
WEST FELICIANA PARISH SCHOOL BOARD

ST. FRANCISVILLE, LOUISIANA

JUNE 30, 2018

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

Release Date JAN 09 2019



Postlethwaite & Netterville

A Professional Accounting Corporation

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WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Feliciana Parish School Board (the School Board) as of and for the year ended June 30, 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.

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As described in Note 1o to the financial statements, the School Board adopted Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018. This new standard requires the School Board to recognize and report its total other post-employment benefit liability, measured according to actuarial methods and approaches prescribed within the standard along with certain disclosures. 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, the budgetary comparison information, the schedules of changes in total other post-employment benefits liability and related ratios, the schedule of the school board's proportionate share of the net pension liability for the retirement systems, the schedule of employer contributions to the retirement systems and the notes to required supplementary information presented on pages 4 through 13, page 55, page 56, page 57, pages 58 through 60, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements as a whole. The combining non-major governmental fund financial statements; the schedule of board members' compensation; and the schedule of compensation, benefits, and other payments to the superintendent on pages 61 through 71, page 72, and page 73, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 78 through 79 is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



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

The information included in the performance and statistical data section on pages 90 through 92 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 19, 2018

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

Our discussion and analysis of the financial performance of the West Feliciana Parish School Board (the School Board) provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2018. Please read this discussion and analysis in conjunction with the School Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

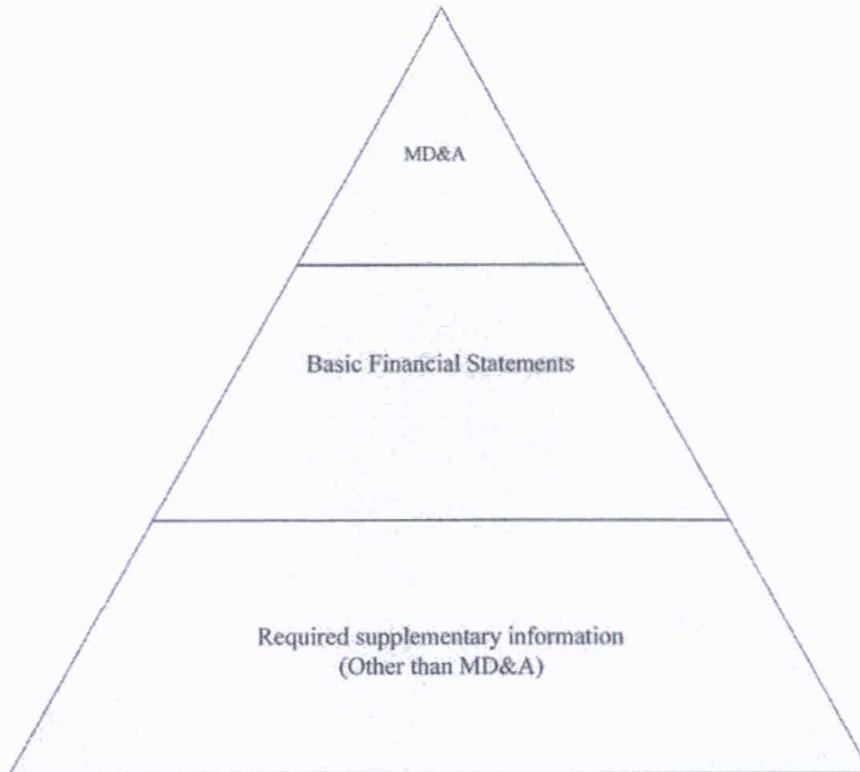
Financial Highlights

- The School Board's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$37,848,315 at the close of the fiscal year 2018. Of this net position deficit amount, there is a \$52,308,872 unrestricted net deficit predominantly due to the recording of the other post-employment benefit obligation of \$23,824,326 and a net pension liability of \$37,437,447.
- The School Board's total net position increased by \$467,605 during the current fiscal year.
- The School Board adopted a new accounting standard regarding the reporting of the total other post-employment benefit liability. As a result, the liability as of June 30, 2017 was restated from \$8,595,875 to \$24,344,739. The liability at June 30, 2018 decreased \$520,413, or 2.1% as a result of changes in the valuation by the School Board's actuary.
- Net pension liability decreased \$1,525,083, or 3.9% as a result of changes in the valuation by the actuary.
- As of the close of the current fiscal year, the School Board's governmental funds reported combined ending fund balances of \$7,379,873, an increase of \$210,460 in comparison with the prior year. Of this fund balance, \$7,096,287 is available for spending at the School Board's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the School Board's general fund was \$7,126,403 or 24.9% of total general fund expenditures.

Overview of the Financial Statements

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

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**



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

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

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

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

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 to 53 of this report.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School Board, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$37,848,315 at the close of the most recent fiscal year, and thus caused a deficit net position. The comparative statements below show the composition of June 30, 2018 and 2017:

**Statements of Net Position
as of June 30, 2018 and 2017**

	2018	2017 (as restated)
Assets		
Cash and cash equivalents	\$ 940,844	\$ 973,201
Certificate of deposit	100,000	100,000
Investments	8,395,047	7,910,642
Receivables	270,424	377,467
Inventory	30,116	25,049
Land, building, and equipment, net	14,249,438	15,039,825
Total assets	23,985,869	24,426,184
Deferred outflows of resources	7,864,618	7,386,611
Liabilities		
Accounts payable and accrued expenses	2,527,145	2,387,498
Unearned revenues	13,459	12,196
Long-term liabilities		
Due within one year	1,030,624	973,349
Due in more than one year	365,067	160,363
Other post-employment benefit obligation	23,824,326	24,344,739
Net pension liability	37,437,447	38,962,530
Total liabilities	65,198,068	66,840,675
Deferred inflows of resources	4,500,734	3,288,040
Net position:		
Net investment in capital assets	14,207,087	14,932,379
Restricted for capital projects	253,470	276,521
Unrestricted (deficit)	(52,308,872)	(53,524,820)
Total net position	\$ (37,848,315)	\$ (38,315,920)

Net position as of June 30, 2017 has been restated to reflect the adopting of the new accounting standard regarding the reporting of other post-employment benefit obligation.

WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

Government-wide Financial Analysis (continued)

- The largest portion of the School Board's net position reflects its investment in capital assets (e.g. land, buildings, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the School Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Unrestricted net position* contains a deficit of \$52,308,872 of total net position, which is predominantly due to the net pension liability of \$37,437,447 and the total other post-employment benefits obligation of \$23,824,326 exceeding assets available to service those liabilities.
- Restrictions on net position of \$253,470 are to be used for capital improvements to the Julius Freyhan building and other major capital assets.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

The School Board's net position *increased* by \$467,605 during the current fiscal year. The following discussion and analysis on governmental activities focuses on this:

**Changes in Net Position
for the years ended June 30, 2018 and 2017**

	2018	2017
Program revenues		
Charges for services	\$ 40,383	\$ 183,049
Operating grants	3,608,606	3,595,163
General revenues		
Property taxes	9,635,480	9,863,173
Sales and use taxes	8,123,942	7,548,417
Earnings on Investments	115,776	54,239
MFP	10,543,895	9,493,197
Other	473,263	304,703
Total	32,541,345	31,041,941
Expenses		
Regular education	9,978,130	9,960,845
Special education	3,162,112	3,056,855
Other education	3,216,996	2,688,958
Pupil support	1,245,250	1,373,590
Instructional staff	1,766,894	2,183,710
General administrative services	822,927	767,662
School administrative services	1,919,076	1,894,921
Business services	630,180	705,844
Plant operations and maintenance	4,226,310	4,083,712
Transportation	1,842,024	1,952,790
Technical support and central services	1,896,003	1,544,699
Food service	1,293,246	1,215,408
Community service programs	13,000	15,880
Appropriations – charter schools	59,605	51,706
Interest and bank charges (debt service)	1,987	8,395
	32,073,740	31,505,015
Change in net position	\$ 467,605	\$ (463,074)

The key elements of the *increase* of the School Board's net position for the year ended June 30, 2018 are as follows:

- Overall revenues increased approximately \$1,499,000 and expenses increased approximately \$569,000. Revenues increased predominantly due the increase in MFP of approximately \$1,051,000. Expenses increased primarily due to the School Board increasing staff levels by hiring new instructional and non-instructional personnel.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

- Local revenues consisting of sales and property taxes are approximately 55% of total revenue. Property taxes have decreased from the prior year by approximately \$228,000 or 23.1%. Sales tax revenues have increased approximately \$576,000 or 7.6% as a result of the increase in business activity in the local parish economy.
- Operating grant revenue, which accounts for approximately 11.1% of total revenues, had a slight increase of approximately \$13,000 or less than 1%.
- Minimum Foundation Program (MFP) revenue increased by approximately \$1,051,000 or 11.1% in comparison to fiscal year 2017 as there was an adjustment in the School Board's provided MFP funding and an increase in the number of students.
- Total expenses have increased by approximately \$569,000 or 1.8% during the fiscal year. Additional staff was hired for continued implementation of educational initiatives.

Financial Analysis of the School Board's Funds

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

Governmental funds. The focus of the School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the School Board completed the year, its governmental funds reported a combined fund balance of \$7,379,873 and unassigned fund balance of \$7,096,287.

- The focus of governmental funds is narrower than that of the government-wide financial statements; it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The majority of the School Board's financial activity occurs in the general fund. The fund balance at June 30, 2018, is \$7,126,403. This fund balance is a result of accumulated operating surpluses from the current and prior fiscal years and serves to sustain the system during periods of decreased revenue or major events.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

Variations Between Original and Final Budgets

Budget amendments were adopted during the year ended June 30, 2018 for the General Fund to better reflect actual operations as they evolved through the fiscal year. The General Fund amendments were a result of anticipated variance in revenues compared to originally budgeted amounts and increases to expenditures. The General Fund, with actual revenues of \$29,003,733, operated within the available resources as planned through respective budgets.

Capital Asset and Debt Administration

Capital assets. The School Board's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$14,249,438 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total decrease in the School Board's capital assets was approximately \$790,000 or 5.3%.

	Governmental Activities	
	2018	2017
Land	\$ 299,441	\$ 299,441
Buildings and improvements	12,971,954	13,713,749
Equipment and fixtures	948,693	991,204
Food services	29,350	35,431
Total capital assets	\$ 14,249,438	\$ 15,039,825

Depreciation in the amount of \$1,111,236 was recorded for the year ended June 30, 2018.

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

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

Long-term liabilities. The School Board incurred additional long-term liabilities of \$261,979 during the year ended June 30, 2018. A liability for claims and judgments increased by \$30,000, capital leases decreased by \$65,095, while compensated absences experienced a net increase of \$297,074.

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

	Long-Term Liabilities at June 30,	
	2018	2017
Compensated absences	\$ 1,203,340	\$ 906,266
Capital lease	42,351	107,466
Claims and judgments	150,000	120,000
	\$ 1,395,691	\$ 1,133,712

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property tax is the largest local source of revenue for the School Board and is estimated at \$11.8 million and approximately 39% of revenues. The Louisiana Tax Commission changed the way tax revenues in Louisiana's nuclear power plants is allocated. This results in an estimated additional \$2.2 million in property tax revenue for the School Board.

Sales and use tax revenues are the second largest source of local revenue for the School Board and budgeted for approximately 24% of total revenues. The School Board is expecting a decrease of approximately 10% in such revenues in the 2018-2019 period.

MFP funding, approximately 33% of revenue, approved in the Legislative session. The MFP decreased due to increased local level revenues.

The budgeted amounts for salaries includes increases. The General Fund continues to cover short falls in 8G Early Childhood, Lunch Fund, and the Head Start programs. Also, benefits have increased due to increased employer rate for Teacher's Retirement. The adopted budget for the 2018-2019 fiscal period is balanced in the General fund.

**WEST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018**

Contacting the School Board's Financial Management

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Cash and cash equivalents	\$ 940,844
Certificate of deposit	100,000
Investments	8,395,047
Receivables	270,424
Inventory	30,116
Capital assets, net	<u>14,249,438</u>
TOTAL ASSETS	<u>23,985,869</u>

DEFERRED OUTFLOWS OF RESOURCES - PENSION RELATED

7,864,618

LIABILITIES

Accounts payable and accrued expenses	2,527,145
Unearned revenues	13,459
Long-term liabilities	
Due within one year	
Compensated absences payable	1,005,612
Capital lease	25,012
Due in more than one year	
Claims and judgments	150,000
Capital lease	17,339
Compensated absences payable	197,728
Total other post-employment benefit obligation	23,824,326
Net pension liability	<u>37,437,447</u>
TOTAL LIABILITIES	<u>65,198,068</u>

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability	3,856,221
Deferred amounts related to other post-employment benefits obligation	<u>644,513</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,500,734</u>

NET POSITION

Net investment in capital assets	14,207,087
Restricted for:	
Capital projects	253,470
Unrestricted (Deficit)	<u>(52,308,872)</u>
TOTAL NET POSITION	<u>\$ (37,848,315)</u>

The accompanying notes are an integral part of these statements.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF ACTIVITIES
JUNE 30, 2018

