ (463,074)</u>	<u>\$ 1,830,629</u>

The key elements of the *decrease* of the School Board's net position for the year ended June 30, 2017 are as follows:

- Overall revenues increased approximately \$390,000 and expenses increased approximately \$2,687,000. Revenues increased predominantly due the increase in sales tax of roughly \$1,352,000. Expenses increased primarily due to the School Board increasing staff levels by hiring new instructional and non-instructional personnel.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

- Local revenues consisting of sales and property taxes are approximately 56% of total revenue. Property taxes have remained relatively constant from the prior year with a slight increase of approximately \$1,300 or less than 1%. Sales tax revenues have increased approximately \$1,352,000 or 21.8% as a result of the increase in business activity in the local parish economy.
- Operating grant revenue, which accounts for approximately 11.6% of total revenues, decreased by approximately \$569,000 predominantly due to the Striving Readers Comprehensive Literacy Program ending in the second quarter of the 2017 fiscal period.
- Minimum Foundation Program (MFP) revenue decreased by approximately \$412,000 or 4.2% in comparison to fiscal year 2016 as there was an adjustment in the School Board's provided MFP funding.
- Total expenses have increased by approximately \$2,687,000 or 9.3% 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 was hired for continued implementation of educational initiatives.

Financial Analysis of the School Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the School Board completed the year, its governmental funds reported a combined fund balance of \$7,169,413 and unassigned fund balance of \$6,867,843.

- 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 sheet 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 majority of the School Board's financial activity occurs in the general fund. The fund balance at June 30, 2017, is \$6,883,354. 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.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

Variations Between Original and Final Budgets

Budget amendments were adopted during the year ended June 30, 2017 for the General Fund to better reflect actual operations as they evolved through the fiscal year. The General Fund amendments were a result of anticipated variance in revenues compared to originally budgeted amounts and increases to expenditures. The General Fund, with actual revenues of \$26,976,574, operated within the available resources as planned through respective budgets.

Capital Asset and Debt Administration

Capital assets. The School Board's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$15,039,825 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total decrease in the School Board's capital assets was approximately \$898,000 or 5.6%.

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Land	\$ 299,441	\$ 299,441
Buildings and improvements	13,713,749	14,452,265
Equipment and fixtures	991,204	1,142,090
Food services	<u>35,431</u>	<u>44,279</u>
Total capital assets	<u>\$ 15,039,825</u>	<u>\$ 15,938,075</u>

Depreciation in the amount of \$1,143,564 was recorded for the year ended June 30, 2017.

Additional information on the School Board's capital assets can be found in Note 5 to the basic financial statements.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

Long-term liabilities. At the end of the current fiscal year, the School Board did not have bonded debt outstanding as the bond was paid off in the fiscal period. The School Board incurred additional long-term liabilities of \$749,750 during the year ended June 30, 2017 related to the Net Post-Employment Benefit Obligation. Also, a liability for claims and judgments decreased by \$30,000, while compensated absences experienced a net decrease of \$97,600. Finally, the net pension liability increased by \$1,120,721, which is actuarially calculated. The overall net increase in long-term liabilities during the year was \$1,194,591.

The School Board's long-term liabilities consists of net other post-employment benefit obligation, compensated absences, capital leases, claims and judgments, and the net pension liability (See table below.)

	Long-Term Liabilities at June 30,	
	2017	2016
General obligation bonds	\$ -	\$ 484,000
Net other post-employment benefit obligation	8,595,875	7,846,125
Compensated absences	906,266	1,003,866
Capital lease	107,446	171,726
Claims and judgments	120,000	150,000
Net pension liability	38,962,530	37,841,809
	\$ 48,692,117	\$ 47,497,526

Additional information on the School Board's long-term liabilities can be found in Note 6 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 34% of the School Board's budgeted revenues are derived from ad valorem taxes. The School Board is expecting a decrease in assessment values in the 2017-2018 period.

Sales and use tax revenues are the second largest source of local revenue for the School Board and budgeted for approximately 25% of total revenues. The School Board is expecting a slight decrease in such revenues in the 2017-2018 period.

MFP funding, approximately 36% of revenue, approved in the Legislative session, is expected to be consistent with the prior year.

The budgeted amounts for salaries within the regular education and special education budget have increased due to level increases for all applicable employees. Also, benefits have increased due to increased employer rate for Teacher's Retirement. The adopted budget for the 2017-2018 fiscal period is balanced in the General fund.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017**

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the School Board's finances and to demonstrate the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Board Office, Misty Cook, Business Manager, West Feliciana Parish School Board, P.O. Box 1910, St. Francisville, LA 70775.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 973,201
Certificate of deposit	100,000
Investments	7,910,642
Receivables	377,467
Inventory	25,049
Capital assets, net	<u>15,039,825</u>
TOTAL ASSETS	<u>24,426,184</u>

DEFERRED OUTFLOWS OF RESOURCES - PENSION RELATED

7,386,611

LIABILITIES

Accounts payable and accrued expenses	2,387,498
Unearned revenues	12,196
Long-term liabilities	
Due within one year	
Compensated absences payable	906,266
Capital lease	67,083
Due in more than one year	
Capital lease	40,363
Claims and judgments	120,000
Net post-employment benefit obligation	8,595,875
Net pension liability	<u>38,962,530</u>
TOTAL LIABILITIES	<u>51,091,811</u>

DEFERRED INFLOWS OF RESOURCES - PENSION RELATED

3,288,040

NET POSITION

Net investment in capital assets	14,932,379
Restricted for:	
Capital projects	276,521
Unrestricted (Deficit)	<u>(37,775,956)</u>
TOTAL NET POSITION	<u>\$ (22,567,056)</u>

The accompanying notes are an integral part of these statements.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF ACTIVITIES
JUNE 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Position</u>
Instruction:				
Regular education programs	\$ 9,960,845	\$ -	\$ 890,710	\$ (9,070,135)
Special education programs	3,056,855	-	271,036	(2,785,819)
Other education programs	2,688,958	-	241,136	(2,447,822)
Support Services:				
Pupil support services	1,373,590	-	123,182	(1,250,408)
Instructional staff services	2,183,710	-	195,826	(1,987,884)
General administration services	767,662	-	82,351	(685,311)
School administration services	1,894,921	-	169,937	(1,724,984)
Business services	705,884	-	60,983	(644,901)
Plant operation and maintenance	4,083,712	-	366,508	(3,717,204)
Transportation	1,952,790	-	175,109	(1,777,681)
Technical support and central services	1,544,699	-	140,818	(1,403,881)
Non-Instructional Services:				
Food service	1,215,408	183,049	876,137	(156,222)
Community service programs	15,880	-	1,430	(14,450)
Appropriations - charter schools and OJJ	51,706	-	-	(51,706)
Debt Service:				
Interest and bank charges	8,395	-	-	(8,395)
Total Governmental Activities	\$ 31,505,015	\$ 183,049	\$ 3,595,163	\$ (27,726,803)
Local sources				
Taxes:				
Ad valorem				9,863,173
Sales and use taxes				7,548,417
Earnings on investments				54,239
Other				304,703
State sources:				
Minimum foundation program (MFP)				9,493,197
				<u>27,263,729</u>
				Total general revenues
				Change in Net Position (463,074)
				Net Position - July 1, 2016 (as restated) (22,103,982)
				Net Position - June 30, 2017 <u>\$ (22,567,056)</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

	<u>General</u>	<u>Other Non-Major</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	647,323	\$ 312,895	\$ 960,218
Certificate of deposit	100,000	-	100,000
Investments	7,910,642	-	7,910,642
Receivables	55,423	322,044	377,467
Due from other funds	194,146	134,090	328,236
Inventory	-	25,049	25,049
	<u>\$ 8,907,534</u>	<u>\$ 794,078</u>	<u>\$ 9,701,612</u>
TOTAL ASSETS			
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,008,507	\$ 183,260	\$ 2,191,767
Unearned revenues	-	12,196	12,196
Due to other funds	15,673	312,563	328,236
	<u>2,024,180</u>	<u>508,019</u>	<u>2,532,199</u>
TOTAL LIABILITIES			
Fund balances:			
Nonspendable	-	25,049	25,049
Spendable			
Restricted for:			
Capital projects	-	276,521	276,521
Unassigned (deficit)	6,883,354	(15,511)	6,867,843
	<u>6,883,354</u>	<u>286,059</u>	<u>7,169,413</u>
TOTAL FUND BALANCES			
TOTAL LIABILITIES AND FUND BALANCES			
	<u>\$ 8,907,534</u>	<u>\$ 794,078</u>	<u>\$ 9,701,612</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total Fund Balances - Governmental Funds		\$	7,169,413
Cost of capital assets at June 30, 2017	\$	40,887,202	
Less: Accumulated depreciation as of June 30, 2017:			
Buildings		(21,682,533)	
Movable property		<u>(4,164,844)</u>	15,039,825
Consolidation of internal service fund			(182,748)
Long-term liabilities at June 30, 2017:			
Capital lease payable		(107,446)	
Claims and judgments		(120,000)	
Compensated absences payable		(906,266)	
Net post-employment benefit obligation		<u>(8,595,875)</u>	(9,729,587)
Net pension obligation balances in accordance with GASB 68			
Deferred outflow of resources - deferred pension contributions		4,179,359	
Deferred outflow of resources - related to net pension liability		3,207,252	
Net pension liability		(38,962,530)	
Deferred inflow of resources - related to net pension liability	\$	<u>(3,288,040)</u>	<u>(34,863,959)</u>
Total net position at June 30, 2017 - Governmental Activities		\$	<u><u>(22,567,056)</u></u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Other Non-Major</u>	<u>Total</u>
<u>REVENUES</u>			
Local sources:			
Taxes:			
Ad valorem taxes	\$ 9,317,107	\$ 546,066	\$ 9,863,173
Sales and use taxes	7,548,417	-	7,548,417
Rentals, leases, and royalties	34,102	-	34,102
Food Sales	-	183,049	183,049
Earnings on investments	54,029	196	54,225
Other	208,002	62,599	270,601
State sources:			
Minimum foundation program (MFP)	9,409,229	83,968	9,493,197
Restricted grants-in-aid	93,022	168,498	261,520
Other	242,094	10,051	252,145
Federal sources:			
Restricted grants-in-aid - direct	66,703	913,837	980,540
Restricted grants-in-aid - subgrants	3,869	2,024,560	2,028,429
Commodities - United States Department of Agriculture	-	72,529	72,529
TOTAL REVENUES	<u>26,976,574</u>	<u>4,065,353</u>	<u>31,041,927</u>
<u>EXPENDITURES</u>			
Current:			
Instruction:			
Regular education programs	9,184,942	370,963	9,555,905
Special education programs	2,789,108	352,443	3,141,551
Other education programs	1,776,185	891,027	2,667,212
Support services:			
Pupil support services	1,294,081	61,210	1,355,291
Instructional staff services	1,603,060	565,520	2,168,580
General administration services	793,399	-	793,399
School administration services	1,865,602	-	1,865,602
Business services	644,419	30,614	675,033
Plant operation and maintenance	3,457,280	3,025	3,460,305
Transportation	1,916,889	15,768	1,932,657
Technical support and central services	1,562,892	-	1,562,892
Non-Instructional services:			
Food service	44,494	1,170,092	1,214,586
Community service programs	15,880	-	15,880
Appropriations - charter schools and OJJ	51,706	-	51,706
Debt service:			
Principal retirement	64,280	484,000	548,280
Interest and bank charges	2,804	8,640	11,444
TOTAL EXPENDITURES	<u>27,067,021</u>	<u>3,953,302</u>	<u>31,020,323</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (90,447)</u>	<u>\$ 112,051</u>	<u>\$ 21,604</u>

(continued)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	General	Other Non-Major	Total
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	\$ 370,277	\$ 273,676	\$ 643,953
Operating transfers out	(312,517)	(433,457)	(745,974)
TOTAL OTHER FINANCING SOURCES (USES)	57,760	(159,781)	(102,021)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES EXPENDITURES AND OTHER USES</u>	(32,687)	(47,730)	(80,417)
Fund balances, June 30, 2016, as restated	6,916,041	333,789	7,249,830
FUND BALANCES, JUNE 30, 2017	\$ 6,883,354	\$ 286,059	\$ 7,169,413

