

WINN PARISH SCHOOL BOARD

Winnfield, Louisiana

Financial Report

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Mr. Steve Bartlett, Superintendent,
and Members of the Winn Parish School Board
Winnfield, 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 Winn Parish School Board (the School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As described in Note 19 to the financial statements, the School Board adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 5 through 11 and 58 through 65 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. The other supplementary information on pages 70 through 83 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 19, 2018

REQUIRED SUPPLEMENTARY INFORMATION

Winn Parish School Board
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

As management of the Winn Parish School Board, we offer readers of the Winn Parish School Board's financial statements this narrative overview and analysis of the financial activities of the Winn Parish School Board for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Winn Parish School Board's basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Winn Parish School Board's finances, in a manner similar to a private-sector business. These statements include all assets and liabilities and are prepared using the accrual basis of accounting. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

The statement of net position presents information on all of the Winn Parish School Board's assets and liabilities, with the difference between the two 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 Winn Parish School Board is improving or deteriorating.

The statement of activities presents information showing how the school board'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 timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused sick leave).

The statement of net position and statement of activities report the governmental activities of the school board. All of the school board's services are reported here, including instruction, support services, school food service, and debt service.

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 Winn Parish 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 Winn Parish School Board can be divided into two categories: governmental funds and fiduciary (agency) 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.

Winn Parish School Board
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

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.

Fiduciary Funds. Fiduciary (agency) funds are used to account for resources for the benefit of parties outside the government. Since these resources are not available to support the Winn Parish School Board's programs, fiduciary (agency) funds are not reflected in the government-wide financial statement.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Winn Parish School Board exceeded assets by \$56,977,946. The largest portion of the Winn Parish School Board's assets reflects its investment in capital assets (e.g., land, buildings and improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

An additional portion of the Winn Parish School Board's net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by three factors: 1) resources expended, over time, by the Winn Parish School Board to acquire capital assets from sources other than internally generated funds (i.e., debt), 2) required depreciation (since construction and/or acquisition) on assets of very long-lived assets having been included in the statement of net position, and 3) the liability related to the postretirement benefits, as well as the net pension liability. During the current year end June 30, 2018, the school board adopted GASB No. 75 "Accounting and Financial Reporting by Employers for Postretirement Benefits other than Pensions", which superseded GASB No. 45, and requires the school board to record the entire liability related to postretirement benefits. GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", has also been implemented, and the school board is required to report its net pension liability. These two liabilities are the primary reason for the negative unrestricted net assets.

Winn Parish School Board
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Table 1
Governmental Activities
Net Position
June 30, 2018

(With Comparative Totals for June 30, 2017)

	2018	2017
Assets		
Cash and cash equivalents	\$ 10,520,031	\$ 11,051,139
Receivables	426,213	403,524
Due from other government agencies	589,552	527,177
Other assets	53,256	60,678
Capital assets	12,959,228	13,556,039
Total assets	24,548,280	25,598,557
Deferred Outflows of Resources		
Pension related resources	4,383,115	6,473,746
Liabilities		
Current and other liabilities	4,777,266	4,836,506
Long-term liabilities	78,852,914	58,655,697
Total liabilities	83,630,180	63,492,203
Deferred Inflows of Resources		
Pension related resources	2,279,161	1,252,806
Net position		
Net investment in capital assets	9,434,228	8,961,039
Restricted	1,855,573	2,145,187
Unrestricted	(68,267,747)	(43,778,932)
Total net position	\$ (56,977,946)	\$ (32,672,706)

Winn Parish School Board
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Table 2
Governmental Activities
Changes in Net Assets
Fiscal Year Ended June 30, 2018
(With Comparative Totals for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues:		
Charges for services	\$ 123,163	\$ 138,495
Operating grants and contributions	3,377,055	3,543,779
General revenues:		
Ad valorem taxes	2,620,808	2,864,754
Sales taxes	3,911,596	3,810,862
State equalization	15,489,471	16,299,817
Other general revenues	<u>790,406</u>	<u>810,014</u>
Total revenues	<u>26,312,499</u>	<u>27,467,721</u>
Functional/Program Expenses:		
Instructional:		
Regular programs	8,714,912	9,803,226
Special education programs	2,677,885	2,857,547
Vocational programs	915,474	1,005,855
Other instructional programs	260,673	355,605
Special programs	1,168,247	1,418,730
Adult and continuing education programs	148,566	203,005
Support services:		
Pupil support services	1,239,084	1,337,631
Instructional staff support services	1,817,995	1,837,822
General administration	631,728	651,448
School administration	1,701,989	1,790,406
Business services	380,386	418,027
Plant services	2,482,173	2,572,506
Student transportation services	1,451,939	1,538,867
Central services	26,710	15,604
Food services	1,729,933	1,862,960
Facilities acquisition & construction	543,360	564,557
Community service programs	18,960	18,960
Debt service:		
Interest on long-term obligations	<u>136,743</u>	<u>170,556</u>
Total expenses	<u>26,046,757</u>	<u>28,423,312</u>
Increase/(Decrease) in net position	<u>\$ 265,742</u>	<u>\$ (955,591)</u>

Winn Parish School Board
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Financial Analysis of the Government's Funds

Winn Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used to assess the financing requirements of our system. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2018 combined governmental fund balances of \$6,848,687 showed a decrease of \$405,865 from June 30, 2017. The General Fund had a decrease in fund balance in the amount of \$145,641 this year, which leaves a decreased ending fund balance of \$4,803,966. Of this amount, \$2,529,085 is unassigned.

General Fund Budgetary Highlights

Differences between the bottom line of the original budget and the final budget were relatively small. Actual numbers for other revenue from local sources and state sources were slightly higher than expected, and expenditures were higher in areas such as regular education programs, instructional staff services, business services, and student transportation services, and lower in areas such as special education and school administration.

Capital Asset and Debt Administration

Capital Assets. The Winn Parish School Board's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$12,959,228 (net accumulated depreciation). This investment includes land, buildings and improvements, furniture and equipment, and infrastructure in progress. The decrease in capital assets for the year ended June 30, 2018 was \$596,811.

Long-Term Debt. At the end of the fiscal year, Winn Parish School Board had total bonded debt outstanding, in the form of general obligation bonds, of \$3,525,000. Winn Parish School Board long-term debt's standing is in excellent condition.

Economic Factors and Next Year's Budgets

The Winn Parish Schools' financial plan for this upcoming year is well underway since the adoption of a realistic budget that meets the instructional needs of the students while protecting the long-term financial stability of the district. As we were preparing this budget, we discussed and considered many factors that will affect us not only this year, but for the next three to five years.

One of our greatest concerns is our low fund balance. As of June 30, 2018, the total fund balance in our General Fund is \$4,803,966. Of this amount, \$2,274,881 is set aside for specific purposes and \$2,529,085 is unassigned. Our average monthly expenditures total \$1,414,208. We almost have enough fund balance to cover three and a half months' expenditures, but our goal is to accrue a fund balance to support six months' expenditures. It is believed that increases in the Winn Parish School Board's low fund balance will only be made possible through normal increases in ad valorem taxes and increases in revenues from local and state sources. This proposition of revenue increase does not seem promising. To accommodate funding decreases, the Winn Parish School Board has closely monitored its total employee numbers and has limited its expenditures in many areas over recent years. Additionally, factors such as modest increases in local and state funding and lower restricted grants-in-aid have placed increased demands on MFP and have limited the increase in fund balances.

Winn Parish School Board
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Another great concern is our declining enrollment. October 1, 2018, enrollment reveals a 4.2% decline in enrollment from October 1, 2017, which was a decline of 6.2% from October 1, 2016. Data trends show a definite steady decline in student population for Winn Parish. This decline is of paramount concern due to the direct effect on the MFP allocation. There are no private schools in Winn and homeschooling has remained constant for several years. Consequently, the enrollment decline is due primarily to students leaving Winn Parish. An upswing in Winn Parish's economy to attract families is of great need in our district.

The implementations of GASB 75 and GASB 68 is also a concern. According to these statements, each year we will have to record a liability related to the postretirement benefits that have been earned by our employees, as well as reporting our net pension liability. Due to our current financial position, we are not able to adequately fund this liability. Therefore, the amount of this liability will continually increase, which will cause our net assets to continually decrease.

As with most districts across the state, the economy in Winn Parish is really struggling. Our unemployment rate is high, which means our discretionary income is very limited. We have a transient populous and our student enrollment has been steadily declining, which has a negative effect on our Minimum Foundation Program funding. However, despite our struggling economy, our local ad valorem tax revenue has remained relatively the same, and our local sales tax revenue slightly increased.

While our unrestricted revenues remained steady, several of our major expenditures are increasing. Inflation causes increases in all areas, such as textbooks, office supplies, fuel, food costs, classroom materials, software, and equipment. Also, the school board pays 75% of health insurance premiums, which seems to increase annually.

In addition to many unfunded educational mandates, the technology demands are increasing tremendously. The Louisiana Department of Education is continually demanding additional reporting, as well as more accountability. These demands normally require changes to software in order to comply with the reporting requirements. Additionally, current accountability policies include such things as end-of-course testing, ACT, WorkKeys, AP, CLEP, and other mandated tests, which requires each student to test on a computer, or in an up-to-date computer lab. Along with these changes comes the need for more technical support, which will lead to the need for additional computer technicians. We have been fortunate enough to obtain enough technology grants to place Promethian classroom projectors in many of our classrooms, but the cost of maintaining them is very high and falls to the district. The normal maintenance caused by use of the technology equipment, and the need to keep our equipment and software updated and current, has greatly increased the cost of this necessary entity. There is also a push from the Department of Education to purchase textbooks that are electronic. The cost of e-books, along with the necessary technology, will also present increased costs of teaching and learning. We are required to comply with these requirements, although these mandates come with no additional funding from the MFP.

Transportation of students is also a major expenditure. Contract bus drivers are increasingly hard to find, and the cost of purchasing and maintaining a fleet of school buses is very expensive. Fuel prices are currently increasing, and diesel fuel prices have increased tremendously over last year.

Finally, even though we have good physical facilities, normal use is costly to maintain. Some of our schools need roof maintenance and it is always costly to maintain heating/cooling units as they age. Some of our current buildings were built in the 1920's and have more rigorous maintenance requirements. These buildings do not have sufficient electrical capacity to meet the increased technology demands and we are continually attempting to address and resolve this problem. To insure the safety and well-being of students, we have installed state-of-the-

Winn Parish School Board
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

art security camera systems at all schools, and the maintenance of these systems has created an increased financial demand on our budget.