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs		Charges for Services	Operating Grants and Contributions	
Instruction:				
Regular education programs	\$ 9,978,130	\$ -	\$ 801,964	\$ (9,176,166)
Special education programs	3,162,112	-	254,339	(2,907,773)
Other education programs	3,216,996	-	258,768	(2,958,228)
Support Services:				
Pupil support services	1,245,250	-	100,134	(1,145,116)
Instructional staff services	1,766,894	-	142,063	(1,624,831)
General administration services	822,927	-	66,199	(756,728)
School administration services	1,919,076	-	154,319	(1,764,757)
Business services	630,180	-	50,614	(579,566)
Plant operation and maintenance	4,226,310	-	339,946	(3,886,364)
Transportation	1,842,024	-	148,148	(1,693,876)
Technical support and central services	1,896,003	-	152,581	(1,743,422)
Non-Instructional Services:				
Food service	1,293,246	40,383	1,138,483	(114,380)
Community service programs	13,000	-	1,048	(11,952)
Appropriations - charter schools	59,605	-	-	(59,605)
Debt Service:				
Interest and bank charges	1,987	-	-	(1,987)
 Total Governmental Activities	 \$ 32,073,740	 \$ 40,383	 \$ 3,608,606	 \$ (28,424,751)
Local sources				
Taxes:				
Ad valorem				9,635,480
Sales and use taxes				8,123,942
Earnings on investments				115,776
Other				473,263
State sources:				
Minimum foundation program (MFP)				10,543,895
				Total general revenues
				28,892,356
Change in Net Position				467,605
Net Position - July 1, 2017 (as restated)				(38,315,920)
Net Position - June 30, 2018				\$ (37,848,315)

The accompanying notes are an integral part of this statement

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	<u>General</u>	<u>Other Non-Major</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	639,083	\$ 301,751	\$ 940,834
Certificate of deposit	100,000	-	100,000
Investments	8,395,047	-	8,395,047
Receivables	83,815	186,609	270,424
Due from other funds	71,493	93,371	164,864
Inventory	-	30,116	30,116
	<u>9,289,438</u>	<u>611,847</u>	<u>9,901,285</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,162,685	\$ 204,003	\$ 2,366,688
Unearned revenues	-	13,459	13,459
Due to other funds	350	140,915	141,265
	<u>2,163,035</u>	<u>358,377</u>	<u>2,521,412</u>
TOTAL LIABILITIES			
Fund balances:			
Nonspendable	-	30,116	30,116
Spendable			
Restricted for:			
Capital projects	-	253,470	253,470
Unassigned (deficit)	7,126,403	(30,116)	7,096,287
	<u>7,126,403</u>	<u>253,470</u>	<u>7,379,873</u>
TOTAL FUND BALANCES			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,289,438</u>	<u>\$ 611,847</u>	<u>\$ 9,901,285</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total Fund Balances - Governmental Funds	\$	7,379,873
Cost of capital assets at June 30, 2018	\$ 41,171,296	
Less: Accumulated depreciation as of June 30, 2018:		
Buildings	(22,507,002)	
Movable property	<u>(4,414,856)</u>	14,249,438
Consolidation of internal service fund		(184,046)
Claims and judgments		(150,000)
Elimination of interfund assets and liabilities:		
Interfund receivables	(170,093)	
Interfund payables	<u>170,093</u>	-
Long-term liabilities at June 30, 2018:		
Capital lease payable	(42,351)	
Compensated absences payable	<u>(1,203,340)</u>	(1,245,691)
Other post-employment benefit obligation balances in accordance with GASB 75		
Deferred inflow of resources - related to other post-employment benefits	(644,513)	
Net post-employment benefit obligation	<u>(23,824,326)</u>	(24,468,839)
Net pension obligation balances in accordance with GASB 68		
Deferred outflow of resources - related to net pension liability	7,864,618	
Net pension liability	(37,437,447)	
Deferred inflow of resources - related to net pension liability	<u>\$ (3,856,221)</u>	<u>(33,429,050)</u>
Total net position at June 30, 2018 - Governmental Activities	\$	<u><u>(37,848,315)</u></u>

The accompanying notes are an integral part of this statement.

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	General	Other Non-Major	Total
REVENUES			
Local sources:			
Taxes:			
Ad valorem taxes	\$ 9,635,184	\$ 296	\$ 9,635,480
Sales and use taxes	8,123,942	-	8,123,942
Rentals, leases, and royalties	63,925	-	63,925
Food Sales	-	40,383	40,383
Earnings on investments	115,632	138	115,770
Other	231,748	177,590	409,338
State sources:			
Minimum foundation program (MFP)	10,459,927	83,968	10,543,895
Restricted grants-in-aid	122,015	44,148	166,163
Other	203,052	23,404	226,456
Federal sources:			
Restricted grants-in-aid - direct	48,308	922,787	971,095
Restricted grants-in-aid - subgrants	-	2,159,448	2,159,448
Commodities - United States Department of Agriculture	-	85,444	85,444
TOTAL REVENUES	29,003,733	3,537,606	32,541,339
EXPENDITURES			
Current:			
Instruction:			
Regular education programs	9,813,286	119,416	9,932,702
Special education programs	2,836,586	433,110	3,269,696
Other education programs	2,276,410	1,054,246	3,330,656
Support services:			
Pupil support services	1,230,632	54,631	1,285,263
Instructional staff services	1,300,557	522,123	1,822,680
General administration services	820,609	-	820,609
School administration services	1,981,741	1,177	1,982,918
Business services	606,833	39,698	646,531
Plant operation and maintenance	3,567,006	58,473	3,625,479
Transportation	2,059,361	19,390	2,078,751
Technical support and central services	1,969,454	-	1,969,454
Non-Instructional services:			
Food service	11,129	1,324,164	1,335,293
Community service programs	13,000	-	13,000
Facility acquisition and construction	-	23,484	23,484
Appropriations - charter schools	59,605	-	59,605
Debt service:			
Principal retirement	65,095	-	65,095
Interest and bank charges	1,987	-	1,987
TOTAL EXPENDITURES	28,613,291	3,649,912	32,263,203
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 390,442	\$ (112,306)	\$ 278,136

(continued)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	General	Other Non-Major	Total
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 200,673	\$ 280,685	\$ 481,358
Operating transfers out	(348,066)	(200,968)	(549,034)
TOTAL OTHER FINANCING SOURCES (USES)	(147,393)	79,717	(67,676)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES EXPENDITURES AND OTHER USES	243,049	(32,589)	210,460
Fund balances, June 30, 2017	6,883,354	286,059	7,169,413
FUND BALANCES, JUNE 30, 2018	\$ 7,126,403	\$ 253,470	\$ 7,379,873

(concluded)