(concluded)

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Total Net Changes in Fund Balance - Governmental Funds		\$	(80,417)
Capital Assets:			
Capital outlay capitalized	\$	245,314	
Depreciation expense for year ended June 30, 2017		<u>(1,143,564)</u>	(898,250)
Net loss of internal service fund consolidated with governmental activities			(101,440)
Change in accrued interest on long-term debt			3,049
Long Term Liabilities:			
Principal portion of debt service payments		484,000	
Decrease in claims and judgments liability		30,000	
Decrease in capital lease payable		64,280	
Decrease of compensated absences earned over amounts used		97,600	
Increase of OPEB Liability		<u>(749,750)</u>	(73,870)
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68			<u>687,854</u>
Change in Net Position - Governmental Activities		\$	<u><u>(463,074)</u></u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF NET POSITION - PROPRIETARY FUND TYPE -
GROUP INSURANCE INTERNAL SERVICE FUND
JUNE 30, 2017

ASSETS

Cash	<u>\$ 12,983</u>
TOTAL ASSETS	<u><u>\$ 12,983</u></u>

LIABILITIES

Liabilities	
Current:	
Claims payable	<u>\$ 195,731</u>
TOTAL LIABILITIES	<u>195,731</u>
Net Position (Deficit)	<u>(182,748)</u>
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	<u><u>\$ 12,983</u></u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - GROUP INSURANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

OPERATING REVENUES

Insurance premiums received	\$ 4,260,045
Total operating revenues	<u>4,260,045</u>

OPERATING EXPENSES

Premiums paid	4,256,504
Claims expense	<u>207,016</u>
Total operating expenses	<u>4,463,520</u>

OPERATING LOSS

(203,475)

NON-OPERATING REVENUES

Interest earnings	14
Transfers in	<u>102,021</u>
Total non-operating revenues	<u>102,035</u>

NET LOSS

(101,440)

NET POSITION AT BEGINNING OF YEAR, as restated

(81,308)

NET POSITION AT END OF YEAR

\$ (182,748)

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - GROUP INSURANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received for insurance premiums	\$ 4,260,045
Cash payments for premiums	(4,256,504)
Cash paid for claims	<u>(96,589)</u>
Net cash used in operating activities	<u>(93,048)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating transfer in from other funds	<u>102,021</u>
Net cash provided by noncapital financing activities	<u>102,021</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	<u>14</u>
Net cash provided by investing activities	<u>14</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS 8,987

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 3,996

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 12,983

RECONCILIATION OF OPERATING LOSS TO NET

CASH FROM OPERATING ACTIVITIES:

Operating loss	\$ (203,475)
Adjustments to reconcile operating loss to net cash used in operating activities - change in assets and liabilities - increase in claims payable	<u>110,427</u>
Net cash used in operating activities	\$ <u><u>(93,048)</u></u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
BALANCE SHEET
JUNE 30, 2017

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 477,763	\$ 1,774	\$ 479,537
Total assets	<u>477,763</u>	<u>1,774</u>	<u>479,537</u>
<u>LIABILITIES</u>			
Liabilities:			
Deposits due others	<u>477,763</u>	<u>1,774</u>	<u>479,537</u>
Total liabilities	<u>\$ 477,763</u>	<u>\$ 1,774</u>	<u>\$ 479,537</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accompanying basic financial statements of West Feliciana Parish School Board (the School Board) have been prepared in conformity with accounting principles generally accepted in the United States of America. (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School Board's significant policies.

a. Reporting Entity

The School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of West Feliciana Parish (the Parish). The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is currently comprised of 7 members who are elected from 7 districts for a term of four years.

The School Board operates 4 schools within the Parish with a total enrollment of approximately 2,130 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

The Governmental Accounting Standards Board (GASB) *Codification of Government Accounting and Financial Reporting Standard* establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions, 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 equity, revenues, and expenditures or expenses, as appropriate.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

b. Fund Accounting (continued)

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 only major fund of the School Board is the General Fund.

Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School Board's governmental fund types:

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

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant and entitlement programs established for various educational objectives.

Debt Service Fund - The Debt Service Fund, established to meet requirements of bond ordinances, 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 was established to account for funds dedicated to capital improvements, including construction of new facilities and renovations.

Fiduciary Fund Type - Agency Funds:

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

b. Fund Accounting (continued)

Proprietary Fund Type - Group Insurance Internal Service Fund

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The School Board has one proprietary fund, which is an internal service fund. The internal service fund accounts for the financing of the School Board's employee benefits plan provided to participating employees on a cost reimbursement basis, as well as the Other Post-employment Benefits provided to retirees.

c. 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 the Fiduciary Fund. The Fiduciary Fund is only reported as the Statement of Fiduciary Net Position at the Fund Financial Statement level.

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

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.

Allocation of Indirect Expenses

The school board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable by function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on the buildings is assigned to the plant operation and maintenance function due to the fact that school buildings serve multiple purposes. Interest on long term debt is considered an indirect expense and is reported separately on the Statement of Activities.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

c. Measurement Focus/Basis of Accounting (continued)

Fund Financial Statements

Governmental Funds

The accounting and financial reporting treatments applied to a fund is 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 anticipated to be collected within one year.

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.

d. Budget and Budgetary Accounting

The proposed budgets for fiscal year 2017 were completed and made available for public inspection on September 6, 2016 at the School Board office. A public hearing was held on September 13, 2016 for suggestions and comments from taxpayers. The proposed fiscal year 2017 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them for the General and Special Revenue Funds, were published in the official journal ten days prior to the public hearings.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device.

The School Board is authorized to transfer amounts between line items within any fund. When actual total revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual total expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

e. Cash, Cash Equivalents, and Investments

Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents include cash on hand, cash on deposit, certificates of deposit and money market accounts. These deposits are stated at cost, which approximates market. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

f. Federal Grants Receivable

Federal grants receivable consists of receivables for reimbursement of expenditures under various federal programs and grants. All amounts are expected to be collected within the next twelve months.

g. Inventory

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

h. 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 estimated fair value at the date of the donation. The system for the accumulation of fixed asset cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost. 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 3 to 20 years for equipment.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

h. Capital Assets (continued)

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, 2001 were considered to be part of the cost of buildings or other immovable property such as stadiums.

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.

i. Compensated Absences

All 12-month employees earn from 10 to 20 days of vacation leave each year, depending on length of service with the School Board. Vacation leave may be accumulated up to 40 days; the School Board will pay up to 40 days of unused vacation upon separation.

All school board employees earn 10 to 12 days of sick leave each year depending on the number of months employed within a year. Sick leave may be accumulated without limitation. Upon death or retirement, a maximum of 25 days of unused sick leave is paid to the employee or designated heir at the employee's current rate of pay. Under the Louisiana Teacher's Retirement System, the unused sick leave is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service.

Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Leave may be granted for rest and recuperation and professional and cultural improvement.

The cost of compensated absence privileges is recognized as current year expenditure in the General Fund when leave is actually taken, or when employees or their heirs are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term debt.

j. Pension Plans

The School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 8. 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.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

k. Sales, Use and Property Taxes

The West Feliciana Parish School Board receives a three percent sales tax dedicated for salaries and related benefits, payment of principal and interest on any bonds issued by the School Board and for maintaining and operating the public schools within the Parish.

Also, the School Board is authorized to collect one percent sales and use tax levied by the West Feliciana Parish Police Jury and the Town of St. Francisville for all sales within the incorporated area of the Town of St. Francisville. The School Board is authorized to collect a two percent sales and use tax levied by the West Feliciana Parish Police Jury for all sales outside the incorporated area of the Town of St. Francisville.

Ad valorem taxes are collected by the West Feliciana Parish Tax Collector's Office and remitted to the School Board on a monthly basis. Values are established by the West Feliciana Parish Assessor's Office each year.

Ad valorem taxes are assessed and levied on a calendar year basis, based on the assessed value on January 1 of the assessment year. However, before taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable by November 15. An enforceable lien attaches on the property as of November 15. As of December 31, taxes become delinquent and interest and penalty accrue. Taxes are generally collected in January, February and March of the fiscal year.

l. 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 disclosure of contingent assets and liabilities to 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.

m. 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 fund financial statements generally reflect such transactions as operating transfers.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

n. Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

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

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:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Spendable

Restricted – represents balances where constraints have been established by parties outside the School Board or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board's highest level of decision-making authority.

Assigned – represents balances that are constrained by the School Board's or its designee's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the 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.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. Ad Valorem Taxes

Ad valorem (property) taxes were levied for the fiscal year 2017 by the School Board on July 15, 2016 based on the assessed valuation of property as of January 1, 2016. These taxes become due and payable on November 15 of each year and become delinquent after December 31 of the year levied.

Total assessed value was \$284,362,460 in calendar year 2016. 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 \$17,658,390 of the assessed value in calendar year 2016.

The following is a summary of authorized and levied parishwide ad valorem taxes collected during the fiscal year ended June 30, 2017:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Constitutional School Tax	4.46	4.33	N/A
Special	14.75	14.31	2018
Bond & Interest (2012 Series)	general obligation	2.00	2016
General Fund	3.75	3.64	2021
Consolidated General Fund	11.00	10.67	2019

3. Cash, Deposits, and Investments

A. Deposits

The carrying amount of the School Board's deposits with financial institutions was \$1,552,738 and the bank balances were \$2,738,641. Custodial credit risk is the risk that in the event of a financial institution failure, the School System'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, 2017, 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 school districts.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

3. Cash, Deposits, and Investments (continued)

B. Investments

As of June 30, 2017, the Board had the following investments and maturities:

INVESTMENT MATURITIES (IN YEARS)

<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
General Fund				
LAMP	<u>\$ 7,910,642</u>	<u>\$ 7,910,642</u>	<u>\$ -</u>	<u>\$ -</u>

The \$7,910,642 invested in LAMP which is an external investment pool. 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 LSA-R.S. 33:2955.

Credit Risk- As of June 30, 2017, the School Board's investment in LAMP was rated AAAM by Standard & Poor's.

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 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 39 days as of June 30, 2017.

Concentration of Credit Risk- The School Board does not have a limit on the amount the School Board may invest in one issuer. 100 percent of the School Board's investments are in LAMP funds.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and 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., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

4. Interfund Transactions

Individual balances due from/to other funds are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Government Funds		
General Fund	\$ 194,146	\$ 15,673
Non-major Funds	<u>134,090</u>	<u>312,563</u>
Total	<u>\$ 328,236</u>	<u>\$ 328,236</u>

The primary purpose of interfund advances is to cover expenditures on cost reimbursement grant programs until reimbursements are received from the granting agencies.

Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Government Funds		
General Fund	\$ 370,277	\$ 312,517
Non-major Funds	273,676	433,457
Proprietary Funds		
Group Insurance Internal Service Fund	<u>102,021</u>	<u>-</u>
Total	<u>\$ 745,974</u>	<u>\$ 745,974</u>

The purpose of interfund transfers is to cover operating expenditures of the general fund through indirect cost recoveries charged to grant programs and to cover operating deficits of other governmental –non major funds and the group insurance internal service fund with transfers from the general fund.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

5. Capital Assets

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

	<u>Balance at</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2017</u>
<u>Cost</u>				
Land	\$ 299,441	\$ -	\$ -	\$ 299,441
Buildings and improvements	35,314,362	81,920	-	35,396,282
Equipment and fixtures	4,688,768	163,394	30,503	4,821,659
Food Service equipment	369,820	-	-	369,820
	<u>\$ 40,672,391</u>	<u>\$ 245,314</u>	<u>\$ 30,503</u>	<u>\$ 40,887,202</u>
<u>Accumulated depreciation</u>				
Buildings and improvements	\$ 20,862,097	\$ 820,436	\$ -	\$ 21,682,533
Equipment and fixtures	3,546,678	314,280	30,503	3,830,455
Food Service equipment	325,541	8,848	-	334,389
	<u>\$ 24,734,316</u>	<u>\$ 1,143,564</u>	<u>\$ 30,503</u>	<u>\$ 25,847,377</u>
Capital assets, net of Depreciation	<u>\$ 15,938,075</u>	<u>\$ (898,250)</u>	<u>\$ -</u>	<u>\$ 15,039,825</u>

Depreciation expense of \$1,143,564 for the year ended June 30, 2017 was charged to the following governmental functions:

Regular education programs	\$ 104,440
Special education programs	30,679
Other educational programs	29,184
Pupil support services	14,393
Instructional staff services	18,374
General administrative services	8,011
School administrative services	19,919
Business and central services	5,300
Plant operation and maintenance	853,473
Transportation	18,912
Technical support	18,381
Food service	22,498
	<u>\$ 1,143,564</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

6. Long-term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2017:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Bonds Payable	\$ 484,000	\$ -	\$ (484,000)	\$ -
Compensated Absences	1,003,866	908,369	(1,005,969)	906,266
Net Post-Employment Benefit Obligation	7,846,125	1,805,153	(1,055,403)	8,595,875
Capital Leases	171,726	-	(64,280)	107,446
Claims & Judgments	150,000	-	(30,000)	120,000
Net Pension Liability	37,841,809	1,120,721	-	38,962,530
Total	\$47,497,526	\$3,834,243	\$ (2,639,652)	\$48,692,117

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2017:

	Compensated Absences	Net Post- Employment Benefit Obligation	Capital Lease	Claims & Judgments	Net Pension Liability	Total
Current	\$ 906,266	\$ -	\$ 67,083	\$ -	\$ -	\$ 973,349
Long-Term	-	8,595,875	40,363	120,000	38,962,530	47,718,768
	\$ 906,266	\$ 8,595,875	\$ 107,446	\$ 120,000	\$ 38,962,530	\$ 48,692,117

All principal and interest requirements are funded in accordance with Louisiana law by the annual dedicated ad valorem tax levy on taxable property within the parish. The School Board accumulates the tax proceeds in the Debt Service Fund. At June 30, 2017, the School Board has no accumulated amount in the debt service fund for future debt service requirements as the 2012 Series Bonds were paid off in 2017.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the net assessed value of taxable property. At June 30, 2017, the net assessed value of taxable property for the parish was \$302,020,849, which would result in a \$75,505,212 long-term bonded debt limit.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

7. Capital Lease

The School Board entered into an agreement to lease computers which qualifies as a capital lease. Lease payments are scheduled annually over a three year period ending October 1, 2017.

Minimum future capital lease payments under lease agreements in effect at June 30, 2017 are as follows:

Year Ending June 30,	
2018	\$ 42,072
Present value of minimum lease payments	<u>\$ 42,072</u>

The School Board entered into an agreement to lease buses which qualifies as a capital lease. Lease payments are scheduled monthly over a seven year period ending March 26, 2020.

Minimum future capital lease payments under lease agreements in effect at June 30, 2017 are as follows:

Year Ending June 30,	
2018	\$ 25,011
2019	25,012
2020	<u>18,758</u>
Total minimum lease payments	68,781
Less: Amount representing interest costs	<u>(3,407)</u>
Present value of minimum lease payments	<u>\$ 65,374</u>

8. Retirement Systems

The School Board (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 FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (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:
8401 United Plaza Blvd.
P. O. Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446
www.trsl.org

LSERS:
8660 United Plaza Blvd.
Baton Rouge, LA 70804
(225) 925-6484
www.lasers.net

LASERS
8401 United Plaza Blvd.
P. O. Box 44213
Baton Rouge, Louisiana 70804-4213
(225) 925-0185
www.lasersonline.org

The School Board implemented 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 B. 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 FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (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 FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (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 are 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. 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.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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 (PR SAC).

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, 2017, for the School Board and covered employees were as follows:

	<u>School Board</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	25.50%	8.00%
Plan B	28.20%	5.00%
School Employees' Retirement System	27.30%	7.50 % - 8.00%
State Employees' Retirement System	35.80%	7.50 % - 8.00 %

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>2017</u>	<u>2016</u>	<u>2015</u>
Teachers' Retirement System	\$ 3,824,820	\$ 3,697,321	\$ 3,939,399
School Employees' Retirement System	310,780	325,709	374,388
State Employees' Retirement System	13,929	7,516	17,812

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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, 2016 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2016 along with the change compared to the June 30, 2015 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.

	Net Pension Liability at June 30, 2016	Rate at June 30, 2016	Increase (Decrease) to June 30, 2015 Rate
Teachers' Retirement System	\$ 36,025,625	0.3069%	(0.0187)%
School Employees' Retirement System	2,862,227	0.3794%	(0.0388)%
State Employees' Retirement System	74,678	0.0010%	(0.0016)%
	<u>\$ 38,962,530</u>		

The following schedule lists each pension plan's recognized pension expense to the School Board for the year ended June 30, 2017:

	<u>Pension Expense</u>
Teachers' Retirement System	\$ 3,379,449
School Employees' Retirement System	126,807
State Employees' Retirement System	<u>(44,581)</u>
	<u>\$ 3,461,675</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 43	\$ (790,047)
Changes of assumptions	67,806	(75,651)
Net difference between projected and actual earnings on pension plan investments	2,994,479	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	174,754	(2,422,342)
Employer contributions subsequent to the measurement date	4,149,529	-
Total	<u>\$ 7,386,611</u>	<u>\$ (3,288,040)</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teachers' Retirement System	\$ 6,621,701	\$ (2,696,773)
School Employees' Retirement System (LSERS)	741,182	(456,557)
State Employees' Retirement System (LASERS)	23,728	(134,710)
	\$ 7,386,611	\$ (3,288,040)

The School Board reported a total of \$4,149,529 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2017. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Teachers' Retirement System	\$ 3,824,820
School Employees' Retirement System (LSERS)	310,780
State Employees' Retirement System (LASERS)	13,929
	\$ 4,149,529

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
2018	(372,358)	(215,221)	(96,603)	(684,182)
2019	(372,357)	(79,146)	(34,140)	(485,643)
2020	638,016	163,865	3,615	805,496
2021	206,807	104,347	2,217	313,371
	\$ 100,108	\$ (26,155)	\$ (124,911)	\$ (50,958)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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, 2016 are as follows:

	TRSL	LSERS	LASERS																		
Valuation Date	June 30, 2016	June 30, 2016	June 30, 2016																		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal																		
Actuarial Assumptions:																					
Expected Remaining																					
Service Lives	5 years	3 years	3 years																		
Investment Rate of Return	7.75% net of investment expenses	7.125% per annum	7.75% per annum.																		
Inflation Rate	2.5% per annum	2.625% per annum	3.0% per annum																		
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Combined Healthy Sex Distinct Mortality Table.	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.																		
Salary Increases	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study ranging from 3.075% to 5.375%	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: <table border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Member Type</th> <th style="text-align: left;">Lower Range</th> <th style="text-align: left;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td>4.00%</td> <td>13.00%</td> </tr> <tr> <td>Judges</td> <td>3.00%</td> <td>5.50%</td> </tr> <tr> <td>Corrections</td> <td>3.60%</td> <td>14.50%</td> </tr> <tr> <td>Hazardous Duty</td> <td>3.60%</td> <td>14.50%</td> </tr> <tr> <td>Wildlife</td> <td>3.60%</td> <td>14.50%</td> </tr> </tbody> </table>	Member Type	Lower Range	Upper Range	Regular	4.00%	13.00%	Judges	3.00%	5.50%	Corrections	3.60%	14.50%	Hazardous Duty	3.60%	14.50%	Wildlife	3.60%	14.50%
Member Type	Lower Range	Upper Range																			
Regular	4.00%	13.00%																			
Judges	3.00%	5.50%																			
Corrections	3.60%	14.50%																			
Hazardous Duty	3.60%	14.50%																			
Wildlife	3.60%	14.50%																			
Cost of Living Adjustments	None	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 values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	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.																		

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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

<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
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 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 longterm expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.	The 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 8.72% for 2016.

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, 2016:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	(0.24%)
Domestic equity	31.0%	51.0%	25.0%	4.50%	3.10%	4.31%
International equity	19.0%	-	32.0%	5.31%	-	5.48%
Domestic fixed income	14.0%	30.0%	8.0%	2.45%	1.82%	1.63%
International fixed income	7.0%	-	6.0%	3.28%	-	2.47%
Alternatives	29.0%	13.0%	22.0%	11.62%	0.79%	7.42%
Global asset allocation	-	-	7.0%	-	-	2.92%
Real assets	-	6.0%	-	-	0.36%	-
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	n/a	<u>6.07%</u>	<u>5.30%</u>
Inflation					<u>2.00%</u>	
Expected Arithmetic Nominal Return					<u>8.07%</u>	

n/a - amount not provided by Retirement System

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (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 7.75%, 7.125% and 7.75%, respectively for the year ended June 30, 2016.

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>
TRSL			
Rates	6.75%	7.75%	8.75%
WFPSB Share of NPL	\$ 44,934,981	\$ 36,025,625	\$ 28,444,365
LSERS			
Rates	6.125%	7.125%	8.125%
WFPSB Share of NPL	\$ 3,757,307	\$ 2,862,227	\$ 2,095,376
LASERS			
Rates	6.75%	7.75%	8.75%
WFPSB Share of NPL	\$ 91,749	\$ 74,678	\$ 60,173

9. Other Post-employment Benefits

Plan Description. The West Feliciana Parish School Board's medical benefits are provided through an insured comprehensive medical plan and insured life insurance program to employees upon actual retirement.

Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. Other Post-employment Benefits (continued)

Basic life insurance of \$5,000 and additional life insurance coverage in varying amounts are provided to retirees. The employer pays for 50% of the basic coverage and 50% of the additional coverage (maximum of \$35,000 additional coverage). The rates used for basic coverage are blended for all active and retired combined, while unblended rates are used for the additional coverage. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates for the basic coverage so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Fund Policy. Until fiscal year beginning July 1, 2008, the School Board recognized the cost of providing post-employment medical and life insurance benefits (the School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit payments were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, West Feliciana Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$1,055,403 and \$831,662, respectively. Effective with the fiscal year beginning July 1, 2008, the School Board implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50), which requires the School Board to recognize as an expense, the cost of the benefits as they are earned over the term of employment rather than when they become due and payable. The amount at which the expense is recognized is based upon an actuarially determined amount known as the Annual Required Contribution or ARC. The School Board does not fund the ARC except to the extent the current year's retiree premiums became due.

For fiscal year ending June 30, 2017, the School Board's portion of health care and life insurance funding cost for retired employees totaled \$1,055,403. This amount was applied toward the Net Other Post-employment Benefits (OPEB) Obligation.

Annual Required Contribution. The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2017	2016
Normal Cost	\$ 525,514	\$ 503,149
30-year UAL amortization amount	1,419,536	1,374,221
Annual required contribution (ARC)	\$ 1,945,050	\$ 1,877,370

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. Other Post-employment Benefits (continued)

Net Post-employment Benefit Obligation. The table below shows the School Board's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30:

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 7,846,125	\$ 6,923,871
Annual required contribution	1,945,050	1,877,370
Interest on Net OPEB Obligation	313,845	276,954
ARC Adjustment	<u>(453,742)</u>	<u>(400,408)</u>
OPEB Cost	1,805,153	1,753,916
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(1,055,403)</u>	<u>(831,662)</u>
Change in Net OPEB Obligation	<u>749,750</u>	<u>922,254</u>
Ending Net OPEB Obligation	<u>\$ 8,595,875</u>	<u>\$ 7,846,125</u>

The following table shows the School Board's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post-employment benefits (OPEB) liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2017	\$ 1,805,153	58.47%	\$ 8,595,875
June 30, 2016	\$ 1,753,916	47.42%	\$ 7,846,125
June 30, 2015	\$ 1,698,260	45.34%	\$ 6,923,871

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. Other Post-employment Benefits (continued)

Funded Status and Funding Progress. In 2017 and 2016, the School Board made no contributions to its post-employment benefit plan other than retiree premiums. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$25,528,682 which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2017	2016
Actuarial Accrued Liability (AAL)	\$ 25,528,682	\$ 24,713,756
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	25,528,682	24,713,756
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 15,218,709	\$ 16,283,700
UAAL as a percentage of covered payroll	167.75%	151.77%

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

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

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. Other Post-employment Benefits (continued)

Actuarial Value of Plan Assets. There are no assets in actuarial valuation. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%.