Our funding comes primarily from the Minimum Foundation Program, local ad valorem taxes, local sales taxes, and various state and federal grants. Our enrollment has been gradually declining over the past several years, which means fewer MFP dollars, as well as fewer grant dollars. Our total taxable assessed values for the parish have shown a slight increase each year, which results in stable, or slightly higher, ad valorem tax revenue, and we have been fortunate to see an increase in our sales tax revenues.

During the 2018-19 school year we plan to focus on the concerns mentioned above and make long-term plans for meeting all mandates. Although many practical concerns relating to the Winn Parish School System's long term financial stability are noted, there is focused effort to plan and adopt a pragmatic budget that truly meets the students' academic needs as well as the smooth operation of the Winn Parish educational system. Optimism prevails as positive support from the Winn Parish School Board members and Winn Parish community is ongoing as efforts are being made to prudently make decisions regarding the financial future of the Winn Parish School System.

Requests for Information

This financial report is designed to be a summary of the Winn Parish School Board's finances. If you have any questions regarding this report or wish to receive any additional information, a request can be made in writing to Tami Austin, Business Manager, Winn Parish School Board, P. O. Box 430, Winnfield, Louisiana 71483.

BASIC FINANCIAL STATEMENTS

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2018

ASSETS	
Cash and interest-bearing deposits	\$ 10,520,031
Receivables	426,213
Prepaid expenses	24,617
Due from other governmental agencies	589,552
Inventory	28,639
Capital assets:	
Non-depreciable	1,556,220
Depreciable, net	<u>11,403,008</u>
Total assets	<u>24,548,280</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	<u>4,383,115</u>
LIABILITIES	
Accounts, salaries and other payables	4,664,715
Unearned revenue	75,650
Interest payable	36,901
Long-term liabilities:	
Due within one year	1,180,042
Due in more than one year	3,205,720
Other post employment benefits payable	47,531,329
Net pension liability	<u>26,935,823</u>
Total liabilities	<u>83,630,180</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	<u>2,279,161</u>
NET POSITION	
Net investment in capital assets	9,434,228
Restricted for:	
Debt service	529,170
Capital projects	793
Tax dedications	702,336
Other	623,274
Unrestricted	<u>(68,267,747)</u>
Total net position	<u>\$ (56,977,946)</u>

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Statement of Activities
For the year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 8,714,912	\$ -	\$ 89,722	\$ (8,625,190)
Special education programs	2,677,885	-	390,055	(2,287,830)
Vocational education programs	915,474	-	32,239	(883,235)
Other instructional programs	260,673	-	35,434	(225,239)
Special programs	1,168,247	-	1,066,561	(101,686)
Adult and continuing education programs	148,566	-	128,901	(19,665)
Support services:				
Pupil support services	1,239,084	-	101,934	(1,137,150)
Instructional staff support services	1,817,995	-	382,186	(1,435,809)
General administration	631,728	-	4,510	(627,218)
School administration	1,701,989	-	1,059	(1,700,930)
Business services	380,386	-	2,252	(378,134)
Operation and maintenance of plant services	2,482,173	-	12,059	(2,470,114)
Student transportation services	1,451,939	-	5,817	(1,446,122)
Central services	26,710	-	-	(26,710)
Non-instructional service:				
Food services	1,729,933	123,163	1,124,326	(482,444)
Community service programs	18,960	-	-	(18,960)
Facilities acquisition and construction	543,360	-	-	(543,360)
Interest on long-term debt	<u>136,743</u>	<u>-</u>	<u>-</u>	<u>(136,743)</u>
Total governmental activities	<u>\$ 26,046,757</u>	<u>\$ 123,163</u>	<u>\$ 3,377,055</u>	<u>(22,546,539)</u>
Taxes:				
Ad valorem taxes, levied for general purposes				1,658,977
Ad valorem taxes, levied for debt service				961,831
Sales and use taxes, levied for special purposes				3,911,596
State revenue sharing				70,716
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				15,489,471
State source - PIPS				27,547
Federal revenue in lieu of taxes				164,188
Interest and investment earnings				25,622
Miscellaneous				409,753
Nonemployer pension contributions				94,418
Transfer to other EA				(2,738)
Gain on disposal of capital assets				<u>900</u>
Total general revenues				<u>22,812,281</u>
Change in net position				265,742
Net position - beginning, as restated				<u>(57,243,688)</u>
Net position - ending				<u>\$ (56,977,946)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	1969 Sales Tax	1994 Sales Tax	Other Governmental	Total
ASSETS					
Cash and interest-bearing deposits	\$ 7,394,072	\$ 636,808	\$ 1,142,603	\$ 1,346,548	\$ 10,520,031
Receivables	28,926	184,413	184,413	28,461	426,213
Prepaid expenses	24,617	-	-	-	24,617
Due from other governmental agencies	109,008	-	-	480,544	589,552
Due from other funds	320,813	-	-	-	320,813
Inventory	-	-	-	28,639	28,639
Total assets	<u>\$ 7,877,436</u>	<u>\$ 821,221</u>	<u>\$ 1,327,016</u>	<u>\$ 1,884,192</u>	<u>\$ 11,909,865</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 81,678	\$ -	\$ -	\$ 4,720	\$ 86,398
Accrued salaries and related benefits	2,964,294	576,935	809,093	221,428	4,571,750
Other liabilities	6,567	-	-	-	6,567
Due to other funds	5,154	-	-	315,659	320,813
Unearned revenue	15,777	59,873	-	-	75,650
Total liabilities	<u>3,073,470</u>	<u>636,808</u>	<u>809,093</u>	<u>541,807</u>	<u>5,061,178</u>
Fund balances:					
Non-spendable	24,617	-	-	28,639	53,256
Restricted	264	184,413	517,923	1,189,874	1,892,474
Committed	750,000	-	-	-	750,000
Assigned	1,500,000	-	-	123,872	1,623,872
Unassigned	2,529,085	-	-	-	2,529,085
Total fund balances	<u>4,803,966</u>	<u>184,413</u>	<u>517,923</u>	<u>1,342,385</u>	<u>6,848,687</u>
Total liabilities and fund balances	<u>\$ 7,877,436</u>	<u>\$ 821,221</u>	<u>\$ 1,327,016</u>	<u>\$ 1,884,192</u>	<u>\$ 11,909,865</u>

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

Total fund balances for governmental funds		\$ 6,848,687
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Capital assets, net		12,959,228
Long-term liabilities:		
Accrued interest payable	\$ (36,901)	
Bonds payable	(3,525,000)	
Compensated absences payable	(860,762)	
Net OPEB obligation	(47,531,329)	
Net pension liability	<u>(26,935,823)</u>	(78,889,815)
Deferred outflows of resources related to net pension liability		4,383,115
Deferred inflows of resources related to net pension liability		<u>(2,279,161)</u>
Net position		<u>\$ (56,977,946)</u>

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

	General	1969 Sales Tax	1994 Sales Tax	Other Governmental	Totals
Revenues					
Local sources:					
Ad valorem taxes	\$ 919,906	\$ -	\$ -	\$ 1,700,902	\$ 2,620,808
Sales taxes	-	1,955,797	1,955,799	-	3,911,596
Interest	18,423	1,945	2,060	3,194	25,622
Other	232,816	81,479	81,479	-	395,774
Total local sources	1,171,145	2,039,221	2,039,338	1,704,096	6,953,800
State sources	15,336,477	-	-	579,595	15,916,072
Federal sources	164,188	-	-	3,048,717	3,212,905
Other sources	-	-	-	137,142	137,142
Total revenues	<u>16,671,810</u>	<u>2,039,221</u>	<u>2,039,338</u>	<u>5,469,550</u>	<u>26,219,919</u>
Expenditures					
Current:					
Instruction -					
Regular programs	6,791,345	915,092	968,163	91,702	8,766,302
Special education programs	1,837,748	247,926	211,140	390,055	2,686,869
Vocational education programs	740,651	77,977	50,336	32,239	901,203
Other instructional programs	212,215	-	-	42,667	254,882
Special programs	76,815	57,564	117,642	933,939	1,185,960
Adult and continuing education programs	3,755	6,061	9,015	128,902	147,733
Support services -					
Pupil support services	938,787	120,394	86,592	101,934	1,247,707
Instructional staff support services	1,223,732	110,255	83,147	419,447	1,836,581
General administration	455,471	57,469	45,213	74,236	632,389
School administration	1,418,835	155,656	109,332	1,059	1,684,882
Business services	308,507	29,122	18,313	20,662	376,604
Operation and maintenance of plant services	1,526,654	94,453	103,071	726,066	2,450,244
Student transportation services	1,302,017	71,540	77,416	14,755	1,465,728
Central services	26,710	-	-	-	26,710
Non-instructional services -					
Food services	88,289	90,735	99,624	1,444,159	1,722,807
Community service programs	18,960	-	-	-	18,960
Debt service:					
Principal retirement	-	-	-	1,070,000	1,070,000
Interest and fiscal charges	-	-	-	148,385	148,385
Total expenditures	<u>16,970,491</u>	<u>2,034,244</u>	<u>1,979,004</u>	<u>5,640,207</u>	<u>26,623,946</u>
Excess (deficiency) of revenues over expenditures	<u>(298,681)</u>	<u>4,977</u>	<u>60,334</u>	<u>(170,657)</u>	<u>(404,027)</u>
Other financing sources (uses):					
Proceeds from sale of assets	900	-	-	-	900
Transfer to other EA	(2,738)	-	-	-	(2,738)
Transfers in	154,878	-	-	-	154,878
Transfers out	-	-	-	(154,878)	(154,878)
Total other financing sources (uses)	<u>153,040</u>	<u>-</u>	<u>-</u>	<u>(154,878)</u>	<u>(1,838)</u>
Net change in fund balances	(145,641)	4,977	60,334	(325,535)	(405,865)
Fund balances, beginning	<u>4,949,607</u>	<u>179,436</u>	<u>457,589</u>	<u>1,667,920</u>	<u>7,254,552</u>
Fund balances, ending	<u>\$ 4,803,966</u>	<u>\$ 184,413</u>	<u>\$ 517,923</u>	<u>\$ 1,342,385</u>	<u>\$ 6,848,687</u>

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (405,865)
Capital outlay	\$ 18,795	
Depreciation expense	<u>(615,606)</u>	(596,811)
Bond principal retirement		1,070,000
Change in compensated absences		21,451
Change in net OPEB obligation		(1,356,307)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		11,642
Nonemployer pension contributions		94,418
Change in pension expense		<u>1,427,214</u>
Total change in net position per Statement of Activities		<u>\$ 265,742</u>

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Statement of Fiduciary Net Position
June 30, 2018

ASSETS

Cash and cash equivalents	<u>\$ 372,815</u>
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LIABILITIES

Deposits due others	<u>\$ 372,815</u>
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The accompanying notes are an integral part of the basic financial statements.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

The School Board operates seven schools within the parish with a total enrollment of 2,270 pupils for the year ended June 30, 2018, based on the October, 2017 official MFP student count. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board is considered a separate financial reporting entity, 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.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities.