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Total Net Changes in Fund Balance - Governmental Funds		\$ 210,460
Capital Assets:		
Capital outlay capitalized	\$ 320,849	
Depreciation expense for year ended June 30, 2018	<u>(1,111,236)</u>	(790,387)
Net loss of internal service fund consolidated with governmental activities		(1,298)
Long Term Liabilities:		
Increase in claims and judgments liability	(30,000)	
Decrease in capital lease payable	65,095	
Increase of compensated absences earned over amounts used	<u>(297,074)</u>	(261,979)
Change in other post-employment benefits liability and deferred inflows in accordance with GASB 75		(124,100)
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68		<u>1,434,909</u>
Change in Net Position - Governmental Activities		<u>\$ 467,605</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF NET POSITION - PROPRIETARY FUND
GROUP INSURANCE INTERNAL SERVICE FUND
JUNE 30, 2018

ASSETS

Cash	\$	10
Due from other funds		<u>5,229</u>
TOTAL ASSETS	\$	<u>5,239</u>

LIABILITIES

Liabilities		
Current:		
Claims payable	\$	160,457
Due to other funds		<u>28,828</u>
TOTAL LIABILITIES		<u>189,285</u>
Net Position (Deficit)		<u>(184,046)</u>
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	\$	<u>5,239</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - GROUP INSURANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2018

<u>OPERATING REVENUES</u>	
Insurance premiums received	\$ 1,420,285
Total operating revenues	<u>1,420,285</u>
 <u>OPERATING EXPENSES</u>	
Premiums paid	1,421,551
Claims expense	<u>67,714</u>
Total operating expenses	<u>1,489,265</u>
 <u>OPERATING LOSS</u>	 <u>(68,980)</u>
 <u>NON-OPERATING REVENUES</u>	
Interest earnings	6
Transfers in	<u>67,676</u>
Total non-operating revenues	<u>67,682</u>
 <u>NET LOSS</u>	 <u>(1,298)</u>
 <u>NET POSITION AT BEGINNING OF YEAR</u>	 <u>(182,748)</u>
 <u>NET POSITION AT END OF YEAR</u>	 <u>\$ (184,046)</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - GROUP INSURANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received for insurance premiums	\$ 1,420,285
Cash payments for premiums	(1,421,551)
Cash paid for claims	(102,988)
Net cash used in operating activities	<u>(104,254)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating transfer in from other funds	67,676
Change in due (from) to other funds	23,599
Net cash provided by noncapital financing activities	<u>91,275</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	6
Net cash provided by investing activities	<u>6</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

(12,973)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

12,983

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 10

RECONCILIATION OF OPERATING LOSS TO NET

CASH FROM OPERATING ACTIVITIES:

Operating loss	\$ (68,980)
Adjustments to reconcile operating loss to net cash used in operating activities - change in assets and liabilities - decrease in claims payable	<u>(35,274)</u>
Net cash used in operating activities	\$ <u><u>(104,254)</u></u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
BALANCE SHEET
JUNE 30, 2018

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 516,198	\$ 19	\$ 516,217
Total assets	<u>516,198</u>	<u>19</u>	<u>516,217</u>
<u>LIABILITIES</u>			
Liabilities:			
Deposits due others	<u>516,198</u>	<u>19</u>	<u>516,217</u>
Total liabilities	<u>\$ 516,198</u>	<u>\$ 19</u>	<u>\$ 516,217</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

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

The School Board operates 4 schools within the Parish with a total enrollment of approximately 2,200 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

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

b. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

b. Fund Accounting (continued)

Emphasis of fund financial reporting is on the major funds. Non-major funds (by category) or fund type are summarized into a single column. The only major fund of the School Board is the General Fund.

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

Governmental Fund Types:

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

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

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

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

Capital Projects Fund - The Capital Projects Fund was established to account for funds dedicated to capital improvements, including construction of new facilities and renovations.

Fiduciary Fund Type - Agency Funds:

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

b. Fund Accounting (continued)

Proprietary Fund Type - Group Insurance Internal Service Fund

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

c. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the Fiduciary Fund. The Fiduciary Fund is only reported as the Statement of Fiduciary Net Position at the Fund Financial Statement level.

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

Program Revenues

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

Allocation of Indirect Expenses

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

c. Measurement Focus/Basis of Accounting (continued)

Fund Financial Statements (FFS)

Governmental Funds

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

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

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

d. Budget and Budgetary Accounting

The proposed budgets for fiscal year 2018 were completed and made available for public inspection on September 5, 2017 at the School Board office. A public hearing was held on September 12, 2017 for suggestions and comments from taxpayers. The proposed fiscal year 2018 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them for the General and Special Revenue Funds, were published in the official journal ten days prior to the public hearings.

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

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

e. Cash, Cash Equivalents, and Investments

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

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

f. Federal Grants Receivable

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

g. Inventory

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

h. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where the actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of the donation. The system for the accumulation of fixed asset cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost. The School Board maintains a \$5,000 threshold level for capitalizing assets.

Capital assets are recorded in the GWFS, but are not recorded in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 40 years for buildings and 3 to 20 years for equipment.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2001 were considered to be part of the cost of buildings or other immovable property such as stadiums.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

h. Capital Assets (continued)

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

i. Compensated Absences

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

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

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

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

j. Pension Plans

The School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 8. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

k. Sales, Use and Property Taxes

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

k. Sales, Use and Property Taxes (continued)

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

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

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

l. Estimates

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

m. Inter-fund transactions

During the course of normal operations, the School Board has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying fund financial statements generally reflect such transactions as operating transfers.

n. Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

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

Spendable

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

n. Fund Equity of Fund Financial Statements (continued)

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

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

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

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

o. Current Year Adoption of New Accounting Standard and Restatement of Net Position

The School Board adopted Government Accounting Standards Board (GASB) Statement Number 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The net effect to the School Board’s Statement of Net Position for the prior year that resulted from the adoption of GASB 75 is as follows:

	Governmental Activities
Total Net Position, June 30, 2017 as previously reported	\$ (22,567,056)
Reverse post-employment benefit obligation June 30, 2017	8,595,875
Record total post-employment benefit liability June 30, 2017	(24,344,739)
Net effect	(15,784,864)
Total Net Position, June 30, 2017, Restated	\$ (38,315,920)

2. Ad Valorem Taxes

Ad valorem (property) taxes were levied for the fiscal year 2018 by the School Board on July 15, 2017 based on the assessed valuation of property as of January 1, 2017. These taxes become due and payable on November 15 of each year and become delinquent after December 31 of the year levied.