Post-employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence five years after earliest eligibility to retire (or enter D.R.O.P.). The five years represents the three year D.R.O.P. period plus two additional years. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The rates provided are "blended" rates for active and retired before Medicare eligibility. Since GASB 45 requires the use of "unblended" rates, the School Board has estimated "unblended" rates as follows. The pre-Medicare employer provided rates were determined by adding 30% to the currently prevailing blended total rates. The post-Medicare provided rates were unblended as required. The employer contribution was determined by subtracting the portion of the premium paid by the retiree (50% of the blended rate before Medicare eligibility or 50% of the unblended rate after Medicare eligibility, as appropriate).

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. Other Post-employment Benefits (continued)

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

OPEB Costs and Contributions

	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 1,698,260	\$ 1,753,916	\$ 1,805,153
Contribution	-	-	-
Retiree premium	<u>770,057</u>	<u>831,662</u>	<u>1,055,403</u>
Total contribution and premium	<u>770,057</u>	<u>831,662</u>	<u>1,055,403</u>
Change in net OPEB obligation	<u>\$ 928,203</u>	<u>\$ 922,254</u>	<u>\$ 749,750</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	45.34%	47.42%	58.47%

10. Changes in Agency Deposits Due Others

A summary of the changes in agency funds (amounts due others) due to taxing authorities and amounts due others for school activity accounts follows:

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
Balance at June 30, 2016	\$ 446,383	\$ 1,764	\$ 448,147
Additions	1,089,582	12,560,717	13,650,299
Reductions	<u>(1,058,202)</u>	<u>(12,560,707)</u>	<u>(13,618,909)</u>
Balance at June 30, 2017	<u>\$ 477,763</u>	<u>\$ 1,774</u>	<u>\$ 479,537</u>

11. State Required Disclosure – Tax Collections Remitted to Other Taxing Authorities

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2017 the School Board collected \$5,011,876 of sales tax for the West Feliciana Parish Police Jury (\$4,052,123), the Town of St. Francisville (\$924,128) and the Council on Aging (\$35,625). Of this amount, the School Board withheld \$73,843 for the taxing authorities' share of administrative fees. This resulted in a distribution of \$4,938,033 of sales tax collections to the West Feliciana Police Jury (\$3,991,599), the Town of St. Francisville (\$911,165) and the Council on Aging (\$35,269) during the year ended June 30, 2017.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

12. Risk Management

The School Board has established the Group Insurance Internal Service Fund to account for the program of medical benefits provided by West Feliciana Parish School Board Employee Benefits Plan and Trust and Blue Cross Blue Shield of Louisiana, who also serves as the Administrator to employees of the School Board and their eligible dependents and beneficiaries participating in the plan. Premiums are paid into the internal service fund by other funds from employee payroll deductions, retired employees, and employer benefits. These premiums are reported as quasi-external interfund transactions. These premiums are then remitted to Blue Cross Blue Shield for claims and administration. The policy provides for a lifetime maximum liability of \$2,000,000 per covered participant.

The School Board is self-insured for workers compensation. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount is reasonable estimable.

Unpaid claims at July 1, 2016	\$ 85,304
Incurred claims	207,016
Payments	<u>(96,589)</u>
Unpaid claims at June 30, 2017	<u>\$ 195,731</u>

13. 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 \$120,000 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.

14. Operating Lease

The School Board leases school buses through a lease arrangement which qualifies as an operating lease. The lease payments are to be made on a monthly basis and are scheduled for July 15, 2015 through July 15, 2020. The agreement may be terminated for convenience at any time and for any reason, without penalty, by either party upon sixty days written notice to the other party.

Lease payments made during the year ended June 30, 2017 totaled approximately \$282,000.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

15. Receivables

Receivables as of June 30, 2017 for the School Board are as follows:

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
<u>Receivables:</u>			
Due from other governments	\$ 55,423	\$ 322,044	\$ 377,467
Gross receivables	<u>\$ 55,423</u>	<u>\$ 322,044</u>	<u>\$ 377,467</u>

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:

	<u>Governmental Activities</u>
Net Position Restricted for:	
Capital improvements:	
Capital Projects	\$ 276,521
Total net position restricted for capital projects	<u>276,521</u>
 Total Restricted Net Position	 <u>\$ 276,521</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

16. Detailed Restricted Net Position and Fund Balances (continued)

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

	<u>General Fund</u>	<u>Other Non-Major Funds</u>
Nonspendable School Food	\$ -	\$ 25,049
Restricted for: Capital projects	-	276,521
Unassigned	6,883,354	(15,511)
Total fund balances	<u>\$ 6,883,354</u>	<u>\$ 286,059</u>

17. Deficit Net Position or Fund Balances

A deficit net position of \$ 182,748 (Group Insurance Internal Service Fund) and deficit fund balances of \$15,358 and \$153 in the School Food Service and Head Start funds were incurred as of June 30, 2017. If additional revenues are not obtained from other external sources, then the general fund will ultimately absorb these deficits.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

18. Prior Period Adjustment

The Government-wide Net Position and Non-Major Funds were restated for June 30, 2016 for unrecorded expenditures related to the prior fiscal period.

The Government-wide Net Position was also restated for June 30, 2016 to adjustment for fixed asset additions and the accompanying capital lease in the prior year that were not properly recorded.

The net effect to the Government-wide Statement of Net Position and Non-Major funds is as follows:

	Government- wide Net Position	Non-Major Funds
Balance at June 30, 2016, as previously reported	\$ (22,075,057)	\$ 433,354
Adjustment for fixed assets	158,222	-
Adjustment for capital lease	(87,582)	-
Adjustment for unrecorded expenses	<u>(99,565)</u>	<u>(99,565)</u>
Balance at June 30, 2016, as restated	<u>\$ (22,103,982)</u>	<u>\$ 333,789</u>

19. Future Accounting Changes

The Governmental Accounting Standards Board recently issued GASB Statement No. 75 *Accounting for Postemployment Benefits*, which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of actuarially determined accrued benefits less amounts funded into a trust rather than recognizing a liability based upon the difference between funding recommendations and actual contributions, as is currently required. Additionally, the liability will be measured according to more prescriptive requirements. The standard is effective for annual reporting periods beginning after June 15, 2017. The School Board expects that the new standard will have a material negative effect on its net position for the year ended June 30, 2018. However, the amount of the effect is unknown at this time.

20. Disaggregation of Accounts Payable and Accrued Liabilities

Accounts, salaries and other payables as of June 30, 2017, were as follows:

Vendors	\$ 163,542
Salaries and benefits	2,028,225
Claims payable	<u>195,731</u>
Total governmental fund encumbrances	<u>\$ 2,387,498</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

21. 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, 2017, \$1,623,167 in West Feliciana Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

22. Appropriations to Charter Schools

Appropriations to Type 2 Charter Schools during the year ended June 30, 2017 were as follows

	<u>General Fund</u>
Type 2 Charter Schools	
Apex Collegiate Academy	\$ 7,812
Louisiana Virtual Charter Academy	21,093
University View Academy	<u>14,062</u>
Subtotal - Type 2 Charter Schools	<u>42,967</u>
Office of Juvenile Justice (OJJ)	<u>8,739</u>
Grand Total	<u>\$ 51,706</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

MAJOR FUND DESCRIPTIONS

GENERAL FUND

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

**WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA**

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 9,220,169	\$ 9,220,169	\$ 9,317,107	\$ 96,938
Sales and use taxes	5,733,494	6,887,866	7,548,417	660,551
Rentals, leases, and royalties	1,000	1,000	34,102	33,102
Earnings on investments	14,000	30,500	54,029	23,529
Other	104,469	156,638	208,002	51,364
State sources:				
Minimum foundation program (MFP)	9,220,000	9,501,000	9,409,229	(91,771)
Restricted grants-in-aid	134,969	146,869	93,022	(53,847)
Other	191,018	197,729	242,094	44,365
Federal sources:				
Restricted grants-in-aid-direct	79,766	79,766	66,703	(13,063)
Restricted grants-in-aid - subgrants	-	-	3,869	3,869
TOTAL REVENUES	<u>24,698,885</u>	<u>26,221,537</u>	<u>26,976,574</u>	<u>755,037</u>
EXPENDITURES				
Current:				
Instruction:				
Regular education programs	9,291,365	9,361,339	9,184,942	176,397
Special education programs	2,568,296	2,796,335	2,789,108	7,227
Other education programs	1,749,915	1,795,236	1,776,185	19,051
Support services:				
Pupil support services	1,263,219	1,352,092	1,294,081	58,011
Instructional staff services	1,069,951	1,664,929	1,603,060	61,869
General administration services	530,629	590,320	793,399	(203,079)
School administration services	1,813,294	1,884,155	1,865,602	18,553
Business services	541,175	648,991	644,419	4,572
Plant operation and maintenance	3,313,725	3,458,016	3,457,280	736
Transportation	1,891,343	1,947,329	1,916,889	30,440
Technical support and central services	1,359,897	1,801,862	1,562,892	238,970
Non-Instructional services:				
Food service	52,000	51,550	44,494	7,056
Community service programs	10,510	15,910	15,880	30
Facility acquisition and construction	9,000	26,000	-	26,000
Appropriations - charter schools and OJJ	-	-	51,706	(51,706)
Debt service	-	-	67,084	(67,084)
TOTAL EXPENDITURES	<u>25,464,319</u>	<u>27,394,064</u>	<u>27,067,021</u>	<u>327,043</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(765,434)</u>	<u>(1,172,527)</u>	<u>(90,447)</u>	<u>1,082,080</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	141,856	261,856	370,277	108,421
Operating transfers out	<u>(522,775)</u>	<u>(422,775)</u>	<u>(312,517)</u>	<u>110,258</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(380,919)</u>	<u>(160,919)</u>	<u>57,760</u>	<u>218,679</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(1,146,353)</u>	<u>(1,333,446)</u>	<u>(32,687)</u>	<u>1,300,759</u>
Fund balance, June 30, 2016	6,916,041	6,916,041	6,916,041	-
FUND BALANCE, JUNE 30, 2017	<u>\$ 5,769,688</u>	<u>\$ 5,582,595</u>	<u>\$ 6,883,354</u>	<u>\$ 1,300,759</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

OTHER POST EMPLOYMENT BENEFITS PLAN
RETIREE HEALTH, DENTAL, AND LIFE INSURANCE PROGRAMS
YEAR ENDED JUNE 30, 2017

SCHEDULE OF FUNDING PROGRESS

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
6/30/2017	7/1/2016	\$ -	\$ 25,528,682	\$ 25,528,682	0.00%	\$ 15,218,709	167.75%
6/30/2016	7/1/2014	-	24,713,756	24,713,756	0.00%	16,283,700	151.77%
6/30/2015	7/1/2014	-	23,763,227	23,763,227	0.00%	16,360,204	145.25%
6/30/2014	7/1/2012	-	22,849,911	22,849,911	0.00%	16,856,951	135.55%
6/30/2013	7/1/2012	-	21,971,068	21,971,068	0.00%	16,569,585	132.60%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Increase (Decrease) to Net OPEB Obligation</u>	<u>Net OPEB Obligation</u>
6/30/2017	\$ 1,805,153	\$ 1,055,403	58.47%	\$ 749,750	\$ 8,595,875
6/30/2016	1,753,916	831,662	47.42%	922,254	7,846,125
6/30/2015	1,698,260	770,057	45.34%	928,203	6,923,871
6/30/2014	1,698,064	821,262	48.36%	876,802	5,995,668
6/30/2013	1,645,015	760,428	46.23%	884,587	5,118,866

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY FOR THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2017 (*)

<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-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
TRSL						
	2017	0.3069%	\$ 36,025,625	\$ 14,019,472	256.9685%	59.90%
	2016	0.3257%	35,018,339	14,047,301	249.2887%	62.50%
	2015	0.3287%	33,594,890	14,376,425	233.6804%	63.70%
LSERS						
	2017	0.3794%	2,862,227	1,079,873	265.0522%	70.09%
	2016	0.4183%	2,652,344	1,134,968	233.6933%	74.49%
	2015	0.4705%	2,727,320	1,320,472	206.5413%	76.18%
LASERS						
	2017	0.0010%	74,678	20,287	368.1077%	57.70%
	2016	0.0025%	171,126	48,140	355.4757%	62.70%
	2015	0.0051%	320,773	79,703	402.4604%	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 FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll³</u>	<u>Contributions as a % of Covered Employee Payroll</u>
TRSL						
	2017	\$ 3,824,820	\$ 3,824,820	\$ -	\$ 14,933,126	25.6130%
	2016	3,697,321	3,697,321	-	14,019,472	26.3728%
	2015	3,939,399	3,939,399	-	14,047,301	28.0438%
LSERS						
	2017	310,780	310,780	-	1,138,350	27.3009%
	2016	325,709	325,709	-	1,079,873	30.1618%
	2015	374,388	374,388	-	1,134,968	32.9867%
LASERS						
	2017	13,929	13,929	-	38,907	35.8012%
	2016	7,516	7,516	-	20,204	37.0484%
	2015	17,812	17,812	-	48,140	37.0004%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to retirement systems*

³ *Employer's covered employee payroll amount for the fiscal year ended June 30 of each year*

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

Changes in benefit terms:

There were no changes in benefit terms for the three pension plans listed above for the years presented.