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

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

Fund Financial Statements

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

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

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

The School Board reports the following major governmental funds:

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

The 1969 Sales Tax Fund accounts for the collection and expenditure of a one percent parishwide sales tax approved on May 29, 1969. The net revenues from the taxes, after payment of necessary costs and expenses of collecting the taxes, are dedicated for the salaries of teachers and other personnel of the school board.

The 1994 Sales Tax Fund accounts for the collection and expenditure of a one percent parishwide sales tax approved on November 13, 1993. The net revenues from the taxes, after payment of necessary costs and expenses of collecting the taxes, are dedicated for the salaries of teachers and other personnel of the school board and for providing instructional materials for schools within the parish.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Additionally, the School Board reports the following fund types:

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, state and local grant and entitlement programs.

Debt Service Funds

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

Capital projects funds

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

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are the agency funds. The agency funds are as follows:

School Activity Fund – accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales Tax Fund – accounts for monies collected on behalf of other taxing authorities within the parish.

The more significant of the Winn Parish School Board's accounting policies are described below.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, the governmental activities are presented using the economic resources measurement focus. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gain, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues

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

Allocation of indirect expenses

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. State law requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

if not paid by December 31. The taxes are normally collected in December, January, and February of the current year.

Ad-valorem taxes are based on assessed values determined by the Assessor of Winn Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

Federal and State entitlements (which include state equalization and state revenue sharing) are recorded when available and measurable. State equalization entitlement funds are recognized when the School Board is entitled to them. State revenue sharing, which is based on population and homesteads in the parish, is recorded as revenue in lieu of taxes in the year received which coincides with the recognition of the related ad valorem taxes discussed above. Federal and State grants are recorded when the School Board is entitled to the funds, usually after reimbursable expenditures have been incurred. Federal commodities are recognized as revenues when used.

Sales taxes are recognized in the period when the underlying sales or use transaction occurred. Revenue from services provided to other local governments are recorded as other revenues from local sources when the School Board is entitled to the funds. Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available. Substantially all other revenues are recognized when received by the School Board.

Based on the above criteria, sales taxes, federal and state grants, and certain revenues from local sources have been treated as susceptible to accrual.

Expenditures

Salaries are recorded as expenditures when earned by employees. The salaries for teachers and most other school-level employees are earned over a nine-month period but may be paid over a twelve-month period. Purchases of various operating supplies, etc. are recorded as expenditures in the accounting period in which they are purchased. Food costs are recognized as expenditures in the accounting period in which the food is consumed.

Commitments under construction contracts are recognized when earned by the contractor. Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, proceeds from indebtedness, the sale of fixed assets, and proceeds for insurance are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Unearned Revenues

Unearned revenues include amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School Board reports unearned revenue when grant funds are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Recognition of revenue from ad valorem and sales tax collections have been delayed in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been delayed to the next fiscal year to allow proper matching of revenues and expenditures.

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

Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include all demand deposits, interest-bearing demand deposits, and time deposits of the School Board.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful account was not considered necessary.

Short-Term – Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “interfund receivable” or “interfund payable” on the balance sheet. These interfund receivables/payables are eliminated for reporting in the Statement of Net Position.

Inventory

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. Inventory of the School Lunch Fund consists of foods purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. All purchased inventory items are valued at actual cost. Inventory is recorded as expenditures when consumed, using a first-in, first-out basis.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Prepaid Expenses

Expenses paid during the current fiscal year that benefit the next fiscal year are recorded as prepaid expenses.

Capital Assets

In the Government-Wide Financial Statements capital assets are capitalized and depreciated on a straight line method over their estimated useful lives. The School Board has adopted a capitalization threshold of \$5,000 for reporting purposes. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. A breakdown of the asset valuation between actual and estimated cost is not available. Donated capital assets, if any, are valued at their estimated fair market value on the date received. Estimation of useful lives in years is as follows:

Buildings and building improvements	20-40 years
Furniture and equipment	5-20 years
Vehicles	5-15 years

Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed. Interest costs on debt used to finance the construction of assets are not capitalized.

In the Fund Financial Statements capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds.

No provision is made for depreciation on capital assets in the Fund Financial Statements since the full cost is expensed at the time of purchase or construction.

Compensated Absences

Vested or accumulated sick or vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. This includes payments that come due before the end of the reporting period upon the occurrence of employee resignation, retirement, or death that will be paid during the first month of the following year. Vested or accumulated leave that is not expected to be liquidated with expendable available financial resources is not reported in the Fund Financial Statements. The full liability and related costs are reported in the Government-Wide Financial Statements.

All twelve month employees earn from 5 to 15 days of vacation leave each year, depending upon length of service with the School Board. Vacation leave can be accumulated with a 30 day maximum. Upon separation from service, all unused vacation leave is paid to the employee.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

All School Board employees earn 10-18 days of sick leave depending on contract days each year that can be accumulated without limitation. Upon retirement or death, employees or their heirs are paid for up to 25 days of accumulated sick leave at the employee's current rate of pay. The estimated liability for vested sick leave benefits is considered long-term and is not recorded in the Fund Financial Statements. The estimated liability includes required salary-related payments. Under the Louisiana Teachers Retirement System, all accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System and for sick leave earned under the Louisiana School Employees' Retirement System, all accumulated sick leave, excluding the 25 days paid to the employee, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for professional and cultural improvement and for medical reasons. 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. Professional and cultural improvement sabbaticals are restricted in nature as a condition of the leave and, therefore, are considered only a change in the types of services being rendered and not subject to accrual. Medical sabbaticals require the use of virtually all sick leave before a sabbatical can be taken and are not material. Sabbatical leave benefits are recorded as expenditures in the period paid.

Long-term liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of bonds payable, accrued compensated absences, pension liabilities and other post-retirement benefits.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At June 30, 2018, the School Board reported \$1,855,573 of restricted net position, which is restricted by debt covenants or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, fund balances are classified as follows in the governmental fund financial statements.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the School Board's adopted policy, only Board members or the Board's finance committee may assign amounts for specific purposes.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Unassigned – all other spendable amounts.

As of June 30, 2018, fund balances components other than unassigned fund balances consist of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund				
Prepaid items	\$ 24,617	\$ -	\$ -	\$ -
Band reserve	-	264	-	-
Liability insurance	-	-	500,000	-
Worker compensation	-	-	250,000	-
Future expenditures	-	-	-	1,500,000
1969 Sales Tax				
Salaries and benefits	-	184,413	-	-
1994 Sales Tax				
Salaries and supplies	-	517,923	-	-
Nonmajor funds				
Capital projects	-	793	-	-
Debt service	-	566,071	-	-
Food service	-	-	-	123,872
School maintenance	-	453,787	-	-
Books and improvements	-	146,254	-	-
Inventory	28,639	-	-	-
Other	-	22,969	-	-
	<u>-</u>	<u>22,969</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 53,256</u>	<u>\$ 1,892,474</u>	<u>\$ 750,000</u>	<u>\$ 1,623,872</u>

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

E. Interfund Transfers

In the governmental funds, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

F. Sales Tax

On May 29, 1969, the voters of Winn Parish approved for an indefinite period the assessment of a one percent sales tax. On November 13, 1993, the voters of Winn Parish approved for an indefinite period an additional one percent sales tax. The taxes are collected by the school board. The net revenues from the taxes, after payment of necessary costs and expenses of collecting the taxes, are dedicated for the salaries of teachers and other personnel of the schools board and for providing instructional materials for the schools within the parish.

G. 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 at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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

Bank balances	<u>\$ 11,926,210</u>
Federal Deposit Insurance	\$ 858,497
Uninsured and collateral held by the pledging bank not in the School Board's name	<u>11,067,713</u>
Total	<u>\$ 11,926,210</u>

WINN PARISH SCHOOL BOARD
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Notes to Basic Financial Statements

(3) Interfund Assets, Interfund Liabilities, and Operating Transfers

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

	Interfund Receivables	Interfund Payables
Major funds:		
General Fund	\$ 320,813	\$ 5,154
Nonmajor funds	-	315,659
Total	\$ 320,813	\$ 320,813

Balances at June 30, 2018, resulted from the routine lag between the dates that interfund goods or services are provided and reimbursable expenditures occur. Transactions are recorded in the accounting system, and payments between funds are made to satisfy the balances.