Total assessed value was \$301,800,237 in calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption was \$17,487,696 of the assessed value in calendar year 2017.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. Ad Valorem Taxes (continued)

The following is a summary of authorized and levied parishwide ad valorem taxes collected during the fiscal year ended June 30, 2018:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Constitutional School Tax	4.46	4.46	N/A
Special	14.75	14.75	2018*
General Fund	3.75	3.75	2021
Consolidated General Fund	11.00	11.00	2019*

* - renewed for an additional ten years

3. Cash, Deposits, and Investments

A. Deposits

The carrying amount of the School Board's deposits with financial institutions was \$1,557,061 and the bank balances were \$2,942,294. Custodial credit risk is the risk that in the event of a financial institution failure, the School System's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2018, the School Board's deposits were not exposed to custodial credit risk.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

B. Investments

As of June 30, 2018, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Investments measured at the net asset value (NAV)	
External investment pool	\$ <u>8,395,047</u>

The \$8,395,047 in investments is invested in LAMP. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

- Credit risk: LAMP is rated AAAm by Standard & Poor's.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

3. Cash, Deposits, and Investments (continued)

B. Investments (continued)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Concentration of credit risk: The District does not have a limit on the amount the District may invest in one issuer. One hundred percent of the District's investments are in LAMP funds.
- Foreign currency risk: Not applicable. LAMP complies with the provisions of Louisiana Law concerning permissible investments for municipalities, parishes and other political subdivisions set for in La R.S. 33:2955 and the investment policy does not provide for investment in foreign obligations.

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

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

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

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

4. Interfund Transactions

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

Fund	Due From Other Funds	Due To Other Funds
Government Funds:		
General Fund	\$ 71,493	\$ 350
Non-major Funds	93,371	140,915
Proprietary Funds:		
Group Insurance Internal Service Fund	5,229	28,828
Total	\$ 170,093	\$ 170,093

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

4. Interfund Transactions (continued)

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

Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Government Funds		
General Fund	\$ 200,673	\$ 348,066
Non-major Funds	280,685	200,968
Proprietary Funds		
Group Insurance Internal Service Fund	<u>67,676</u>	<u>-</u>
Total	<u>\$ 549,034</u>	<u>\$ 549,034</u>

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

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2018 is as follows:

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2018</u>
<u>Cost</u>				
Land	\$ 299,441	\$ -	\$ -	\$ 299,441
Buildings and improvements	35,396,282	82,674	-	35,478,956
Equipment and fixtures	4,821,659	238,175	32,765	5,027,069
Food Service equipment	<u>369,820</u>	<u>-</u>	<u>3,990</u>	<u>365,830</u>
	<u>\$ 40,877,202</u>	<u>\$ 320,849</u>	<u>\$ 36,755</u>	<u>\$ 41,171,296</u>
<u>Accumulated depreciation</u>				
Buildings and improvements	\$ 21,682,533	\$ 824,469	\$ -	\$ 22,507,002
Equipment and fixtures	3,830,455	280,686	32,765	4,078,376
Food Service equipment	<u>334,389</u>	<u>6,081</u>	<u>3,990</u>	<u>336,480</u>
	<u>\$ 25,847,377</u>	<u>\$ 1,111,236</u>	<u>\$ 36,755</u>	<u>\$ 26,921,858</u>
Capital assets, net of Depreciation	<u>\$ 15,039,825</u>	<u>\$ (790,387)</u>	<u>\$ -</u>	<u>\$ 14,249,438</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

5. Capital Assets (continued)

Depreciation expense of \$1,111,236 for the year ended June 30, 2018 was charged to the following governmental functions:

Regular education programs	\$	88,251
Special education programs		29,013
Other educational programs		24,632
Pupil support services		12,516
Instructional staff services		20,027
General administrative services		7,327
School administrative services		17,229
Business and central services		6,234
Plant operation and maintenance		856,426
Transportation		17,849
Technical support		14,434
Food service		<u>17,298</u>
		<u>\$ 1,111,236</u>

6. Long-term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Compensated Absences	\$ 906,266	\$1,302,686	\$ (1,005,612)	\$ 1,203,340
Capital Leases	107,446	-	(65,095)	42,351
Claims & Judgments	<u>120,000</u>	<u>30,000</u>	<u>-</u>	<u>150,000</u>
Total	<u>\$1,133,712</u>	<u>\$1,332,686</u>	<u>\$ (1,070,707)</u>	<u>\$1,395,691</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2018:

	Compensated Absences	Capital Lease	Claims & Judgments	Total
Current	\$ 1,005,612	\$ 25,012	\$ -	\$ 1,030,624
Long-Term	<u>197,728</u>	<u>17,339</u>	<u>150,000</u>	<u>365,067</u>
	<u>\$ 1,203,340</u>	<u>\$ 42,351</u>	<u>\$ 150,000</u>	<u>\$ 1,395,691</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

7. Capital Lease

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

Minimum future capital lease payments under lease agreements in effect at June 30, 2018 are as follows:

Year Ending June 30,	
2019	\$ 25,012
2020	18,759
Total minimum lease payments	43,771
Less: Amount representing interest costs	(1,420)
Present value of minimum lease payments	\$ 42,351

8. Retirement Systems

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

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

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

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

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

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL)

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

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

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

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

Louisiana School Employees' Retirement System (LSERS)

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3 $\frac{1}{4}$ % of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2 $\frac{1}{2}$ % of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service.

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

LRS 11:1147 provides that members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2 $\frac{1}{2}$ % of his average compensation multiplied by his years of creditable service, but not less than 33 $\frac{1}{3}$ % of his average compensation for members employed prior to July 1, 2006 and 3% of his average compensation multiplied by his years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age. Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members salary are available for surviving spouses and minor children of members with at least five years of service.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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

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

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors. Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

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

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

Funding Policy

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

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2018, for the School Board and covered employees were as follows:

	<u>School Board</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	26.60%	8.00%
Plan B	26.60%	5.00%
School Employees' Retirement System	27.60%	7.50 % - 8.00%
State Employees' Retirement System	37.90%	7.50 % - 8.00 %

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Teachers' Retirement System	\$ 4,030,024	\$ 3,824,820	\$ 3,697,321
School Employees' Retirement System	313,853	310,780	325,709
State Employees' Retirement System	15,716	13,929	7,516

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2017 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2017 along with the change compared to the June 30, 2016 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

	Net Pension Liability at June 30, 2017	Rate at June 30, 2017	Increase (Decrease) to June 30, 2016 Rate
Teachers' Retirement System	\$ 34,789,750	0.3394%	0.0324%
School Employees' Retirement System	2,506,639	0.3917%	0.0123%
State Employees' Retirement System	141,058	0.0020%	0.0011%
	<u>\$ 37,437,447</u>		

The following schedule lists each pension plan's recognized pension expense to the School Board for the year ended June 30, 2018:

	<u>Pension Expense</u>
Teachers' Retirement System	\$ 2,941,348
School Employees' Retirement System	43,963
State Employees' Retirement System	<u>(60,627)</u>
	<u>\$ 2,924,684</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,204,643)
Changes of assumptions	419,977	(39,049)
Net difference between projected and actual earnings on pension plan investments	4,587	(937,757)
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,080,461	(1,674,772)
Employer contributions subsequent to the measurement date	4,359,593	-
Total	<u>\$ 7,864,618</u>	<u>\$ (3,856,221)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 7,370,860	\$ (3,593,130)
School Employees' Retirement System (LSERS)	423,673	(224,746)
State Employees' Retirement System (LASERS)	70,085	(38,345)
	<u>\$ 7,864,618</u>	<u>\$ (3,856,221)</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