Changes in assumptions:

TRSL and LASERS did not have any changes in actuarial assumptions for the years presented.

LSERS had the following changes in actuarial assumptions for each year as follows:

Discount Rate:

<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
2017	7.125%	0.125%
2016	7.000%	-0.250%
2015	7.250%	

Inflation Rate:

<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
2017	2.625%	-0.125%
2016	2.750%	

Salary Increases:

<u>Year (*)</u>	<u>Range</u>
2017	3.075% to 5.375%
2016	3.200% to 5.500%

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

School Food Service

The School Food Service fund includes lunch and breakfast and is used to account for the operations of the school food service programs in the parish school system during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

Julius Freyhan

The Julius Freyhan fund accounts for funding used to restore the Julius Freyhan building as a community center and as a museum of early West Feliciana Parish education.

Title I

Title I includes programs primarily in the areas of reading and math. These programs strive to meet the special needs of economically and educationally deprived children through federal funding for teachers, aids, instructional materials, equipment and parental involvement.

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.

Special Education - IDEA B

IDEA B (Individuals with Disabilities Educational Act - Part B) is a federally funded program designed to assist states in providing free, appropriate education to all handicapped children from 3 to 21 years of age in the least restrictive environment.

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.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

Title II

Title II is a federally funded program to provide financial assistance to improve the skills of teaching and instruction in mathematics, science, computer learning, and foreign languages; and increase the access of all students to this instruction.

Capital Projects

Accounts for various major capital improvements.

Adult Education

Adult Education programs offer higher education opportunities to persons who are age 16 or older.

Vocational Education (Carl Perkins)

Vocational Education is a federally funded program restricted to expenditures for salaries, supplies, and equipment to be used in vocational education programs.

Cohort 2

The Cohort 2 program will implement the five strategies outlined in the Early Childhood Care and Education Network- Roadmap to 2015. The ultimate goal of the Early Childhood and Education Network is to prepare children for Kindergarten.

Medicaid

This fund accounts for the activity related to the providing of health care services to Medicaid eligible children.

Education Excellence

This program, established under the Millennium Trust, provides for the disposition of proceeds from the tobacco settlement. These funds are restricted to expenditures for pre-kindergarten through twelfth grade instructional enhancements for students, including early childhood education programs focused on enhancing the preparation of at-risk children for school; remedial instruction and assistance to children who fail to achieve the required scores on any tests, passage of which is required pursuant to state law or rule for advancement to a succeeding grade.

8G Programs

These funds account for grants provided by the State Board of Elementary and Secondary Education to create programs which enhance or build upon regular classroom instruction.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

Debt Service

The Debt Service fund is used to pay the 2012 bond issue. The bonds were issued by the School Board for the purpose of acquiring land, buildings, and furnishings.

TANF

The TANF fund accounts for a federal grant, the goal of which is to provide time-limited assistance to needy families with children.

**WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA**

**NON-MAJOR GOVERNMENTAL FUNDS-
COMBINING BALANCE SHEET
JUNE 30, 2017**

	<u>School Food Service</u>	<u>Julius Freyhan</u>	<u>Title I</u>	<u>Striving Readers</u>	<u>Special Education</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 22,514	\$ 253,340	\$ 194	\$ -	\$ -
Receivables	3,876	-	46,367	189,371	53,277
Due from other funds	42,466	-	-	-	229
Inventory	25,049	-	-	-	-
	<u>\$ 93,905</u>	<u>\$ 253,340</u>	<u>\$ 46,561</u>	<u>\$ 189,371</u>	<u>\$ 53,506</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued expenses	\$ 72,018	\$ -	\$ 12,238	\$ -	\$ 16,681
Unearned revenues	12,196	-	-	-	-
Due to other funds	-	-	34,323	189,371	36,825
	<u>84,214</u>	<u>-</u>	<u>46,561</u>	<u>189,371</u>	<u>53,506</u>
Fund balances:					
Nonspendable	25,049	-	-	-	-
Spendable:					
Restricted	-	253,340	-	-	-
Unassigned (deficit)	(15,358)	-	-	-	-
	<u>9,691</u>	<u>253,340</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 93,905</u>	<u>\$ 253,340</u>	<u>\$ 46,561</u>	<u>\$ 189,371</u>	<u>\$ 53,506</u>

(continued)

<u>Head Start</u>	<u>Title II</u>	<u>Capital Projects</u>	<u>Adult Education</u>
\$ 12,953	\$ -	\$ -	\$ -
-	9,938	-	-
68,214	-	23,181	-
-	-	-	-
<u>\$ 81,167</u>	<u>\$ 9,938</u>	<u>\$ 23,181</u>	<u>\$ -</u>
\$ 81,320	\$ -	\$ -	\$ -
-	-	-	-
-	9,938	-	-
<u>81,320</u>	<u>9,938</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	23,181	-
<u>(153)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(153)</u>	<u>-</u>	<u>23,181</u>	<u>-</u>
<u>\$ 81,167</u>	<u>\$ 9,938</u>	<u>\$ 23,181</u>	<u>\$ -</u>

(continued)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS-
COMBINING BALANCE SHEET
JUNE 30, 2017

<u>Assets</u>	<u>Carl Perkins</u>	<u>Cohort 2</u>	<u>Medicaid</u>	<u>Education Excellence</u>	<u>8G</u>
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 825	\$ 178
Receivables	-	2,980	-	-	-
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ -</u>	<u>\$ 825</u>	<u>\$ 178</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 825	\$ 178
Unearned revenues	-	-	-	-	-
Due to other funds	-	2,980	-	-	-
Total liabilities	<u>-</u>	<u>2,980</u>	<u>-</u>	<u>825</u>	<u>178</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Spendable:					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ -</u>	<u>\$ 825</u>	<u>\$ 178</u>

(continued)

<u>Debt Service</u>	<u>TANF</u>	<u>Total</u>
\$ 22,891	\$ -	\$ 312,895
290	15,945	322,044
-	-	134,090
-	-	25,049
<u>\$ 23,181</u>	<u>\$ 15,945</u>	<u>\$ 794,078</u>

\$ -	\$ -	\$ 183,260
-	-	12,196
<u>23,181</u>	<u>15,945</u>	<u>312,563</u>
<u>23,181</u>	<u>15,945</u>	<u>508,019</u>
-	-	25,049
-	-	276,521
-	-	-
<u>-</u>	<u>-</u>	<u>(15,511)</u>
<u>-</u>	<u>-</u>	<u>286,059</u>
<u>\$ 23,181</u>	<u>\$ 15,945</u>	<u>\$ 794,078</u>

(concluded)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

	School Food Service	Julius Freyhan	Title I	Striving Readers	Special Education
Revenues					
Local sources:					
Food sales	\$ 183,049	\$ -	\$ -	\$ -	\$ -
Ad valorem taxes	-	-	-	-	-
Earnings on investments	-	134	-	-	-
Other	-	-	-	-	-
State sources:					
Unrestricted grants-in-aid	83,968	-	-	-	-
Restricted grants-in-aid	-	-	-	-	-
Other	-	-	-	-	-
Federal sources:					
Restricted grants-in-aid - direct	-	-	-	-	-
Restricted grants-in-aid - subgrants	694,619	-	313,845	319,900	492,960
Commodities - United States	-	-	-	-	-
Department of Agriculture	72,529	-	-	-	-
Total revenues	<u>1,034,165</u>	<u>134</u>	<u>313,845</u>	<u>319,900</u>	<u>492,960</u>
Expenditures					
Instruction:					
Regular education programs	-	-	62,627	228,260	-
Special education programs	-	-	-	-	320,130
Other education programs	-	-	137,440	15,700	11,457
Support services:					
Pupil support services	-	-	-	-	2,090
Instructional staff services	4,499	-	59,092	50,419	116,809
Business and central services	-	-	30,614	-	-
Plant operation and maintenance	-	3,025	-	-	-
Transportation	-	-	-	-	4,529
Non-Instructional Services:					
School food service	1,170,092	-	-	-	-
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Total expenditures	<u>1,174,591</u>	<u>3,025</u>	<u>289,773</u>	<u>294,379</u>	<u>455,015</u>
Excess (deficiency) of revenues over expenditures	<u>(140,426)</u>	<u>(2,891)</u>	<u>24,072</u>	<u>25,521</u>	<u>37,945</u>
Other financing sources (uses)					
Operating transfers out	-	(6,970)	(24,072)	(25,521)	(40,191)
Operating transfers in	140,426	-	-	-	2,246
Total other sources (uses)	<u>140,426</u>	<u>(6,970)</u>	<u>(24,072)</u>	<u>(25,521)</u>	<u>(37,945)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(9,861)	-	-	-
Fund balances at beginning of year (as restated)	9,691	263,201	-	-	-
Fund balance at end of year	<u>\$ 9,691</u>	<u>\$ 253,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

<u>Head Start</u>	<u>Title II</u>	<u>Capital Projects</u>	<u>Adult Education</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	10,051
913,837	-	-	-
-	104,229	-	16,421
-	-	-	-
<u>913,837</u>	<u>104,229</u>	<u>-</u>	<u>26,472</u>
-	74,000	-	-
-	-	-	-
614,446	9,521	-	26,113
-	-	-	-
284,468	12,756	-	360
-	-	-	-
9,309	-	-	-
-	-	-	-
-	-	-	-
<u>908,223</u>	<u>96,277</u>	<u>-</u>	<u>26,473</u>
<u>5,614</u>	<u>7,952</u>	<u>-</u>	<u>(1)</u>
(73,438)	(7,952)	-	-
67,822	-	23,181	1
<u>(5,616)</u>	<u>(7,952)</u>	<u>23,181</u>	<u>1</u>
(2)	-	23,181	-
<u>(151)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (153)</u>	<u>\$ -</u>	<u>\$ 23,181</u>	<u>\$ -</u>

(Continued)

**WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA**

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	Carl Perkins	Cohort 2	Medicaid	Education Excellence	8G
Revenues					
Local sources:					
Food sales	\$ -	\$ -	\$ -	\$ -	\$ -
Ad valorem taxes	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Other	-	-	62,599	-	-
State sources:					
Unrestricted grants-in-aid	-	-	-	-	-
Restricted grants-in-aid	-	-	-	32,025	136,473
Other	-	-	-	-	-
Federal sources:					
Restricted grants-in-aid - direct	-	-	-	-	-
Restricted grants-in-aid - subgrants	7,692	2,980	-	-	-
Commodities - United States Department of Agriculture	-	-	-	-	-
Total revenues	<u>7,692</u>	<u>2,980</u>	<u>62,599</u>	<u>32,025</u>	<u>136,473</u>
Expenditures					
Instruction:					
Regular education programs	76	-	-	6,000	-
Special education programs	-	2	32,311	-	-
Other education programs	7,616	-	2,734	-	-
Support services:					
Pupil support services	-	-	27,554	-	31,566
Instructional staff services	-	2,978	-	26,025	8,114
Business and central services	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-
Transportation	-	-	-	-	1,930
Non-Instructional Services:					
School food service	-	-	-	-	-
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Total expenditures	<u>7,692</u>	<u>2,980</u>	<u>62,599</u>	<u>32,025</u>	<u>41,610</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,863</u>
Other financing sources (uses)					
Operating transfers out	-	-	-	-	(94,863)
Operating transfers in	-	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,863)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year (as restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