B) Transfers consisted of the following:

	Transfers In	Transfers Out
Major funds:		
General Fund	\$ 154,878	\$ -
Nonmajor funds	-	154,878
Total	\$ 154,878	\$ 154,878

Transfers are used to 1) move revenues from the fund required by statute, voter-approved resolution or budget to collect them to the fund required by statute or budget to expend them, and 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

WINN PARISH SCHOOL BOARD
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Notes to Basic Financial Statements

(4) Capital Assets

Capital asset activity was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Capital assets not being depreciated:				
Land	\$ 1,556,220	\$ -	\$ -	\$ 1,556,220
Other capital assets:				
Buildings and improvements	25,886,266	-	-	25,886,266
Furniture and equipment	988,519	5,295	5,586	988,228
Vehicles	<u>454,932</u>	<u>13,500</u>	<u>38,776</u>	<u>429,656</u>
Total	<u>28,885,937</u>	<u>18,795</u>	<u>44,362</u>	<u>28,860,370</u>
Less accumulated depreciation:				
Buildings and improvements	14,077,342	567,483	-	14,644,825
Furniture and equipment	816,184	42,703	5,586	853,301
Vehicles	<u>436,372</u>	<u>5,420</u>	<u>38,776</u>	<u>403,016</u>
Total	<u>15,329,898</u>	<u>615,606</u>	<u>44,362</u>	<u>15,901,142</u>
Net capital assets	<u>\$ 13,556,039</u>	<u>\$ (596,811)</u>	<u>\$ -</u>	<u>\$ 12,959,228</u>

Depreciation expense was charged to functions as follows:

Special education programs	\$ 8,467
Vocational education programs	3,469
Other instructional programs	6,655
Special programs	717
Instructional staff support services	3,950
Operation and maintenance of plant services	33,025
Student transportation services	2,382
Food services	8,286
Facility acquisition and construction	<u>548,655</u>
 Total depreciation expense	 <u>\$ 615,606</u>

WINN PARISH SCHOOL BOARD
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Notes to Basic Financial Statements

(5) Sales and Use Tax

The School Board is authorized to collect within the parish two one percent sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers and/or the expenditures of operating the schools, including salaries of other personnel.

Effective August 1, 1969, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Winn Parish. The following is a summary of taxes that the School Board has the responsibility of collecting:

<u>Taxing Bodies</u>	<u>Rate</u>	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Net Distribution</u>
Winn Parish Police Jury	1.50%	\$ 2,914,539	\$ 87,435	\$ 2,827,104
City of Winnfield	1.50%	1,534,343	46,030	1,488,313
Law Enforcement District	0.50%	975,091	29,253	945,838
Winn Parish School Board	2.00%	<u>3,911,596</u>	<u>(162,718)</u>	<u>4,074,314</u>
Total		<u>\$ 9,335,569</u>	<u>\$ -</u>	<u>\$ 9,335,569</u>

(6) Long-Term Liabilities

General Obligation Debts

General obligation liabilities are direct obligations and pledge full faith and credit of the School Board and consist of the following bond issues outstanding. A summary of long-term debt follows:

\$1,825,000 General Obligation School Bonds, Series 2001, New Calvin School District, due in annual installments of \$65,000 to \$140,000 through March 1, 2021; at interest rates of .10% to 7.00% (to be retired from the proceeds of ad valorem taxes).	\$ 400,000
\$4,925,000 General Obligation School Bonds, Series 2005, Consolidated School District No. 11, due in annual installments of \$175,000 to \$400,000 through March 1, 2025; at interest rates of .10% to 4.55% (to be retired from the proceeds of ad valorem taxes).	2,430,000
\$5,905,000 General Obligation School Refunding Bonds, Series 2005, Winnfield School District No. 5, due in annual installments of \$15,000 to \$695,000 through March 1, 2019; at interest rates of 3.90% to 4.10% (to be retired from the proceeds of ad valorem taxes).	<u>695,000</u>
	<u>\$ 3,525,000</u>

WINN PARISH SCHOOL BOARD
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The annual requirement to amortize outstanding long-term debt is as follows:

Year Ending June 30,	Principal payments	Interest payments	Total
2019	\$ 1,120,000	\$ 112,228	\$ 1,232,228
2020	450,000	73,045	523,045
2021	470,000	60,558	530,558
2022	345,000	46,638	391,638
2023	360,000	37,150	397,150
2024-2025	<u>780,000</u>	<u>40,350</u>	<u>820,350</u>
Totals	<u>\$ 3,525,000</u>	<u>\$ 369,969</u>	<u>\$ 3,894,969</u>

Changes in General Long-Term Liabilities

	Beginning	Additions	Reductions	Ending	Due Within One Year
General Obligation Bonds Series 2001	\$ 520,000	\$ -	\$ 120,000	\$ 400,000	\$ 125,000
General Obligation Bonds Series 2005	2,715,000	-	285,000	2,430,000	300,000
Refunding Bonds, Series 2005	1,360,000	-	665,000	695,000	695,000
Compensated absences	<u>882,213</u>	<u>548,425</u>	<u>569,876</u>	<u>860,762</u>	<u>60,042</u>
	<u>\$ 5,477,213</u>	<u>\$ 548,425</u>	<u>\$ 1,639,876</u>	<u>\$ 4,385,762</u>	<u>\$ 1,180,042</u>

The amount of interest charged to expense for year end June 30, 2018 is \$ 136,743.

Compensated absences typically have been liquidated by the General Fund and a few other governmental funds.

Defeased Debt: The Winn Parish School Board defeased certain general obligation bonds by placing sufficient proceeds in irrevocable trusts to provide for all future debt service payments on the bonds. Accordingly, the assets of the trust accounts and the liability for the defeased bonds are not included in the Board's financial statements. At year-end, defeased bonds outstanding consisted of the following:

General Obligation

Winnfield School District No. 5 Series 1999	<u>\$ 720,000</u>
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WINN PARISH SCHOOL BOARD
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Notes to Basic Financial Statements

(7) Retirement Systems

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

A) Teachers' Retirement System of Louisiana (TRLS)

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and additions to/deductions from TRSL's fiduciary net position have been determined on the same basis as they are reported by TRSL. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a description of the plan and its benefits and is provided for general informational purposes only.

Plan Description: TRSL was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of Louisiana law, for eligible teachers, employees, and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Benefits Provided: TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits.

Normal retirement: Regular Plan – Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 31, 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% benefit factor at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

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

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Normal retirement: Plan B – Members may retire with a 2.0% benefit factor at age 55 with 30 years of service, or age 60 (first employed between January 1, 2011-June 30, 2015) with 5 years of service, or age 62 (first employed after July 1, 2015) with 5 years of service, or an actuarially reduced benefit with 20 years of service at any age.

Benefits Formula: For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of credible service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

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

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

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

Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

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

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

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Notes to Basic Financial Statements

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of 18, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

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

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

2018 TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.6%
Higher Ed Regular Plan	8.0%	25.4%
Plan A	9.1%	26.6%
Plan B	5.0%	26.6%

The agency's contractually required composite contribution rate for the year ended June 30, 2018 was 26.6% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$3,055,842 for the year ended June 30, 2018.

WINN PARISH SCHOOL BOARD
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Notes to Basic Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2018, the School Board reported a liability of \$24,971,317 for its proportionate share of the TRSL Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the School Board's proportion was 0.243580%, which was an increase of 0.00488% from its proportion measured as of June 30, 2016. For the year ended June 30, 2018, the School Board recognized pension expense of \$1,863,803.

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 820,847
Changes of assumptions	263,325	-
Net difference between projected and actual earnings on pension plan investments	-	644,964
Change in proportion and differences between employer contributions and proportionate share of contributions	751,678	679,201
Employer contributions subsequent to the measurement date	3,055,842	-
Total	\$ 4,070,845	\$ 2,145,012

\$3,055,842 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ending June 30,	
2019	\$ (674,020)
2020	362,836
2021	(88,517)
2022	(730,308)

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

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Actuarial Cost Method: Entry Age Normal

Amortization approach: Closed

Expected Remaining Service Lives: 5 years

Investment Rate of Return: 7.70% per annum

Inflation Rate: 2.5% per annum

Salary Increases: Vary from 3.5% - 10% depending upon duration of service

Cost of Living Adjustment: None

Mortality Rates: Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA

Termination and disability: Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System’s members

The 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best

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Notes to Basic Financial Statements

estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	27.0%	4.28%
International equity	19.0%	4.96%
Domestic fixed income	13.0%	1.98%
International fixed income	5.5%	2.75%
Private equity	25.5%	8.47%
Other private assets	10.0%	3.54%

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability calculated using the discount rate of 7.70%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower 6.70% or one percentage-point higher 8.70% than the current rate:

	1.0% Decrease <u>6.70%</u>	Current Discount Rate <u>7.70%</u>	1.0% Increase <u>8.70%</u>
Employer's proportionate share of the net pension liability	\$ 32,176,112	\$ 24,971,317	\$ 18,842,372

Support of Non-employer Contributing Entities: Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$94,418 for its participation in TRSL.

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Notes to Basic Financial Statements

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

B) Louisiana School Employees' Retirement System (LSERS)

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Louisiana School Employees' Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a description of the plan and its benefits and is provided for general information purposes only.

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

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

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

Benefits Provided: Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 – 11:1153.

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

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For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the System on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

Deferred Retirement Option Plan: Members of the System may elect to participate in the Deferred Retirement Option Plan (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in 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 wither in a lump sum payment from the account or systematic disbursements. The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

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

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

Initial Benefit Retirement Plan: Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefits Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit,

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Notes to Basic Financial Statements

Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

Contributions: Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2018 was 27.30%. Contributions to the pension plan from the School Board were \$233,713 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2018, the School Board reported a liability of \$1,964,506 for its proportionate share of the System's Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the School Board's proportion was 0.306989%, which was an increase of 0.00796% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School Board recognized pension expense of \$141,196.

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 45,810
Changes of assumptions	41,192	30,604
Net difference between projected and actual earnings on pension plan investments	-	30,718
Change in proportion and differences between Employer contributions and proportionate share of contributions	36,207	27,017
Employer contributions subsequent to the measurement date	234,871	-
Total	\$ 312,270	\$ 134,149

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

\$234,871 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2019	\$ (74,670)
2020	76,447
2021	12,949
2022	(71,476)

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

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017:

Actuarial Cost Method: Entry Age Normal

Expected Remaining Service Lives: 3 years

Investment Rate of Return: 7.125%, net of investment expense

Inflation Rate: 2.625%

Mortality Rate: Mortality rates were projected based on the RP-2000 Sex Distinct Mortality Table, and the RP-2000 Disabled Lives Mortality Table.

Salary Increases: 2008-2012 experience study, ranging from 3.075% to 5.375%

Cost of Living Adjustments: 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.