The School Board reported a total of \$4,359,593 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2018. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Teachers' Retirement System	\$ 4,030,024
School Employees' Retirement System (LSERS)	313,853
State Employees' Retirement System (LASERS)	15,716
	\$ 4,359,593

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

Year	TRSL	LSERS	LASERS	Total
2018	(594,445)	(144,136)	(11,597)	(750,178)
2019	529,540	103,889	28,625	662,054
2020	42,346	16,522	1,836	60,704
2021	(229,735)	(91,201)	(2,840)	(323,776)
	\$ (252,294)	\$ (114,926)	\$ 16,024	\$ (351,196)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2017 are as follows:

	TRSL	LSERS	LASERS																		
Valuation Date	June 30, 2017	June 30, 2017	June 30, 2017																		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal																		
Actuarial Assumptions:																					
Expected Remaining																					
Service Lives	5 years	3 years	3 years																		
Investment Rate of Return	7.70% net of investment expenses (decreased from 7.75% in 2016).	7.125% per annum	7.70% net of investment expenses (decreased from 7.75% in 2016).																		
Inflation Rate	2.5% per annum	2.625% per annum	2.75% per annum (decreased from 3.0% in 2016).																		
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex District Mortality Table. RP-2000 Disabled Lives Mortality Table.	Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.																		
Salary Increases	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study ranging from 3.075% to 5.375%	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:																		
			<table border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Member Type</th> <th style="text-align: center;">Lower Range</th> <th style="text-align: center;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.80%</td> <td style="text-align: center;">12.80%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.80%</td> <td style="text-align: center;">5.30%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> </tbody> </table>	Member Type	Lower Range	Upper Range	Regular	3.80%	12.80%	Judges	2.80%	5.30%	Corrections	3.40%	14.30%	Hazardous Duty	3.40%	14.30%	Wildlife	3.40%	14.30%
Member Type	Lower Range	Upper Range																			
Regular	3.80%	12.80%																			
Judges	2.80%	5.30%																			
Corrections	3.40%	14.30%																			
Hazardous Duty	3.40%	14.30%																			
Wildlife	3.40%	14.30%																			
Cost of Living Adjustments	None	Note substantively automatic. The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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

<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.33% for 2017.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 8.10%.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.69% for 2017.</p>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2017:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	(0.24%)
Domestic equity	27.00%	-	25.00%	4.28%	-	4.31%
International equity	19.00%	-	32.00%	4.96%	-	5.35%
US equity	-	20.00%	-	-	6.44%	-
Developed equity	-	18.00%	-	-	7.40%	-
Emerging markets equity	-	10.00%	-	-	9.42%	-
Global REITs	-	3.00%	-	-	5.77%	-
Domestic fixed income	13.00%	-	8.00%	1.98%	-	1.73%
International fixed income	5.50%	-	6.00%	2.75%	-	2.49%
Core fixed income	-	8.00%	-	-	2.02%	-
High yield fixed income	-	5.00%	-	-	4.43%	-
Emerging markets debt fixed income	-	7.00%	-	-	4.71%	-
Global fixed income	-	10.00%	-	-	1.38%	-
Alternatives	-	-	22.00%	-	-	7.41%
Alternatives – private equity	-	5.00%	-	-	10.47%	-
Alternatives – hedge fund or funds	-	3.00%	-	-	3.75%	-
Alternatives – real estate	-	5.00%	-	-	5.00%	-
Private equity	25.50%	-	-	8.47%	-	-
Other private equity	10.00%	-	-	3.51%	-	-
Global asset allocation	-	-	7.00%	-	-	2.84%
Real assets - timber	-	2.00%	-	-	5.67%	-
Real assets – oil and gas	-	2.00%	-	-	10.57%	-
Real assets – infrastructure	-	2.00%	-	-	6.25%	-
Total	100.0%	100.0%	100.0%			

n/a - amount not provided by Retirement System

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.70%, 7.125% and 7.70%, respectively for the year ended June 30, 2017.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. Retirement Systems (continued)

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Rates	6.70%	7.70%	8.70%
WFPSB Share of NPL	\$ 44,827,645	\$ 34,789,750	\$ 26,251,126
LSERS			
Rates	6.125%	7.125%	8.125%
WFPSB Share of NPL	\$ 3,436,307	\$ 2,506,639	\$ 1,708,272
LASERS			
Rates	6.70%	7.70%	8.70%
WFPSB Share of NPL	\$ 177,083	\$ 141,058	\$ 110,429

9. Total Other Post-Employment Benefits

Plan Description. The West Feliciana Parish School Board (the School Board) provides certain continuing health care and life insurance benefits for its retired employees. The West Feliciana Parish School Board's OPEB plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The School Board has the authority to establish and/or amend the obligation of the employer, employees and retirees as provided by Louisiana Revised Statute Title 17 Sections 1221 through 1224. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided. Medical benefits are provided through an insured comprehensive medical plan and insured life insurance programs to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service.

Basic life insurance of \$5,000 and additional life insurance coverage in varying amounts are provided to retirees. The employer pays for 50% of the basic coverage and 50% of the additional coverage (maximum of \$35,000 additional coverage). The rates used for basic coverage are blended for all active and retired combined, while unblended rates are used for the additional coverage. Since GASB 74/75 requires the use of "unblended" rates, the valuation used a mortality table to determine the "unblended" rates for the basic coverage so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. Total Other Post-Employment Benefits (continued)

Employees Covered by Benefit Terms. At July 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	235
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	173
	408

Total OPEB Liability

The School Board's total OPEB liability of \$24,385,185 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2019.

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

Inflation	2.5%	
Salary increases	4.0%, including inflation	
Discount Rate	3.62%, net of OPEB plan investment expense, including inflation	
Healthcare cost trend rates	Flat 5.5% annually	

The discount rate was based on the average of the Fidelity 20 Year General Obligation AA rated municipal bond index as of the measurement date.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 24,344,739
Changes for the year:	
Service Cost	350,004
Interest at 3.62%	893,950
Differences between expected and actual experience	(708,964)
Benefit payments and net transfers	(1,055,403)
Net changes	(520,413)
Balance at June 30, 2018	\$ 23,824,326

The amount due within one year for the total OPEB Liability is estimated to be \$1,108,000.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. Total Other Post-Employment Benefits (continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	1.0% Decrease (2.62%)	Current Discount (3.62%)	1.0% Increase (4.62%)
Total OPEB liability	\$ 29,113,326	\$ 23,824,326	\$ 19,788,008

Sensitivity of the total OPEB liability to changes in the healthcare cost trends. The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 19,523,320	\$ 23,824,326	\$ 29,623,167