	Debt Service	TANF	Total
\$	-	\$ -	\$ 183,049
	546,066	-	546,066
	62	-	196
	-	-	62,599
	-	-	83,968
	-	-	168,498
	-	-	10,051
	-	-	913,837
	-	71,914	2,024,560
	-	-	72,529
	<u>546,128</u>	<u>71,914</u>	<u>4,065,353</u>
	-	-	370,963
	-	-	352,443
	-	66,000	891,027
	-	-	61,210
	-	-	565,520
	-	-	30,614
	-	-	3,025
	-	-	15,768
	-	-	1,170,092
	484,000	-	484,000
	8,640	-	8,640
	<u>492,640</u>	<u>66,000</u>	<u>3,953,302</u>
	<u>53,488</u>	<u>5,914</u>	<u>112,051</u>
	(154,536)	(5,914)	(433,457)
	40,000	-	273,676
	<u>(114,536)</u>	<u>(5,914)</u>	<u>(159,781)</u>
	(61,048)	-	(47,730)
	<u>61,048</u>	<u>-</u>	<u>\$ 333,789</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ 286,059</u>

(Concluded)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF BOARD MEMBERS' COMPENSATION

FOR THE YEAR ENDED JUNE 30, 2017

Kevin Beauchamp, President	\$ 4,800
Sara Wilson-Rogers	4,200
Amanda McKinney	4,200
Nancy Tycer	4,200
Milton Coats	4,200
Kelly O'Brien	4,200
James White	1,050
Helen W. Whitfield	1,050
Jerry Landrum	<u>1,750</u>
Total	\$ <u>29,650</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2017

Superintendent Name: Hollis G. Milton

Salary, including incentive	\$ 158,000
Benefits-insurance	4,942
Benefits-life insurance	43
Benefits-retirement	40,290
Benefits-medicare	2,361
Operational allowance	9,600
Registration fees	7,384
	<hr/>
	\$ 222,620

**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 Feliciana
Parish School Board
St. Francisville, 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 West Feliciana Parish School Board (the School Board), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 29, 2017.

Internal Control over Financial Reporting

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

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

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



Postlethwaite & Netterville

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

**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 Feliciana
Parish School Board
St. Francisville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited West Feliciana 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, 2017. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, 2017-003, and 2017-004. Our opinion on each major federal program is not modified with respect to these matters.

The School Board's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-003 that we consider to be significant deficiencies.

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



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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

**WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grantor Project Number</u>	<u>CFDA Number</u>	<u>Expenditures 2017</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
CHILD NUTRITION CLUSTER			
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	N/A	10.555 \$	72,529
Passed through Louisiana Department of Education:			
National School Breakfast Program	LDE/103-63	10.553	159,225
National School Lunch Program	LDE/103-63	10.555	515,925
Summer Food Service Program for Children	LDE/103-63	10.559	5,735
TOTAL CHILD NUTRITION CLUSTER			753,414
Child and Adult Care Food Program - Dinner Feeding	05-SFS-103	10.558	13,734
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			767,148
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
SPECIAL EDUCATION (IDEA) CLUSTER			
Special Education Grants to States			
Passed through Louisiana Department of Education:			
Individuals with Disabilities Educational Act - Part B	28-17-B1-63	84.027A	481,584
Individuals with Disabilities Educational Act - Part B	28-17-RH-63	84.027A	7,015
Total Special Education Grants to States			488,599
Special Education Preschool Grants			
IDEA B - Preschool	28-17-P1-63	84.173A	4,361
Total Special Education - Preschool Grants			4,361
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			492,960
Passed through Louisiana Community and Technical College System:			
Adult Education - Federal - Administered Basic Grant Program	V002A160018	84.002A	16,421
Passed through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	28-17-T1-63	84.010A	313,845
Carl Perkins Grant	28-17-02-63	84.048	7,692
Title II - Part A, Teacher & Principal Training & Recruiting	28-17-50-63	84.367A	104,229
Advanced Placement Fee Payment Program	28-17-26-63	84.330B	3,869
Striving Readers Comprehensive Literacy Program (Birth to Age 5)	28-16-U1-63	84.371C	45,041
Striving Readers Comprehensive Literacy Program (K - Grade 5)	28-16-U2-63	84.371C	109,055
Striving Readers Comprehensive Literacy Program (Grade 6 - Grade 8)	28-16-U3-63	84.371C	72,460
Striving Readers Comprehensive Literacy Program (Grade 9 - Grade 12)	28-16-U4-63	84.371C	93,344
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			1,258,916
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Administration for Children, Youth, and Families - Head Start - (Direct Funding)	06CH10137-02-01	93.600	913,837
CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			
Passed through Louisiana Department of Education:			
Child Care and Development Block Grant - Early Childhood Network Pilots	28-16-CO-63	93.575	2,980
TOTAL CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			2,980
TEMPORARY ASSISTANCE TO NEEDY FAMILIES CLUSTER			
Temporary Assistance for Needy Families (TANF)	28-17-36-63	93.558B \$	71,914
TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES CLUSTER			71,914
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			988,731
<u>UNITED STATES DEPARTMENT OF DEFENSE</u>			
ROTC - Navy Junior Reserve Officers Training Program - (Direct Funding)	WF-101-63	12.XXX	66,703
Total Expenditures of Federal Awards			\$ 3,081,498

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Feliciana 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

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2017, the organization had food commodities totaling \$19,608 in inventory. The value of commodities received and used during the period ended June 30, 2017 totaled \$ 72,529.

NOTE C – DE MINIMUS COST RATE

During the year ended June 30, 2017, the West Feliciana 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, 2017, the West Feliciana Parish School Board did not pass through any federal funding to subrecipients.

NOTE E – RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

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

Federal Restricted Grants-in-aid-direct	\$ 980,540
Federal Restricted Grants-in-aid-subgrants	2,028,429
Commodities-United States Department of Agriculture	<u>72,529</u>
Total Federal Expenditures - SEFA	<u>\$ 3,081,498</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

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? _____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x 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? x yes _____ 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)?

 x yes _____ no

Identification of major programs:

CFDA Numbers
10.553, 10.555, 10.559
93.600

Name of Federal Program or Cluster
Child Nutrition Cluster
Head Start

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

C. Findings and Questioned Costs – Major Federal Award Programs (continued)

2017-003 Internal Controls over Reporting and Special Tests and Provisions

10.553, 10.555, 10.559 Child Nutrition Cluster #0LDE/103-63

Criteria: A strong control environment for federal programs provides written policies that establish responsibility and provide the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. The School Board should have written procedures in place to ensure that special provisions related to federal programs are monitored routinely to ensure compliance with the relevant requirements.

Condition: The School Board does not have written evidence to support the review of prepared and submitted Claim Reimbursement Reports and the School Food Authority (SFA) Verification Collection Report.

Cause: The School Board does not have written policies and procedure that ensure that the reports are reviewed and approved before submission.

Effect: The internal controls related to reporting and special test and provisions related to the federal program are lacking.

Questioned Costs: None.

**Universe/
Population Size:** There was a population of 40 for the Claim Reimbursement Reports and 1 for the SFA Verification Collection Report.

Sample Size: There was a sample size of 16 for the Claim Reimbursement Reports and 1 for the SFA Verification Collection Report.

Recommendation: The School Board should implement policies and procedures that establish for the review and approval of the Claim Reimbursement Reports and the SFA Verification Collection Report.

Repeat Finding: No.

View of Responsible Official: The School Board concurs and will implement the recommendation above in the 2017-2018 fiscal period.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs (continued)

2016-001

Matching and Earmarking

93.600 Head Start #06CH10137-01-00

Criteria: The School Board is required to contribute at minimum 20 percent of costs of the program through cash or in-kind contributions, unless a lesser amount has been approved. Also, the School Board is required to limit program administrative costs to 15% of total program expenses.

Condition: The School Board met the 20 percent match for the program. However, the documentation in support of the match should be significantly improved. Additionally, the School Board's administrative costs exceeded 15 of total program expenses.

Cause: The School Board does not have official written policies in place requiring certain documentation to support the program's matching requirement and the review of administrative costs charged to the program. Additionally, administrative costs were needed to satisfy matching requirements. Inclusion of such matching administrative costs caused the level of administrative costs to exceed the 15% limitation.

Effect: The controls in place over the review and preparation of the Head Start program's matching documentation are lacking. Also, the School Board is out of compliance with the earmarking requirement related to the program.

Questioned Costs: \$114,753

**Universe/
Population Size:** Not applicable

Sample Size: Not applicable

Recommendation: The School Board should develop written policies and procedures for the preparation and review of documentation in support of the Head Start matching requirement. Also, the School Board should establish policies and procedures for the review of administrative costs to ensure compliance with the earmarking requirement.

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

To the Members of the West Feliciana Parish School Board
and the Louisiana Legislative Auditor

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of West Feliciana Parish School Board (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, 2017; 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.

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

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

Procedure #1:

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

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



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Results of Procedure # 1:

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified.

Education Levels of Public School Staff (Schedule 2)

Procedure # 2

We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the supporting records.

Results of Procedure # 2:

No differences were noted between the number of full-time classroom teachers per schedule 4 and schedule 2.

Procedure # 3

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

Results of Procedure # 3

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2.

Procedure # 4

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

Results of Procedure # 4:

In our sample of 25 employees, we noted that there were no discrepancies of the education levels of assistant principals, principals, and teachers.

Number and Type of Public Schools (Schedule 3)

Procedure # 5

We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I (CFDA 84.010) application.



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Results of Procedure # 5:

We noted no discrepancies between the total number of schools as listed in the Title I (CFDA 84.010) program application and the list supporting the schools represented in the schedule.

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

Procedure #6

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

Results of Procedure # 6:

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule. No discrepancies between experience levels per the listing and the individual personnel files were noted.

Public Staff Data (Schedule 5)

Procedure # 7

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

Results of Procedure # 7:

In our sample of 25, we noted no instances where the individual's salary, extra compensation, and full time equivalency were not properly included.

Procedure # 8

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

Results of Procedure # 8:

We noted no differences between the averages reported on the schedule and our calculations.



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Class Size Characteristics (Schedule 6)

Procedure # 9

We obtained a list of classes that supports the numbers reported in schedule 6. From the detailed listing we selected 10 classes and compared the count to roll books.

Results of Procedure # 9

In our sample of 10 classes, no discrepancies in the class size classifications were noted.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

Procedure # 10

We obtained test scores as provided by the testing authority for 2017 testing and reconciled scores as reported by the testing authority to scores reported in the schedule by the West Feliciana Parish School Board.

Results of Procedure # 10:

No differences were noted.