WINN PARISH SCHOOL BOARD
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Notes to Basic Financial Statements

The long-term expected rate of return on pension plan investments was determined using triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 8.1%. The best estimated of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income		
Core Fixed Income	8.0%	2.02%
High Yield	5.0%	4.43%
Emerging Markets Debt	7.0%	4.71%
Global Fixed Income	10.0%	1.38%
Equity		
US Equity	20.0%	6.44%
Developed Equity	18.0%	7.40%
Emerging Markets Equity	10.0%	9.42%
Global REITs	3.0%	5.77%
Alternatives		
Private Equity	5.0%	10.47%
Hedge Fund of Funds	3.0%	3.75%
Real Estate	5.0%	5.00%
Real Assets		
Timber	2.0%	5.67%
Oil & Gas	2.0%	10.57%
Infrastructure	<u>2.0%</u>	<u>6.25%</u>
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability calculated using the discount rate of 7.125%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower 6.125% or one percentage-point higher 8.125% than the current rate:

	1.0% Decrease 6.125%	Current Discount Rate 7.125%	1.0% Increase 8.125%
Employ's proportionate share of the net pension liability	\$ 2,693,106	\$ 1,964,506	\$ 1,338,808

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report issued on School Employees' Retirement System financial statements. Access to the audit report can be found on the Office of the Louisiana Legislative Auditor's official website: www.la.state.la.us.

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

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The School Board recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the School Board's future cash flows.

Plan Description: The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Office of Group Benefits. The plan does not issue a publicly available financial report.

The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 35 percent) and the School Board (approximately 65 percent). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Plan Membership: Plan membership was as follows

Status	Single	Employee and Dependent Coverage
Active	104	147
Retired	<u>166</u>	<u>86</u>
Total	270	233

Benefits provided: The plan provides the following benefits:

Medical Benefits

Eligibility	Retirement on or after a) attainment of age 60 with 5 years of service; b) attainment of age 55 with 25 years of service; or c) 30 years of service without regard to age.
Dependent eligibility	Spouse and eligible children.
Postretirement contributions	The retiree contributes 35% of the medical premium with the School Board contributing the balance.
Medical Plan Benefits	Medical coverage is provided through options under the Louisiana Office of Group Benefits ("OGB"). A Medicare supplement benefit is provided at Medicare eligibility. Benefits continue for life.
Other benefits	A life insurance benefit depending on final salary is provided at retirement prior to 65. The amount is reduced at age 65 and 70 with an unreduced amount after age 70. The life insurance benefit may continue for life if premiums are paid by the retiree. The cost of life insurance is shared with 50% paid by the retiree and 50% by the School Board.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Net OPEB Liability of the School Board: The components of the net OPEB liability of the School Board were as follows.

Total OPEB Liability	\$ 47,531,329
OPEB Plan Fiduciary Net Position	<u> -</u>
Net OPEB Liability	<u>\$ 47,531,329</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%
-------------------------------------------------------------------------	----

Actuarial Assumptions: The Total OPEB liability was determined by an actuarial valuation as of June 30, 2018. The follow actuarial assumptions applied to all periods in the measurement, unless otherwise specified.

In the June 30, 2018 actuarial valuation individual entry age normal costs method – level percentage of projected salary was used. The significant actuarial assumptions were used in the valuation of the plan are as follows.

Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Discount rate	3.88% (0.88% real rate of return plus 3.00% inflation)
Medical Per Capita Costs	The OGB rates are based on retiree experience so there is no implicit subsidy by the plan sponsor. For this valuation the actual premium rates less the retiree contribution are used for the per capita medical costs. The blended pre-65 premiums for the retiree are \$13,127 and \$ 20,168 including a spouse. For 65 and older the premiums for the retiree are\$ 3,748. and \$6,722 including a Medicare eligible spouse.
Life Insurance	Assumed average amount of \$70,000 for active employees with an average annual premium of \$403.20.
Health Care Cost Trend	A level 5.00% trend rate was used for projecting medical costs

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Selection of assumptions: The selection of assumption used above were as follows

The discount rate was selected by reviewing the recent published Bond Pay GO-20 bond index. This is one of the indices acceptable under GASB 75. This index is published weekly and is trending toward 4.00% in recent months. We selected 3.88% as the discount rate for this valuation.

The termination rates for School Board's employees were developed from the withdrawal assumption used in the 2014 actuarial valuation report. The rates are unisex and based on age with a one year select period. The following are representative rates used in this valuation.

<u>Age</u>	<u>Year 0</u>	<u>Year 1+</u>
25	8.75%	7.00%
35	7.50%	6.00%
45	2.50%	2.00%
>55	2.50%	2.00%

The RPH-2014 Total mortality table is a current mortality table used for valuation purposes and the MP-2017 mortality projection used is the most current available as of the measurement date.

The following presents changes in net OPEB liability:

Balance at July 1, 2017	\$ 46,175,022
Changes for the Year	
Service Costs	1,484,399
Interest Cost	1,811,556
Benefit payments	<u>(1,939,648)</u>
Net changes	<u>1,356,307</u>
Balance at July 1, 2017	<u>\$ 47,531,329</u>

Total OPEB expense recognized is as follows

Service costs	\$ 1,484,399
Interest costs	<u>1,811,556</u>
Total OPEB costs	<u>\$ 3,295,955</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

Sensitivity of the Net OPEB Liability to the changes in the Discount Rate: The following presents the net OPEB liability of the School Board, as well as what the School Boards total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.88%) or 1-percentage-point higher (4.88%) than the current discount rate:

	1.0% Decrease 2.88%	Current Discount Rate 3.88%	1.0% Increase 4.88%
Net OPEB Liability	\$ 55,619,903	\$ 47,531,329	\$ 41,126,070

Sensitivity of the Net OPEB Liability to the changes in the Trend Rate: The following presents the net OPEB liability of the School Board, as well as what the School Boards total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.0%) or percentage-point higher (6.0%) than the current healthcare trend rates:

	1.0% Decrease 4.00%	Current Trend 5.00%	1.0% Increase 6.00%
Net OPEB Liability	\$ 41,232,849	\$ 47,531,329	\$ 55,578,721

(9) Litigation and Claims

At June 30, 2018, management and legal counsel for the Winn Parish School Board believe that the potential claims against the School Board would not materially affect the School Board's financial position.

(10) Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees and others. To handle such risk of loss, the School Board maintains commercial insurance policies covering automobile liability and medical payments, workers compensation, general liability, errors and omissions, and surety bond coverage on the superintendent. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

(11) Section 457 Plan

Certain employees of Winn Parish School Board participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana, 70804-9397.

(12) Commitments and Contingencies

The Winn Parish School Board receives grants for specific purposes that are subject to review and audit by the Louisiana Department of Education. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

(13) On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the Winn Parish Tax Collector for \$68,649 and the State of Louisiana for \$5,585 to the Teacher's Retirement System of Louisiana for employee retirement benefits, as required by GASB Statement No. 24 *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. The total amount of \$74,234 is recorded in the accounting system of the Winn Parish School Board.

(14) Leases

The School Board is a party to several separate operating lease agreements with entities to lease certain copier/duplication equipment and certain busses. The term of each lease ranges from thirty six (36) to sixty (60) months beginning on various dates. The lease agreements provide that the School shall pay regular lease payments in as provided for in the separate lease contracts. Each lease contains provisions allowing cancellation in the event the School Board does not appropriate funds in future periods to be paid and allows the equipment to be returned. The School Board paid \$280,225 in lease expense during 2018.

Minimum future rentals to be paid on present lease agreements as of June 30, 2018, for each of the next four years and in the aggregate are:

2019	\$ 208,543
2020	178,390
2021	111,800
2022	111,800
2023	15,500
Total	<u>\$ 626,033</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

(15) Compensation, Benefits, and Other Payments to Superintendent

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

Purpose	Amount
Salary	\$ 113,166
Benefits- insurance	7,372
Benefits- retirement	30,102
Cell phone	1,291
Conference travel	3,304
	\$ 155,235

(16) Compensation Paid Board Members

The schedule of compensation paid to the Winn Parish School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature. Compensation of the Winn Parish School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the Board receives \$350 per month, and the President receives \$400 per month for performing the duties of his office.

Joe Lynn Browning	\$ 4,200	Christy K. Harrell	\$ 4,200	Joe Llaine Long	\$ 4,200
Michelle Johnson Carpenter	\$ 4,200	Douglas Johnson	\$ 4,200	Todd Martin	\$ 4,500
Leah Clingan	\$ 4,200	Ramona Moore	\$ 4,200	Sarah McCoy	\$ 4,200
Gary Foster	\$ 4,200	Matthew Walton	\$ 4,500		

(17) Tax Abatements

Winn Parish is subject to tax abatements granted by the Louisiana Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the Parish and the State. Under the program, companies commit to expand or maintain facilities or employment in the Parish, establish a new business in the Parish, or relocate an existing business to the Parish. Agreements include an abatement ad valorem taxes for a period of 10 years and 5 years from the initial assessment date. State-granted abatements have resulted in reductions of property taxes, which the Parish administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be up to 100 percent. Tax abatements for the School Board totaled \$659,933.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Basic Financial Statements

(18) New Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The provisions of GASB Statement No. 84 are effective for fiscal years beginning after December 15, 2018. The effect of implementation on the School Board's financial statements has not yet been determined.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. The effect of implementation on the School Board's financial statements has not yet been determined.