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

For the year ended June 30, 2018, the School Board recognized OPEB Expense of \$1,179,503. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (644,513)
Total	\$ -	\$ (644,513)

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

Years ending June 30:	
2019	\$ (64,451)
2020	(64,451)
2021	(64,451)
2022	(64,451)
2023	(64,451)
Thereafter	(322,258)
	<u>\$ (644,513)</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. Changes in Agency Deposits Due Others

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

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
Balance at June 30, 2017	\$ 472,630	\$ 1,774	\$ 474,404
Additions	1,031,342	13,628,885	14,660,227
Reductions	(987,774)	(13,630,640)	(14,618,414)
Balance at June 30, 2018	<u>\$ 516,198</u>	<u>\$ 19</u>	<u>\$ 516,217</u>

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

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required note disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2018 the School Board collected \$5,398,985 of sales tax for the West Feliciana Parish Government (\$4,369,026), the Town of St. Francisville (\$1,006,548) and the Council on Aging (\$23,411). Of this amount, the School Board withheld \$96,647 for the taxing authorities' share of administrative fees. This resulted in a distribution of \$5,302,338 of sales tax collections to the West Feliciana Parish Government (\$4,289,254), the Town of St. Francisville (\$989,673) and the Council on Aging (\$23,411) during the year ended June 30, 2018.

12. Risk Management

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

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

Unpaid claims at July 1, 2017	\$ 195,731
Incurred claims	67,714
Payments	
	<u>(102,988)</u>
Unpaid claims at June 30, 2018	<u>\$ 160,457</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

13. Contingencies

Litigation. The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School Board's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government. An accrual of \$150,000 has been made within the statement of net position to cover any potential exposure.

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

14. Operating Lease

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

Lease payments made during the year ended June 30, 2018 totaled approximately \$289,000.

15. Receivables

Receivables as of June 30, 2018 for the School Board are as follows:

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
<u>Receivables:</u>			
Due from other governments	\$ 83,815	\$ 186,609	\$ 270,424
Gross receivables	\$ 83,815	\$ 186,609	\$ 270,424

16. Detailed Restricted Net Position and Fund Balances

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

	<u>Governmental Activities</u>
Net Position Restricted for:	
Capital improvements:	
Capital Projects	\$ 253,470
Total net position restricted for capital projects	<u>253,470</u>
 Total Restricted Net Position	 <u>\$ 253,470</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

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

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

	<u>General Fund</u>	<u>Other Non-Major Funds</u>
Nonspendable:		
School Food	\$ -	\$ 30,116
Restricted for:		
Capital projects	-	253,470
Unassigned	<u>7,126,403</u>	<u>(30,116)</u>
Total fund balances	<u>\$ 7,126,403</u>	<u>\$ 253,470</u>

17. Deficit Net Position or Fund Balances

A deficit net position of \$184,046 (Group Insurance Internal Service Fund) was incurred as of June 30, 2018. If additional revenues are not obtained from other external sources, then the general fund will ultimately absorb this deficit.

18. Disaggregation of Accounts Payable and Accrued Liabilities

Accounts, salaries and other payables as of June 30, 2018, were as follows:

Vendors	\$ 220,308
Salaries and benefits	2,146,380
Claims payable	<u>160,457</u>
Total governmental activities	<u>\$ 2,527,145</u>

19. Tax Revenues Abated

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2018, \$1,416,921 in West Feliciana Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

20. Appropriations to Charter Schools

Appropriations to Type 2 Charter Schools during the year ended June 30, 2018 were as follows

	<u>General Fund</u>
Type 2 Charter Schools	
Apex Collegiate Academy	\$ 8,165
Louisiana Virtual Charter Academy	25,720
University View Academy	<u>25,720</u>
 Grand Total	 <u>\$ 59,605</u>

21. Current Accounting Standards Scheduled to be Implemented

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

GASB Statement 83, *Certain Asset Retirement Obligations (ARO)*. This standard establishes criteria for determining the timing and pattern of recognition of an ARO liability and a corresponding deferred outflow of resources. An ARO is a legally enforceable liability associated with the sale, recycling, retirement, abandonment or disposal in some other manner of a tangible capital asset permanently removed from service. The standard is effective for annual reporting periods beginning after June 15, 2018. The School Board will include the requirements of this standard, as applicable, in its June 30, 2019 financial statement. The effect of this standard or its applicability to the School Board are unknown at this time.

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

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

MAJOR FUND DESCRIPTIONS

GENERAL FUND

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

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

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 9,856,950	\$ 9,856,950	\$ 9,635,184	\$ (221,766)
Sales and use taxes	7,300,000	7,850,000	8,123,942	273,942
Rentals, leases, and royalties	-	-	63,925	63,925
Earnings on investments	27,000	101,000	115,632	14,632
Other	289,986	326,236	231,748	(94,488)
State sources:				
Minimum foundation program (MFP)	10,000,000	10,388,344	10,459,927	71,583
Restricted grants-in-aid	134,969	144,072	122,015	(22,057)
Other	188,413	188,413	203,052	14,639
Federal sources:				
Restricted grants-in-aid-direct	70,000	70,000	48,308	(21,692)
TOTAL REVENUES	27,867,318	28,925,015	29,003,733	78,718
EXPENDITURES				
Current:				
Instruction:				
Regular education programs	10,910,877	10,318,890	9,813,286	505,604
Special education programs	3,106,154	3,021,356	2,836,586	184,770
Other education programs	2,100,613	2,351,469	2,276,410	75,059
Support services:				
Pupil support services	1,259,177	1,262,828	1,230,632	32,196
Instructional staff services	990,955	1,350,408	1,300,557	49,851
General administration services	495,914	572,297	820,609	(248,312)
School administration services	1,900,378	1,980,473	1,981,741	(1,268)
Business services	554,668	620,099	606,833	13,266
Plant operation and maintenance	3,028,858	3,611,449	3,567,006	44,443
Transportation	2,057,150	2,089,291	2,059,361	29,930
Technical support and central services	1,853,001	2,057,633	1,969,454	88,179
Non-Instructional services:				
Food service	15,000	15,000	11,129	3,871
Community service programs	13,000	13,000	13,000	-
Facility acquisition and construction	10,000	5,000	-	5,000
Appropriations - charter schools	-	-	59,605	(59,605)
Debt service	-	-	67,082	(67,082)
TOTAL EXPENDITURES	28,295,745	29,269,193	28,613,291	655,902
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(428,427)	(344,178)	390,442	734,620
OTHER FINANCING SOURCES (USES)				
Operating transfers in	185,522	185,522	200,673	15,151
Operating transfers out	(306,374)	(356,374)	(348,066)	8,308
TOTAL OTHER FINANCING SOURCES (USES)	(120,852)	(170,852)	(147,393)	23,459
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(549,279)	(515,030)	243,049	758,079
Fund balance, June 30, 2017	5,769,688	6,883,354	6,883,354	-
FUND BALANCE, JUNE 30, 2018	\$ 5,220,409	\$ 6,368,324	\$ 7,126,403	\$ 758,079