The Graduation Exit Exam (Schedule 8)

Procedure # 11

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

The iLEAP Tests (Schedule 9)

Procedure # 12

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

Results of Procedure # 12

No differences were noted.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not 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 29, 2017

WEST FELICIANA PARISH SCHOOL BOARD

ST FRANCISVILLE, LOUISIANA

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

As of and for the Year Ended June 30, 2017

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

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

Schedule 2 - Education Levels of Public School Staff

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

Schedule 3 - Number and Type of Public Schools

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

Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers

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

Schedule 5 - Public School Staff Data

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

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

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

Schedule 8 - The Graduation Exit Exam

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

Schedule 9 - The iLEAP Tests

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

WEST FELICIANA PARISH SCHOOL BOARD

PERFORMANCE MEASUREMENT DATA

**West Feliciana Parish School Board
 General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 For the Year Ended June 30, 2017**

Schedule 1

	<u>Column A</u>	<u>Column B</u>
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$8,287,669	
Other Instructional Staff Activities	350,768	
Instructional Staff Employee Benefits	3,857,254	
Purchased Professional and Technical Services	94,873	
Instructional Materials and Supplies	430,433	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u> </u>	<u>\$13,020,997</u>
Other Instructional Activities		<u>729,238</u>
Pupil Support Activities	1,294,081	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u> </u>	<u>1,294,081</u>
Instructional Staff Services	1,603,060	
Less: Equipment for Instructional Staff Services	8,550	
Net Instructional Staff Services	<u> </u>	<u>1,594,510</u>
School Administration Services	1,865,602	
Less: Equipment for School Administration Services	-	
Net School Administration Services	<u> </u>	<u>1,865,602</u>
Total General Fund Instructional Expenditures		<u>\$ 18,504,428</u>
Total General Fund Equipment Expenditures		<u>\$ 8,550</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ 1,182,162	
Renewable Ad Valorem Tax	7,908,316	
Debt Service Ad Valorem Tax	546,066	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	226,629	
Sales and Use Taxes	7,548,417	
Total Local Taxation Revenue	<u> </u>	<u>\$ 17,411,590</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	60	
Total Local Earnings on Investment in Real Property	<u> </u>	<u>\$ 60</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ 50,307	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes	<u> </u>	<u>\$ 50,307</u>
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	-	
Total State Revenue for Non-public Education	<u> </u>	<u>\$ -</u>

West Feliciana Parish School Board
 Education Levels of Public School Staff
 As of October 1, 2016

Schedule 2: Staff Education Levels

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.00%	3	23.08%	0	0.00%	0	0.00%
Bachelor's Degree	118	68.60%	10	76.92%	0	0.00%	0	0.00%
Master's Degree	43	25.00%	0	0.00%	8	57.14%	0	0.00%
Master's Degree + 30	9	5.24%	0	0.00%	6	42.86%	0	0.00%
Specialist in Education	1	0.58%	0	0.00%	0	0.00%	0	0.00%
Ph. D. or Ed. D.	1	0.58%	0	0.00%	0	0.00%	0	0.00%
Total	172	100.00%	13	100.00%	14	100.00%	0	0.00%

West Feliciana Parish School Board
Types of Schools
For the Year Ended June 30, 2017

Schedule 3: School Types

Type	Number
Elementary	2
Middle /Jr. High	1
Secondary	0
Combination	1
Total	4

West Feliciana Parish School Board
Staff Experience Levels
As of October 1, 2016

Schedule 4: Staff Experience

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	2	3	1	2	9
Principals	0	0	0	3	0	1	1	5
Classroom Teachers	24	17	36	27	37	20	24	185
Total	24	17	37	32	40	22	27	199

Schedule 5: School Staff Data

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 52,877	\$ 52,657
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 50,713	\$ 50,470
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	176	174

Schedule 6: Class Size Characteristics

Category	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	46.0%	103	54.0%	121	0.0%	0	0.0%	0
Elementary Activity Classes	16.7%	5	83.3%	25	0.0%	0	0.0%	0
Middle /Jr. High	73.7%	160	25.8%	56	0.5%	1	0.0%	0
Middle /Jr. High Activity Classes	68.1%	32	27.7%	13	4.2%	2	0.0%	0
High	63.1%	169	32.8%	88	4.1%	11	0.0%	0
High Activity Classes	84.3%	70	10.9%	9	3.6%	3	1.2%	1

Schedule 7 - Grade 3

Louisiana Educational Assessment Program (LEAP)

iLEAP District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students Grade 3						
Advance	10%	6%	5%	6%	11%	4%
Mastery	49%	35%	50%	46%	40%	42%
Basic	27%	31%	28%	31%	32%	37%
Approaching Basic	8%	18%	12%	12%	14%	16%
Unsatisfactory	6%	10%	5%	5%	3%	1%
Total	100%	100%	100%	100%	100%	100%

Schedule 7 - Grade 4

Louisiana Educational Assessment Program (LEAP)

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students Grade 4						
Advance	15%	10%	5%	4%	9%	5%
Mastery	35%	38%	43%	45%	40%	36%
Basic	31%	31%	35%	28%	32%	35%
Approaching Basic	15%	18%	14%	17%	17%	21%
Unsatisfactory	4%	3%	3%	6%	2%	3%
Total	100%	100%	100%	100%	100%	100%

Schedule 7 - Grade 5

Louisiana Educational Assessment Program (LEAP)

iLEAP District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students Grade 5						
Advance	3%	2%	1%	9%	9%	5%
Mastery	53%	42%	48%	37%	36%	30%
Basic	25%	35%	35%	32%	38%	31%
Approaching Basic	15%	17%	11%	19%	17%	25%
Unsatisfactory	4%	4%	5%	3%	0%	9%
Total	100%	100%	100%	100%	100%	100%

Schedule 7 - Grade 6

Louisiana Educational Assessment Program (LEAP)

iLEAP District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students Grade 6						
Advance	6%	7%	8%	4%	6%	6%
Mastery	46%	48%	47%	33%	31%	34%
Basic	24%	27%	33%	33%	30%	30%
Approaching Basic	18%	14%	11%	24%	26%	29%
Unsatisfactory	6%	4%	1%	6%	7%	1%
Total	100%	100%	100%	100%	100%	100%

Schedule 7 - Grade 7

Louisiana Educational Assessment Program (LEAP)

iLEAP District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students Grade 7						
Advance	22%	19%	7%	6%	7%	2%
Mastery	39%	39%	37%	39%	35%	33%
Basic	22%	23%	34%	33%	33%	42%
Approaching Basic	14%	14%	18%	18%	22%	18%
Unsatisfactory	3%	5%	4%	4%	3%	5%
Total	100%	100%	100%	100%	100%	100%

Schedule 7 - Grade 8

Louisiana Educational Assessment Program (LEAP)

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students Grade 8						
Advance	11%	16%	3%	0%	1%	8%
Mastery	50%	53%	49%	10%	26%	44%
Basic	22%	19%	32%	25%	45%	23%
Approaching Basic	16%	10%	12%	43%	23%	16%
Unsatisfactory	1%	2%	4%	22%	5%	9%
Total	100%	100%	100%	100%	100%	100%

West Feliciana Parish School Board
The Graduation Exit Exam
For the Year Ended June 30, 2017

Schedule 8: GEE

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

Schedule 9: iLEAP tests

iLEAP District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students Grade 3						
Advance	13%	10%	11%	11%	N/A	2%
Mastery	24%	19%	26%	24%	N/A	26%
Basic	44%	49%	47%	34%	N/A	64%
Approaching Basic	14%	17%	16%	20%	N/A	8%
Unsatisfactory	5%	5%	0%	11%	N/A	0%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students Grade 4						
Advance	7%	9%	4%	7%	N/A	4%
Mastery	17%	16%	13%	25%	N/A	17%
Basic	52%	56%	58%	27%	N/A	57%
Approaching Basic	23%	15%	20%	27%	N/A	14%
Unsatisfactory	1%	4%	5%	14%	N/A	8%
Total	100%	100%	100%	100%	N/A	100%

iLEAP District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students Grade 5						
Advance	10%	6%	5%	7%	N/A	11%
Mastery	25%	17%	20%	27%	N/A	18%
Basic	41%	54%	45%	27%	N/A	43%
Approaching Basic	17%	17%	23%	20%	N/A	19%
Unsatisfactory	7%	6%	7%	19%	N/A	9%
Total	100%	100%	100%	100%	N/A	100%

iLEAP District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students Grade 6						
Advance	13%	13%	15%	12%	N/A	36%
Mastery	33%	30%	23%	26%	N/A	22%
Basic	34%	43%	44%	24%	N/A	33%
Approaching Basic	16%	10%	15%	23%	N/A	7%
Unsatisfactory	4%	4%	3%	15%	N/A	2%
Total	100%	100%	100%	100%	N/A	100%

N/A - In 2015-2016 a Social Studies field test was administered in place of the operational Social Studies test.

West Feliciana Parish School Board
 Summary of iLEAP scores
 For the Year Ended June 30, 2017

Schedule 9: iLEAP tests

iLEAP District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students Grade 7						
Advance	15%	15%	13%	16%	N/A	19%
Mastery	35%	36%	38%	28%	N/A	27%
Basic	32%	33%	35%	25%	N/A	42%
Approaching Basic	17%	12%	12%	18%	N/A	8%
Unsatisfactory	1%	4%	2%	13%	N/A	4%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students Grade 8						
Advance	7%	7%	8%	27%	N/A	5%
Mastery	28%	39%	24%	31%	N/A	25%
Basic	42%	35%	40%	18%	N/A	53%
Approaching Basic	18%	16%	23%	17%	N/A	13%
Unsatisfactory	5%	3%	5%	7%	N/A	4%
Total	100%	100%	100%	100%	N/A	100%

N/A - In 2015-2016 a Social Studies field test was administered in place of the operational Social Studies test.



West Feliciana Parish

PUBLIC SCHOOLS

Dedicated to Excellence • Anchored in Success • Connected to the World

CORRECTIVE ACTION PLAN

December 29, 2017

West Feliciana Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2017.

Name and address of independent public accounting firm:

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

Audit Period: July 1, 2016 to June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2017-001

Matching

Recommendation:

The School Board should develop written policies and procedures for the preparation and review of documentation in support of the Head Start matching requirement.

Planned Corrective Action:

The School Board concurs and will develop written policies and procedures for the review and documentation in support of the Head Start matching requirement.

2017-002

Special Tests and Provisions

Recommendation:

The School Board should provide Head Start Program financial information to the School Board members on a monthly basis.

Planned Corrective Action:

The School Board concurs and will implement the recommendation above in 2017-2018 fiscal period.

2017-003

Internal Controls over Reporting and Special Tests and Provisions

10.553, 10.555, 10.559 Child Nutrition Cluster #0LDE/103-63

Recommendation:

The School Board should implement policies and procedures that establish for the review and approval of the Claim Reimbursement Reports and the SFA Verification Collection Report.

P. O. Box 1910 ~ 4727 Fidelity Street
St. Francisville, LA 70775
225-635-3891 ~ FAX: 225-635-0108

Student Success: Learning Today, Leading Tomorrow!

Planned Corrective Action: *The School Board concurs and will implement the recommendation above in 2017-2018 fiscal period.*

2017-004 **Documentation of Suspension and Debarment**
10.553, 10.555, 10.559 Child Nutrition Cluster #0LDE/103-63

Recommendation: The School Board should perform a search for all vendors annually then export and/or print the results of its search of SAMS system and maintain this documentation in each file of a vendor which meets the applicable criteria.

Planned Corrective Action: *The School Board will implement this review and documentation of such beginning with the 2017-2018 fiscal period.*

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Misty Cook, Business Manager

If there are questions regarding this plan, please call Misty Cook at (225) 635-3891.

Sincerely,



Misty Cook,
Business Manager

WEST FELICIANA PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures and Observations and Associated Results	2 - 13
Management's Response and Corrective Action Plan	

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Schedule A, which were agreed to by West Feliciana Parish School Board (the School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. 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 29, 2017

**WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017**

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.

Written Policies and Procedures

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

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

No exceptions 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 exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions 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 School Board policies do not specify criteria (3) legal review and criteria (4) approval process.

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

No exceptions noted.

**WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017**

Schedule A

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

The School Board does not have a written policy for its travel and expense reimbursement that specifies criteria (4) required approvers for in-state travel.

- 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 policy does not specifically address criteria (3) a system to monitor possible ethic violations and criteria (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the School Board's ethics policy.

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

The policy does not specifically address criteria (3) debt reserve requirements and criteria (4) debt service requirements.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

No exceptions noted.

- b) Report whether the minutes referenced are including monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis). If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Budget to actual comparisons for all major funds were not included in monthly board meetings from July 2016 to June 2017.

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

No exceptions noted.

**WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017**

Schedule A

Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 20 bank accounts. No exceptions were noted as a result of performing this procedure.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

From the listing provided, we selected 7 accounts and obtained the bank reconciliations for each of the twelve months ending June 30, 2017, resulting in 96 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations have been prepared;

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

No exceptions noted.