(19) Beginning Net Position Adjustment

During the fiscal year ended June 30, 2018, the Sheriff adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, an expenses/expenditures. This resulted in a restatement of previously reported net positions, as follows:

July 1, 2017 net position, as reported	\$ (32,672,706)
Prior period adjustment:	
Change in accounting principle:	
Net effect of implementing GAB Statement No. 75	<u>(24,570,982)</u>
July 1, 2017 net position, as restated	<u>\$ (57,243,688)</u>

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Local sources:				
Ad valorem taxes	\$ 4,857,824	\$ 920,605	\$ 919,906	\$ (699)
Interest	19,658	18,671	18,423	(248)
Other	<u>319,183</u>	<u>173,755</u>	<u>232,816</u>	<u>59,061</u>
Total local sources	5,196,665	1,113,031	1,171,145	58,114
State sources	16,193,710	15,233,114	15,336,477	103,363
Federal sources	<u>151,759</u>	<u>164,188</u>	<u>164,188</u>	<u>-</u>
Total revenues	<u>21,542,134</u>	<u>16,510,333</u>	<u>16,671,810</u>	<u>161,477</u>
Expenditures				
Current:				
Instruction -				
Regular programs	8,862,977	6,759,158	6,791,345	(32,187)
Special education programs	2,334,898	1,848,410	1,837,748	10,662
Vocational education programs	865,276	734,718	740,651	(5,933)
Other instructional programs	199,486	207,098	212,215	(5,117)
Special programs	270,290	77,426	76,815	611
Adult and continuing education programs	16,813	3,755	3,755	-
Support services -				
Pupil support services	1,125,618	945,085	938,787	6,298
Instructional staff support services	1,466,627	1,216,486	1,223,732	(7,246)
General administration	565,035	462,799	455,471	7,328
School administration	1,574,496	1,433,852	1,418,835	15,017
Business services	361,380	301,403	308,507	(7,104)
Operation and maintenance of plant services	1,695,592	1,527,029	1,526,654	375
Student transportation services	1,406,213	1,293,958	1,302,017	(8,059)
Central services	30,000	30,000	26,710	3,290
Non-instructional services -				
Food services	273,773	87,284	88,289	(1,005)
Community service programs	<u>18,960</u>	<u>18,960</u>	<u>18,960</u>	<u>-</u>
Total expenditures	<u>21,067,434</u>	<u>16,947,421</u>	<u>16,970,491</u>	<u>(23,070)</u>
Excess (deficiency) of revenues over expenditures	<u>474,700</u>	<u>(437,088)</u>	<u>(298,681)</u>	<u>138,407</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	900	900	-
Transfer to other EA	-	(2,738)	(2,738)	-
Transfers in	<u>112,760</u>	<u>156,914</u>	<u>154,878</u>	<u>(2,036)</u>
Total other financing sources (uses)	<u>112,760</u>	<u>155,076</u>	<u>153,040</u>	<u>(2,036)</u>
Net change in fund balance	587,460	(282,012)	(145,641)	136,371
Fund balances, beginning	<u>4,949,607</u>	<u>4,949,607</u>	<u>4,949,607</u>	<u>-</u>
Fund balances, ending	<u>\$ 5,537,067</u>	<u>\$ 4,667,595</u>	<u>\$ 4,803,966</u>	<u>\$ 136,371</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

1969 Sales Tax Fund
Budgetary Comparison Schedule
Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Local sources:				
Sales taxes	\$ 1,967,019	\$ 1,902,597	\$ 1,955,797	\$ 53,200
Interest	1,800	1,750	1,945	195
Other	74,025	80,222	81,479	1,257
Total revenues	<u>2,042,844</u>	<u>1,984,569</u>	<u>2,039,221</u>	<u>54,652</u>
Expenditures				
Current:				
Instruction -				
Regular programs	920,939	899,919	915,092	(15,173)
Special education programs	255,680	234,879	247,926	(13,047)
Vocational education programs	77,469	75,199	77,977	(2,778)
Special programs	64,906	59,860	57,564	2,296
Adult and continuing education programs	4,923	5,147	6,061	(914)
Support services -				
Pupil support services	115,027	116,461	120,394	(3,933)
Instructional staff support services	108,183	109,064	110,255	(1,191)
General administration	59,342	59,190	57,469	1,721
School administration	151,908	142,724	155,656	(12,932)
Business services	25,700	29,205	29,122	83
Operation and maintenance of plant services	98,448	95,360	94,453	907
Student transportation services	65,490	69,457	71,540	(2,083)
Non-instructional services -				
Food Services	94,829	88,104	90,735	(2,631)
Total expenditures	<u>2,042,844</u>	<u>1,984,569</u>	<u>2,034,244</u>	<u>(49,675)</u>
Excess of revenues over expenditures	-	-	4,977	4,977
Fund balances, beginning	<u>179,436</u>	<u>179,436</u>	<u>179,436</u>	<u>-</u>
Fund balances, ending	<u>\$ 179,436</u>	<u>\$ 179,436</u>	<u>\$ 184,413</u>	<u>\$ 4,977</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

1994 Sales Tax Fund
Budgetary Comparison Schedule
Year Ended June 30, 2018

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Local sources:				
Sales taxes	\$ 1,967,019	\$ 1,902,682	\$ 1,955,799	\$ 53,117
Interest	1,800	1,750	2,060	310
Other	61,625	80,223	81,479	1,256
Total revenues	<u>2,030,444</u>	<u>1,984,655</u>	<u>2,039,338</u>	<u>54,683</u>
Expenditures				
Current:				
Instruction -				
Regular programs	990,873	1,002,891	968,163	34,728
Special education programs	209,830	211,508	211,140	368
Vocational education programs	52,975	50,148	50,336	(188)
Special programs	137,644	113,974	117,642	(3,668)
Adult and continuing education programs	8,135	8,445	9,015	(570)
Support services -				
Pupil support services	82,008	75,962	86,592	(10,630)
Instructional staff support services	75,190	77,958	83,147	(5,189)
General administration	47,930	45,873	45,213	660
School administration	104,437	112,321	109,332	2,989
Business services	15,590	15,994	18,313	(2,319)
Operation and maintenance of plant services	107,867	104,982	103,071	1,911
Student transportation services	70,932	75,764	77,416	(1,652)
Non-instructional services -				
Food services	103,896	88,835	99,624	(10,789)
Total expenditures	<u>2,007,307</u>	<u>1,984,655</u>	<u>1,979,004</u>	<u>5,651</u>
Excess of revenues over expenditures	23,137	-	60,334	60,334
Fund balances, beginning	<u>457,589</u>	<u>457,589</u>	<u>457,589</u>	<u>-</u>
Fund balances, ending	<u>\$ 480,726</u>	<u>\$ 457,589</u>	<u>\$ 517,923</u>	<u>\$ 60,334</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.24470%	\$ 25,011,440	\$10,198,198	245.3%	63.70%
2016	0.24322%	\$ 26,151,581	\$11,733,040	222.9%	62.50%
2017	0.24839%	\$ 29,153,032	\$11,625,801	250.8%	59.90%
2018	0.24358%	\$ 24,971,317	\$11,539,723	216.4%	65.60%

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

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.32380%	\$ 1,877,160	\$ 907,890	206.8%	76.18%
2016	0.31026%	\$ 1,967,417	\$ 870,512	226.0%	74.50%
2017	0.29902%	\$ 2,255,642	\$ 850,923	265.1%	70.09%
2018	0.30699%	\$ 1,964,506	\$ 878,733	223.6%	75.03%

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

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$3,285,864	\$3,285,864	-	\$ 11,733,040	28.0%
2016	\$3,058,060	\$3,058,060	-	\$ 11,625,801	26.3%
2017	\$2,943,694	\$2,943,694	-	\$ 11,539,723	25.5%
2018	\$3,055,842	\$3,055,842	-	\$ 11,498,068	26.6%

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 287,270	\$ 287,270	-	\$ 870,512	33.00%
2016	\$ 256,980	\$ 256,980	-	\$ 850,923	30.20%
2017	\$ 239,894	\$ 239,894	-	\$ 878,733	27.30%
2018	\$ 233,713	\$ 233,713	-	\$ 846,786	27.60%

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

Total OPEB Liability *	
Service Costs	\$ 1,484,399
Interest Costs	1,811,556
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments	<u>(1,939,648)</u>
Net change in total OPEB liability	1,356,307
Total OPEB liability - beginning	<u>46,175,022</u>
Total OPEB liability - ending	<u>\$ 47,531,329</u>
Covered-employee payroll	<u>\$ 7,927,170</u>
Net OPEB Liability as a percentage of covered employee payroll	599.60%

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

* Equal to Net OPEB Liability.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Notes to Required Supplementary Information

(1) Retirement Systems

A. Teachers' Retirement System of Louisiana

Changes of assumptions – The investment rate of return (discount rate) decreased from 7.75% in 2016, to 7.70% in 2017.

(2) Budget Practices

The proposed budget for 2018 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2018 budget on September 5, 2017. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, was published in the official journal ten days prior to the public hearing.

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

The level of control over the budget is exercised at the function or program level for the General and Special Revenue. The Superintendent and/or assistant superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

For the year ended June 30, 2018, expenditures exceeded appropriations in the General Fund and the 1969 Sales Tax Fund.

(3) Other Post Employment Benefit Schedules

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

Changes of Assumptions – No changes of assumptions and other inputs noted.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2018

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ 779,684	\$ 566,071	\$ 793	\$ 1,346,548
Receivables	28,461	-	-	28,461
Due from other governmental agencies	480,544	-	-	480,544
Inventory	28,639	-	-	28,639
Total assets	\$ 1,317,328	\$ 566,071	\$ 793	\$ 1,884,192
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,720	\$ -	\$ -	\$ 4,720
Accrued salaries payable	221,428	-	-	221,428
Due to other funds	315,659	-	-	315,659
Total liabilities	541,807	-	-	541,807
Fund balances:				
Non-spendable	28,639	-	-	28,639
Restricted	623,010	566,071	793	1,189,874
Assigned	123,872	-	-	123,872
Total fund balances	775,521	566,071	793	1,342,385
Total liabilities and fund balances	\$ 1,317,328	\$ 566,071	\$ 793	\$ 1,884,192

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Governmental Funds

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

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenues				
Local sources -				
Ad valorem taxes	\$ 739,071	\$ 961,831	\$ -	\$ 1,700,902
Interest income	1,130	2,034	30	3,194
State sources	579,595	-	-	579,595
Federal sources	3,048,717	-	-	3,048,717
Other sources	<u>137,142</u>	<u>-</u>	<u>-</u>	<u>137,142</u>
Total revenues	<u>4,505,655</u>	<u>963,865</u>	<u>30</u>	<u>5,469,550</u>
Expenditures				
Current:				
Instruction -				
Regular programs	91,702	-	-	91,702
Special education programs	390,055	-	-	390,055
Vocational education programs	32,239	-	-	32,239
Other instructional programs	42,667	-	-	42,667
Special programs	933,939	-	-	933,939
Adult and continuing education programs	128,902	-	-	128,902
Support services -				
Pupil support services	101,934	-	-	101,934
Instructional staff support services	419,447	-	-	419,447
General administration	35,334	38,902	-	74,236
School administration	1,059	-	-	1,059
Business services	20,662	-	-	20,662
Operation and maintenance of plant services	715,988	-	10,078	726,066
Student transportation services	14,755	-	-	14,755
Non-instructional services -				
Food service operations	1,444,159	-	-	1,444,159
Debt service:				
Principal retirement	-	1,070,000	-	1,070,000
Interest and fiscal charges	<u>-</u>	<u>148,385</u>	<u>-</u>	<u>148,385</u>
Total expenditures	<u>4,372,842</u>	<u>1,257,287</u>	<u>10,078</u>	<u>5,640,207</u>
Excess (deficiency) of revenues over expenditures	<u>132,813</u>	<u>(293,422)</u>	<u>(10,048)</u>	<u>(170,657)</u>
Other financing sources (uses):				
Transfers out	<u>(154,878)</u>	<u>-</u>	<u>-</u>	<u>(154,878)</u>
Net change in fund balances	(22,065)	(293,422)	(10,048)	(325,535)
Fund balances, beginning	<u>797,586</u>	<u>859,493</u>	<u>10,841</u>	<u>1,667,920</u>
Fund balances, ending	<u>\$ 775,521</u>	<u>\$ 566,071</u>	<u>\$ 793</u>	<u>\$ 1,342,385</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

Consolidated School Maintenance

District 5 Maintenance

The District 5 Maintenance Fund accounts for the proceeds of an ad valorem tax levied for use in the public schools within District 5 of the parish.

Consolidated District 11 Maintenance

The Consolidated District 11 Maintenance Fund accounts for the proceeds of an ad valorem tax levied for use in the public schools within District 11 of the parish.

Maintenance Fund

The Maintenance Fund accounts for the proceeds of an ad valorem tax levied for use in the public schools within the parish.

Consolidated Other Federal

The Consolidated Other Federal Fund accounts for various receipts and expenditures of federal funds including:

Temporary Assistance for Needy Families

TANF programs provide time-limited assistance to needy families with children so that the children can be cared for in their own homes or in the homes of relatives; end dependence of needy parents government benefits by promoting job preparation, work, and marriage; and encourage the formation and maintenance of two-parent families.

Adult Education

Adult educational funds accounts for programs for the education of adults, who have not received a high school education.

Vocational Education

Vocational education allows secondary students who elect to enroll in career and technical education programs, the opportunity to more fully develop their academic, vocational, and technical skills.

Rural Education Achievement

The Rural Education Achievement Program (REAP) accounts for allotments of federal funds from the Louisiana Department of Education to provide funds to high poverty rural areas. These allocations can be used for teacher recruitment, teacher professional development, educational technology, or parental involvement activities.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

LA 4

The LA 4 Fund is a continuation of The Early Childhood Education (ECE) Project Fundamentals of Unique Readiness (FOUR) fund accounts for allotments from the Louisiana Department of Education and federal funds to provide sufficient educational expenditures for "high-risk" four year olds to ensure greater success through school.

Consolidated Other State Fund

The Consolidated Other State Fund accounts for various receipts and expenditures of state funds.

Bolton Fund

This fund accounts for a donation from a local citizen's estate for the purpose of capital improvements, additions and book purchases.

School Food Services Fund

The School Food Services Fund accounts for operations of the school cafeterias. Funding is provided by federal and state grants-in-aid and charges for meals served.

Special Education Program Fund

Special Education Fund accounts for federal, state, and local funds which are specifically restricted for expenditures and activities which promote free and appropriate public education to all eligible school children in the Winn Parish School Board.

Preschool Incentive

The Preschool Incentive Fund is a federally financed program designed to initiate early intervention techniques on identified preschool students so as to reduce learning problems these students will encounter upon entering school and to provide a continuum of services from the infant program up to regular kindergarten program.

Title I

Title I of the No Child Left Behind (NCLB) is a program designed to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families. The program is federally financed, state-administered, and locally operated by the School Board. The activities supplement, rather than replace, state and locally mandated activities.

Title II

Title II of the No Child Left Behind (NCLB) is a program by which the federal government provides in funds to the School Board for projects that are designed to improve the skills of teachers and instruction the areas of mathematics, science, computer learning, and foreign languages and to increase the accessibility of such instruction to all students.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
June 30, 2018

	Consolidated Maintenance Fund	Consolidated Other Federal	Consolidated Other State	LA-4
ASSETS				
Cash and interest-bearing deposits	\$ 427,936	\$ 80	\$ 6,699	\$ -
Receivables	28,302	-	-	-
Due from other governmental agencies	-	41,432	36,332	93,030
Inventory	-	-	-	-
Total assets	\$ 456,238	\$ 41,512	\$ 43,031	\$ 93,030
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,207	\$ -	\$ 161	\$ -
Accrued salaries and related benefits	244	-	9,524	36,337
Due to other funds	-	41,512	10,377	56,693
Total liabilities	2,451	41,512	20,062	93,030
Fund balances:				
Non-spendable	-	-	-	-
Restricted	453,787	-	22,969	-
Assigned	-	-	-	-
Total fund balances	453,787	-	22,969	-
Total liabilities and fund balances	\$ 456,238	\$ 41,512	\$ 43,031	\$ 93,030

<u>Bolton Fund</u>	<u>School Food Service</u>	<u>Special Education</u>	<u>Preschool Incentive</u>	<u>Title I</u>	<u>Title II</u>	<u>Total</u>
\$ 146,254	\$ 198,715	\$ -	\$ -	\$ -	\$ -	\$ 779,684
-	159	-	-	-	-	28,461
-	-	116,437	5,841	147,379	40,093	480,544
<u>-</u>	<u>28,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,639</u>
<u>\$ 146,254</u>	<u>\$ 227,513</u>	<u>\$ 116,437</u>	<u>\$ 5,841</u>	<u>\$ 147,379</u>	<u>\$ 40,093</u>	<u>\$ 1,317,328</u>
\$ -	\$ 2,352	\$ -	\$ -	\$ -	\$ -	\$ 4,720
-	72,650	25,229	2,878	56,712	17,854	221,428
-	-	91,208	2,963	90,667	22,239	315,659
<u>-</u>	<u>75,002</u>	<u>116,437</u>	<u>5,841</u>	<u>147,379</u>	<u>40,093</u>	<u>541,807</u>
-	28,639	-	-	-	-	28,639
146,254	-	-	-	-	-	623,010
-	123,872	-	-	-	-	123,872
<u>146,254</u>	<u>152,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,521</u>
<u>\$ 146,254</u>	<u>\$ 227,513</u>	<u>\$ 116,437</u>	<u>\$ 5,841</u>	<u>\$ 147,379</u>	<u>\$ 40,093</u>	<u>\$ 1,317,328</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Special Revenue Funds

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

	Consolidated School Maintenance	Consolidated Other Federal	Consolidated Other State	LA-4
Revenues				
Local sources	\$ 739,071	\$ -	\$ -	\$ -
State sources	20,089	-	184,564	143,774
Federal sources	-	211,349	-	172,246
Interest	955	-	-	-
Other sources	-	-	5,105	-
Total revenues	<u>760,115</u>	<u>211,349</u>	<u>189,669</u>	<u>316,020</u>
Expenditures				
Current:				
Instruction -				
Regular programs	1,981	34,613	55,108	-
Special education programs	-	-	-	-
Vocational education programs	-	32,239	-	-
Other instructional programs	7,233	35,434	-	-
Special programs	-	3,178	79,607	301,541
Adult and continuing education programs	-	84,391	44,511	-
Support services -				
Pupil support services	-	-	8,265	-
Instructional staff support services	37,257	10,037	14,461	-
General administration	30,824	-	-	-
School administration	-	-	1,059	-
Business services	18,410	-	1,381	-
Operation and maintenance of plant services	678,217	-	-	-
Student transportation services	8,938	502	-	-
Non-instructional services -				
Food service operations	-	-	-	-
Total expenditures	<u>782,860</u>	<u>200,394</u>	<u>204,392</u>	<u>301,541</u>
Excess (deficiency) of revenues over expenditures	(22,745)	10,955	(14,723)	14,479
Other financing sources (uses)				
Transfers out	-	(10,955)	-	(14,479)
Net change in fund balances	(22,745)	-	(14,723)	-
Fund balances, beginning	<u>476,532</u>	<u>-</u>	<u>37,692</u>	<u>-</u>
Fund balances, ending	<u>\$ 453,787</u>	<u>\$ -</u>	<u>\$ 22,969</u>	<u>\$ -</u>

<u>Bolton Fund</u>	<u>School Food Service</u>	<u>Special Education</u>	<u>Preschool Incentive</u>	<u>Title I</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,071
-	231,168	-	-	-	-	579,595
-	1,124,326	549,499	36,432	784,633	170,232	3,048,717
86	89	-	-	-	-	1,130
-	<u>132,037</u>	-	-	-	-	<u>137,142</u>
<u>86</u>	<u>1,487,620</u>	<u>549,499</u>	<u>36,432</u>	<u>784,633</u>	<u>170,232</u>	<u>4,505,655</u>
-	-	-	-	-	-	91,702
-	-	357,042	33,013	-	-	390,055
-	-	-	-	-	-	32,239
-	-	-	-	-	-	42,667
-	-	832	-	452,965	95,817	933,940
-	-	-	-	-	-	128,902
-	-	64,691	-	28,978	-	101,934
-	-	64,597	357	232,633	60,104	419,446
-	2,432	902	-	1,176	-	35,334
-	-	-	-	-	-	1,059
-	-	871	-	-	-	20,662
25,712	-	9,133	-	2,926	-	715,988
-	-	5,315	-	-	-	14,755
-	<u>1,444,159</u>	-	-	-	-	<u>1,444,159</u>
<u>25,712</u>	<u>1,446,591</u>	<u>503,383</u>	<u>33,370</u>	<u>718,678</u>	<u>155,921</u>	<u>4,372,842</u>
(25,626)	41,029	46,116	3,062	65,955	14,311	132,813
-	-	<u>(46,116)</u>	<u>(3,062)</u>	<u>(65,955)</u>	<u>(14,311)</u>	<u>(154,878)</u>
(25,626)	41,029	-	-	-	-	(22,065)
<u>171,880</u>	<u>111,482</u>	-	-	-	-	<u>797,586</u>
<u>\$ 146,254</u>	<u>\$ 152,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,521</u>

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of general obligation and interest from governmental resources.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Debt Service Funds

Combining Balance Sheet
June 30, 2018

	Consolidated Winnfield # 5	Calvin	Consolidated # 11	Total
ASSETS				
Cash and interest-bearing deposits	<u>\$ 154,647</u>	<u>\$ 99,176</u>	<u>\$ 312,248</u>	<u>\$ 566,071</u>
FUND BALANCES				
Fund balances:				
Restricted	<u>\$ 154,647</u>	<u>\$ 99,176</u>	<u>\$ 312,248</u>	<u>\$ 566,071</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Debt Service Funds