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

Of the 96 bank accounts selected, 26 bank reconciliations had reconciling items that have been outstanding for more than 6 months. There was no documentation evidencing that 4 of the 26 applicable bank reconciliations more than 6 months outstanding items were researched for proper disposition.

Collections

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

A listing of cash collection locations was provided and included a total of 10 cash collection locations. No exceptions were noted as a result of performing this procedure.

WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017

Schedule A

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). **For each cash collection location selected:**

4 locations were selected and the procedures noted below were performed.

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

For two locations selected for our procedures, the person collecting the cash also has the ability to deposit the cash, the person collecting the cash can also be the same person recording the related transaction, the person collecting the cash can also be the same person reconciling the bank account and the collecting the cash may use the same register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is no formal process related to cash collections for one location selected for testing.

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

Using the collection data, we determined the highest collection week during the year ending June 30, 2017 for each respective collection location and performed the procedures noted below.

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

There were two locations with 10 instances where the cash was deposited and recorded in excess of one day after the cash collection.

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

No exceptions noted

**WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017**

Schedule A

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, etc.) by a person who is not responsible for collections.

No exceptions noted.

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

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

The listing of beginning and ending check ranges for all bank accounts was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

25 disbursements were selected and the procedures below were performed.

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

Of the 25 disbursements selected, there were five requisitions that were initiated and approved by the same person who approved the requisition.

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

Of the 25 disbursements selected, there was one purchase order that was approved by the person who initiated the purchase.

- c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Of the 25 disbursements selected, four tested did not have evidence of a receiving report to show receipt of goods purchased.

WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017

Schedule A

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

One of the persons responsible for processing payments also has the ability to add vendors to the purchasing system.

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

One of the persons responsible for authorization for disbursements also has the authority for initiating and recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No exceptions noted.

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

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

A listing of cards was provided and included a total of 10 credit cards and fuel cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and perform the procedures below.

3 cards were selected and performed the procedures noted below were performed.

WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017

Schedule A

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Two of 3 cards selected did not have evidence of review and approval in writing.

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

One of 3 cards selected reported finance charges and/or late fees assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions noted.

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

For the 3 cards tested for the largest month of activity, there were 13 transactions which took place during those months and were tested. Nine of those did not have documentation of a business/public purpose.

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

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exception noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017**

Schedule A

For the 3 cards tested for the largest month of activity, there were 13 transactions which took place during those months and were tested. Nine of those did have documentation related to the expense to allow knowledge on the nature of the purchase and its business/public purposes for comparison to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

A listing of general ledger activity for all travel and related expense reimbursements, by person, during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased.
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the

WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017

Schedule A

transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

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

No exceptions noted.

Contracts

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

A listing of general ledger activity for all in effect during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

No exceptions noted.

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

No exceptions noted.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017

Schedule A

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exceptions noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

5 employees were selected and subjected to the procedures below.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

No exceptions noted.

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

WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017

Schedule A

No exceptions noted.

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

No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics (excluding nonprofits)

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

One of 5 employees tested did not complete ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

None noted.

**WEST FELICIANA PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2017**

Schedule A

Debt Service

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

Not debt issued during the fiscal period.

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

No exceptions noted.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The School Board collected ad valorem taxes more than 10% in excess of debt payments.

Other

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

No such instances occurred.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

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

No exceptions noted.

Corrective Action

34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See attached Corrective Action Plan.



West Feliciana Parish

PUBLIC SCHOOLS

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CORRECTIVE ACTION PLAN

STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES

December 29, 2017

West Feliciana Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2017 correct actions implemented.

Postlethwaite & Netterville, APAC

8550 United Plaza Blvd.

Suite 1001

Baton Rouge, LA 70809

Period: July 1, 2016 to June 30, 2017

Written Policies and Procedures

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

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

No exceptions 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 exceptions noted.

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

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St. Francisville, LA 70775
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No exceptions noted.

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

No exceptions noted.

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

No exceptions 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 School Board policies do not specify criteria (3) legal review and criteria (4) approval process.

Planned Corrective Action: The School Boards Policies will be modified to incorporate legal review and the approval process.

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

No exceptions noted.

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

The School Board does not have a written policy for its travel and expense reimbursement that specifies criteria (4) required approvers for in-state travel.

Planned Corrective Action: The School Boards Policies will be modified to specify required approvers for in-state travel.

- 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 policy does not specifically address criteria (3) a system to monitor possible ethic violations and criteria (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the School Board's ethics policy.

Planned Corrective Action: The School Boards Policies will be modified to include a requirement of all employees annually attest through signature that they have read the ethics policy.

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

The policy does not specifically address criteria (3) debt reserve requirements and criteria (4) debt service requirements.

Planned Corrective Action: The School Boards Policies will be modified to address debt reserve requirements and debt service requirements.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

No exceptions noted.

- b) Report whether the minutes referenced are including monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis). If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Budget to actual comparisons for all major funds were not included in monthly board meetings from July 2016 to June 2017.

Planned Corrective Action: The School Boards Policies will be modified to include a monthly budget to actual report to be included in each Board members packet and will remain presenting budget to actual data quarterly.

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

No exceptions noted.

Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 20 bank accounts. No exceptions were noted as a result of performing this procedure.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

From the listing provided, we selected 7 accounts and obtained the bank reconciliations for each of the twelve months ending June 30, 2017, resulting in 96 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations have been prepared;

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

No exceptions noted.

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

Of the 96 bank accounts selected, 26 bank reconciliations had reconciling items that have been outstanding for more than 6 months. There was no documentation evidencing that 4 of the 26 applicable bank reconciliations more than 6 months outstanding items were researched for proper disposition.

Planned Corrective Action: The School Board will review with all applicable employees the need to research and document such research for any outstanding items more than 6 months old.

Collections

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

A listing of cash collection locations was provided and included a total of 10 cash collection locations. No exceptions were noted as a result of performing this procedure.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

4 locations were selected and the procedures noted below were performed.

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

For two locations selected for our procedures, the person collecting the cash also has the ability to deposit the cash, the person collecting the cash can also be the same person recording the related transaction, the person collecting the cash can also be the same person reconciling the bank account and the collecting the cash may use the same register or drawer with another employee.

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 transaction, depositing the cash and reconciling the account. Exceptions may be made for school closures where only one or two staff may be present at the time of collection.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is no formal process related to cash collections for one location selected for testing.

Planned Corrective Action: The School Boards policies will be updated to include a written process for cash collections at this location.

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

Using the collection data, P&N determined the highest collection week during the year ending June 30, 2017 for each respective collection location and performed the procedures noted below.

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

There were two locations with 10 instances where the cash was deposited and recorded in excess of one day after the cash collection.

Planned Corrective Action: The School Board will remind all employees that cash must be deposited daily.

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

No exceptions noted

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, etc.) by a person who is not responsible for collections.

No exceptions noted

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

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

The listing of beginning and ending check ranges for all bank accounts was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

25 disbursements were selected and the procedures below were performed.

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

Of the 25 disbursements selected, there were five requisitions that were initiated and approved by the same person who approved the requisition.

Planned Corrective Action: As requisitions are not final approval to purchase, the School Board will continue to allow requisitions to be approved by the same person who initiates the requisition. Final purchasing approval will continue to be the Purchase order approval.

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

Of the 25 disbursements selected, there was one purchase order that was approved by the person who initiated the purchase.

Planned Corrective Action: The School Board will not have persons initiate and approve purchase orders.

- c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Of the 25 disbursements selected, four tested did not have evidence of a receiving report to show receipt of goods purchased.

Planned Corrective Action: The School Board will have users print a system receiving report of items received and attach said report to invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

One of the persons responsible for processing payments also has the ability to add vendors to the purchasing system.

Planned Corrective Action: The School Board will have users print a system receiving report of items received and attach said report to invoice.

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

One of the persons responsible for authorization for disbursements also has the authority for initiating and recording purchases.

Planned Corrective Action: The School Board has one user who is responsible for printing checks who also has authority for initiating and recording purchases in case of emergencies or absence of Accounts Payable personnel. This will remain in place and only used in rare cases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No exceptions noted.

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

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

A listing of cards was provided and included a total of 10 credit cards and fuel cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and perform the procedures below.

3 cards were selected and performed the procedures noted below were performed.

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Two of 3 cards selected did not have evidence of review and approval in writing.

Planned Corrective Action: The School Board currently pays smaller purchasing cards at the time of each individual purchase and therefore do not receive monthly statements on some of these cards. Each individual charge purchase does require signature of approval. The School Board will ensure that charge purchases are signed for approval.

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

One of 3 cards selected reported finance charges and/or late fees assessed.

Planned Corrective Action: The School Board will communicate to staff that cards must be paid in full so that no finance charges are incurred.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions noted.

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

For the 3 cards tested for the largest month of activity, there were 13 transactions which took place during those months and were tested. Nine of those did not have documentation of a business/public purpose.

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

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

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exception noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

For the 3 cards tested for the largest month of activity, there were 13 transactions which took place during those months and were tested. Nine of those did have documentation related to the expense to allow knowledge on the nature of the purchase and its business/public purposes for comparison to the requirements of Article 7, Section 14 of the Louisiana Constitution.

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

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

A listing of general ledger activity for all travel and related expense reimbursements, by person, during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

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

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

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

No exceptions noted.

Contracts

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

A listing of general ledger activity for all in effect during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

No exceptions noted.

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

No exceptions noted.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exceptions noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

5 employees were selected and subjected to the procedures below.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics (excluding nonprofits)

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

One of 5 employees tested did not complete ethics training during the year.

Planned Corrective Action: This employee was out on medical leave during the time period of ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

None noted.

Debt Service

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

Not debt issued during the fiscal period.

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

No exceptions noted.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The School Board collected ad valorem taxes more than 10% in excess of debt payments.

Planned Corrective Action: The School Board is no longer levying millages for debt service, overage collected will be used for the original purpose of the bonds issued.

Other

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

No such instances occurred.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

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

No exceptions noted.

Moty Cook

WEST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

WEST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2017

December 29, 2017

Members of the Board and Management
West Feliciana Parish School Board
St. Francisville, Louisiana

In planning and performing our audit of the financial statements of the West Feliciana Parish School Board (the School Board) as of and for the year ended June 30, 2017, we considered the School Board's internal controls 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.

However, during our audit, we became aware of matters that are opportunities for improving financial reporting and refining policies and procedures. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 29, 2017 on the financial statements of the School Board.

2017-1 **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, travel expenses, ethics, and debt service.

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

2017-2 **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.



Postlethwaite & Netterville

Management's

Response: We concur with the recommendation above.

We have already discussed many of 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 patience and cooperation with us during the performance of the audit.

Postlethwaite & Netterville

STATUS OF PRIOR YEAR REPORT TO MANAGEMENT

A. Cash Outstanding Items

Condition:

During our audit procedures, we noted several reconciling items on the School Boards cash accounts labeled "error corrections" of approximately \$9,000. Also, there is an outstanding check from 2014 of \$19,853. Per the School Board, the vendor has communicated that this check is considered cleared and is not outstanding. These amounts were deemed immaterial to the financial statements.

Recommendation:

We recommend that management investigate and resolve the identified reconciling items included in the cash reconciliations.

Management's Response:

Management agrees with the recommendation and will investigate the matter and resolve the outstanding items.

Current Status:

We noted no significant outstanding items during our audit procedures. Thus, the matter is considered resolved.

B. Deferred Revenues

Condition:

During our audit procedures, we noted that the School Board has recorded deferred revenues of approximately \$52,000 for federal programs that are funded by reimbursement grants. Reimbursement grants generally should not have deferred revenues recorded. This amount is not considered material and is not related to any federal program considered major during the 2016 audit.

Recommendation:

We recommend that management review each applicable federal program and determine whether an adjusting entry is needed for the applicable federal programs.

Management's Response:

Management agrees with the recommendation and will investigate and resolve this matter during the 2016-2017 fiscal period.

Current Status:

We noted no significant deferred revenues related to federal programs during the current year audit. Thus, the matter is considered resolved.