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

	Consolidated Winnfield # 5	Calvin	Consolidated #11	Total
Revenues				
Local Sources:				
Taxes:				
Ad valorem tax	\$ 489,897	\$ 121,437	\$ 350,497	\$ 961,831
Interest income	<u>850</u>	<u>319</u>	<u>865</u>	<u>2,034</u>
Total revenues	<u>490,747</u>	<u>121,756</u>	<u>351,362</u>	<u>963,865</u>
Expenditures				
Current:				
Support services -				
General administration	20,132	4,825	13,945	38,902
Debt service:				
Principal retirement	665,000	120,000	285,000	1,070,000
Interest and fiscal charges	<u>55,828</u>	<u>19,957</u>	<u>72,600</u>	<u>148,385</u>
Total expenditures	<u>740,960</u>	<u>144,782</u>	<u>371,545</u>	<u>1,257,287</u>
Net change in fund balances	(250,213)	(23,026)	(20,183)	(293,422)
Fund balances, beginning	<u>404,860</u>	<u>122,202</u>	<u>332,431</u>	<u>859,493</u>
Fund balances, ending	<u>\$ 154,647</u>	<u>\$ 99,176</u>	<u>\$ 312,248</u>	<u>\$ 566,071</u>

NONMAJOR CAPITAL PROJECTS

The school district's capital projects funds account for the financial resources to be used to acquire, construct, or improve facilities within the respective districts.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Capital Projects Fund

Balance Sheet
June 30, 2018

Atlanta Capital
Project

ASSETS

Cash and interest-bearing deposits

\$ 793

FUND BALANCES

Fund balances:
Restricted

\$ 793

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Nonmajor Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2018

	<u>Atlanta Capital Project</u>
Revenues	
Interest income	\$ 30
Expenditures	
Current:	
Support services -	
Operation and maintenance of plant services	<u>10,078</u>
Net change in fund balances	(10,048)
Fund balances, beginning	<u>10,841</u>
Fund balances, ending	<u>\$ 793</u>

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

Mr. Steve Bartlett, Superintendent,
and Members of the Winn Parish School Board
Winnfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Winn Parish School Board, (the School Board) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 19, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC

Certified Public Accountants

Alexandria, LA
December 19, 2018

KOLDER, SLAVEN & COMPANY, LLC

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

Mr. Steve Bartlett, Superintendent,
and Members of the Winn Parish School Board
Winnfield, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Winn 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, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing and 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, LA
December 19, 2018

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	CFDA Number	Expenditures
<u>United States Department of Agriculture-</u>			
Passed through Louisiana Department of Education-			
School Breakfast Program		10.553	\$ 264,931
National School Lunch Program		10.555	745,134
Passed through Louisiana Department of Agriculture and Forestry-			
Food Distribution		10.555	<u>114,261</u>
Total for School Food Services Cluster			<u>1,124,326</u>
Passed through Louisiana State Treasurer-			
Schools and Roads - Grants to States		10.665	<u>26,169</u>
Total United States Department of Agriculture			<u>1,150,495</u>
<u>United States Department of Education-</u>			
Passed through Louisiana Department of Education/Louisiana			
Community & Technical College System			
Adult Education-Federal Leadership Funds		84.002	1,010
Adult Education-Federal Leadership Funds		84.002	901
Adult Education-State Grant Program		84.002	<u>86,603</u>
Total for Adult Education			<u>88,514</u>
Passed through Louisiana Department of Education-			
Title I Grants to Local Educational Agencies	28-18-T1-64	84.010	778,755
Title I Grants to Local Educational Agencies	28-17-BPT0-64	84.010	<u>6,000</u>
Total for Title I			<u>784,755</u>
Special Education Grants to States-IDEA Part B	28-18-B1-64	84.027	548,667
Special Education Grants to State	28-18-CY-64	84.173	832
Special Education-Preschool Grants	28-18-P1-64	84.173	<u>36,432</u>
Total for Special Education Cluster			<u>585,931</u>

(continued)

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	CFDA Number	Expenditures
Vocational Education-Basic Grants to States	28-18-02-64	84.048	<u>32,408</u>
Improving Teacher Quality State Grants	28-18-50-64	84.367	<u>170,232</u>
Rural and Low Income Schools-Rural Education Achievement Program	28-18-RE-64	84.358	<u>42,197</u>
Student Support and Academic Enrichment	28-18-71-64	84.424	<u>5,878</u>
Total United States Department of Education			<u>1,709,915</u>
<u>United States Department of Health and Human Services</u>			
Passed through Louisiana Department of Education-			
Child Care and Development Block Grant - Cluster	28-17-CO-64	93.575	<u>3,178</u>
Temporary Assistance for Needy Families - Cluster			
JAG - LA/Employ	28-18-JS-64	93.558	39,052
The Cecil J. Picard LA 4 Early Childhood Program	28-17-36-64	93.558	18,353
The Cecil J. Picard LA 4 Early Childhood Program	28-18-36-64	93.558	<u>153,893</u>
Total Temporary Assistance for Needy Families - Cluster			<u>211,298</u>
Total United States Department of Health and Human Services			<u>214,476</u>
<u>United States Department of Interior</u>			
Passed through Louisiana State Treasurer			
National Forest Acquired Lands		15.438	<u>138,019</u>
TOTAL FEDERAL AWARDS			<u>\$ 3,212,905</u>

The accompanying notes are an integral part of this schedule.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

(1) General

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

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2018. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Noncash Programs

The commodities received, which are noncash revenues, are valued using pricing provided by the United States Department of Agriculture.

(4) Indirect Cost Rate

The School Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

Part I. Summary of Auditor's Results:

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

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

- A. Internal Control Findings –

There were no internal control findings.
- B. Compliance Findings –

There were no compliance findings.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

There are no findings to be reported under this section.

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2018

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

There are no internal control findings to be reported.

B. Compliance

There are no compliance findings to be reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

There were no internal control findings reported.

B. Compliance

2017-001 Open Meetings Law

CONDITION: The Winn Parish School Board did not publish certain items in the School Board's Official Journal.

RECOMMENDATION: The Winn Parish School Board should develop policies and procedures to ensure compliance with relevant publication requirements.

CURRENT STATUS: Resolved.

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

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Steve Bartlett, Superintendent,
and Members of the Winn Parish School Board
the Louisiana Department of Education and
the Louisiana Legislative Auditor

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

The procedures and associated findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

There were no exceptions noted.

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

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

There were no exceptions noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

There were no exceptions noted.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not 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 Winn Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 19, 2018

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana

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

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

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

Schedule 2 (Formerly Schedule 6) - Class Size Characteristics

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

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Schedule 1

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

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 6,732,652	
Other instructional staff salaries	577,371	
Instructional staff employee benefits	4,345,485	
Purchased professional and technical services	61,538	
Instructional materials and supplies	397,898	
Instructional equipment	<u>95,776</u>	
Total teacher and student interaction activities		\$ 12,210,720

Other instructional activities:

Pupil support activities	1,146,815	
Less: Equipment for pupil support activities	<u>-</u>	
Net pupil support activities		1,146,815
Instructional staff services	1,418,021	
Less: Equipment for instructional staff services	<u>-</u>	
Net instructional staff services		1,418,021
School Administration	1,683,822	
Less: Equipment for school administration	<u>-</u>	
Net school administration		<u>1,683,822</u>

Total general fund instructional expenditures \$ 16,517,039

Total general fund equipment expenditures (Object 730; Function series 1000-4000) \$ 131,048

Certain Local Revenue Sources

Local taxation revenue:

Ad valorem taxes

Constitutional ad valorem taxes	\$ 335,554
Renewable ad valorem tax	1,254,564
Debt service ad valorem tax	961,711
Up to 1% of collections by the Sheriff on taxes other than school taxes	68,649
Penalties/interest on ad valorem taxes	328

Sales taxes

Sales and use taxes	3,885,459
Penalties/interest on sales/use taxes	<u>26,137</u>
Total local taxation revenue	<u>\$ 6,532,402</u>

(continued)

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Schedule 1

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

Local earnings on investment in real property:	
Earnings from 16th section property	\$ -
Earnings from other real property	1,406
Total local earnings on investment in real property	<u>\$ 1,406</u>
State revenue in lieu of taxes:	
Revenue sharing - constitutional tax	\$ 22,107
Revenue sharing - other taxes	48,609
Revenue sharing - excess portion	-
Other revenue in lieu of taxes	-
Total state revenue in lieu of taxes	<u>\$ 70,716</u>
Nonpublic textbook revenue	<u>\$ -</u>
Nonpublic transportation revenue	<u>\$ -</u>

WINN PARISH SCHOOL BOARD
Winnfield, Louisiana
Schedule 2

Class Size Characteristics
As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	67%	145	32%	68	0%	-	1%	2
Elementary Activity Classes	0%	-	50%	4	0%	-	50%	4
Middle/Jr. High	74%	124	20%	33	6%	10	0%	-
Middle/Jr. High Activity Classes	68%	22	19%	6	13%	4	0%	-
High	73%	122	13%	22	12%	21	2%	4
High Activity Classes	80%	24	7%	2	13%	4	0%	-
Combination	75%	341	20%	89	5%	23	0%	-
Combination Activity Classes	75%	44	17%	10	8%	5	0%	-

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

Winn Parish School Board
Winnfield, Louisiana

Agreed-Upon Procedures Report

Period Ended June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Winn Parish School Board
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Winn Parish School Board and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

Bank Reconciliations

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

Collections

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

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
 7. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
- a) Observed that the disbursement matched the related original invoice/billing statement.
 - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
 - a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained ethics documentation from management, and:
 - a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

21. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

Other

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings:

In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Bank Reconciliations, Credit Cards/Debit Cards/Fuel Cards/P-Cards, Travel and Expense Reimbursement, Contracts, Ethics, Debt Service, and Other

No exceptions were found as a result of applying procedures listed above except:

Written Policies:

Winn Parish School Board does not have written policies and procedures addressing how vendors are added to the vendor list, requirement that all employees, including elected officials, annually attest through signature verification that they have read the entities ethic policy, or procedures over debt reserve requirements and debt service requirements.

Collections:

At four of the five cash locations examined, the same person is responsible for depositing the cash, recording the related transactions and reconciling the bank account. There are compensating controls performed at these four cash collections by an outside party.

Management's Response:

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 19, 2018