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT
BENEFITS LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2018

Financial statement reporting date	Measurement Date	Service Cost	Interest	Difference between actual and expected experience	Benefit Payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
6/30/2018	6/30/2018	\$ 350,004	\$ 893,950	\$ (708,964)	\$ 1,055,403	\$ (520,413)	\$24,344,739	\$23,824,326	\$10,342,489	230.35%

Notes to Schedule:

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

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

Benefit Changes

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

Changes of Assumptions

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY FOR THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2018 (*)

Pension Plan	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
TRSL						
	2018	0.3394%	\$ 34,789,950	\$ 14,933,126	232.9716%	65.60%
	2017	0.3069%	36,025,625	14,019,472	256.9685%	59.90%
	2016	0.3257%	35,018,339	14,047,301	249.2887%	62.50%
	2015	0.3287%	33,594,890	14,376,425	233.6804%	63.70%
LSERS						
	2018	0.3917%	2,506,639	1,138,350	220.1993%	75.03%
	2017	0.3794%	2,862,227	1,078,873	265.0522%	70.09%
	2016	0.4183%	2,652,344	1,134,968	233.6933%	74.49%
	2015	0.4705%	2,727,320	1,320,472	206.5413%	76.18%
LASERS						
	2018	0.0020%	141,058	38,907	362.5517%	62.50%
	2017	0.0010%	74,678	20,287	368.1077%	57.70%
	2016	0.0025%	171,126	45,140	379.1006%	62.70%
	2015	0.0051%	320,773	79,703	402.4604%	65.00%

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

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll³</u>	<u>Contributions as a % of Covered Payroll</u>
TRSL						
	2018	\$ 4,030,024	\$ 4,030,024	\$ -	\$ 15,179,131	26.5498%
	2017	3,824,820	3,824,820	-	14,933,126	25.6130%
	2016	3,697,321	3,697,321	-	14,019,472	26.3728%
	2015	3,939,399	3,939,399	-	14,047,301	28.0438%
LSERS						
	2018	313,853	313,853	-	1,137,138	27.6003%
	2017	310,780	310,780	-	1,138,350	27.3009%
	2016	325,709	325,709	-	1,079,873	30.1618%
	2015	374,388	374,388	-	1,134,968	32.9867%
LASERS						
	2018	15,716	15,716	-	41,122	38.2180%
	2017	13,929	13,929	-	38,907	35.8008%
	2016	7,516	7,516	-	20,287	37.0484%
	2015	17,812	17,812	-	48,140	37.0004%

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

For reference only:

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

² *Actual employer contributions remitted to retirement systems*

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

Changes of Benefit Terms include:

Teachers Retirement System of Louisiana

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

Louisiana School Employees Retirement System

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

Louisiana State Employees' Retirement System

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

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

Changes of Assumptions

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

Discount Rate:		
<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
TRSL		
2017	7.70%	0.05%
2016	7.75%	0.00%
2015	7.75%	
LSERS		
2017	7.125%	0.00%
2016	7.125%	0.125%
2015	7.00%	
LASERS		
2017	7.70%	0.05%
2016	7.75%	0.00%
2015	7.75%	0.00%

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

Changes of Assumptions (continued)

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

Inflation Rate:

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

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

Salary Increases:

<u>Year (*)</u>	<u>Range</u>
LASERS	
2017	2.80% to 14.30% for various member types
2016	3.00% to 14.50% for various member types
LSERS	
2017	3.075% to 5.375%
2016	3.200% to 5.500%

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

School Food Service

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

Julius Freyhan

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

Title I

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

Homeless

The purpose of this program is to ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.

Special Education - IDEA B

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

Head Start

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

Title II

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

Capital Projects

Accounts for various major capital improvements.

Adult Education

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

Vocational Education (Carl Perkins)

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

Cohort 2

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

Medicaid

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

Education Excellence

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

8G Programs

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

Debt Service

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

TANF

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

Title IV SSAE

The program intends to improve student academic achievement by increasing the capacity of local education agencies to provide all students with access to a well-rounded education; improve school conditions for student learning; and improve the use of technology to improve the academic and digital literacy of all students.

Extended Day - Bains

The program is an after-school program for students whose parents work beyond school hours. The program focuses on instruction to improve academic achievement of students and assists in closing the achievement gap.

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

**NON-MAJOR GOVERNMENTAL FUNDS-
COMBINING BALANCE SHEET
JUNE 30, 2018**

	<u>School Food Service</u>	<u>Julius Freyhan</u>	<u>Title I</u>	<u>Homeless</u>	<u>Special Education</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 43,791	\$ 253,470	\$ 4,210	\$ -	\$ -
Receivables	3,673	-	70,392	-	65,600
Due from other funds	7,324	-	-	-	-
Inventory	30,116	-	-	-	-
Total assets	<u>\$ 84,904</u>	<u>\$ 253,470</u>	<u>\$ 74,602</u>	<u>\$ -</u>	<u>\$ 65,600</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued expenses	\$ 71,445	\$ -	\$ 20,156	\$ -	18,340
Unearned revenues	13,459	-	-	-	-
Due to other funds	-	-	54,446	-	47,260
Total liabilities	<u>84,904</u>	<u>-</u>	<u>74,602</u>	<u>-</u>	<u>65,600</u>
Fund balances:					
Nonspendable	30,116	-	-	-	-
Spendable:					
Restricted	-	253,470	-	-	-
Unassigned (deficit)	(30,116)	-	-	-	-
Total fund balances	<u>-</u>	<u>253,470</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 84,904</u>	<u>\$ 253,470</u>	<u>\$ 74,602</u>	<u>\$ -</u>	<u>\$ 65,600</u>

(continued)

<u>Head Start</u>	<u>Title II</u>	<u>Capital Projects</u>	<u>Adult Education</u>
\$ 278	\$ 2	\$ -	\$ -
-	17,451	-	-
86,047	-	-	-
-	-	-	-
<u>\$ 86,325</u>	<u>\$ 17,453</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 86,325	7,737	\$ -	\$ -
-	-	-	-
-	9,716	-	-
<u>86,325</u>	<u>17,453</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 86,325</u>	<u>\$ 17,453</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS-
COMBINING BALANCE SHEET
JUNE 30, 2018

	<u>Carl Perkins</u>	<u>Cohort 2</u>	<u>Medicaid</u>	<u>Education Excellence</u>	<u>8G</u>
<u>Assets</u>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	18,512	2,932	-	-	-
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 18,512</u>	<u>\$ 2,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-	-
Due to other funds	18,512	2,932	-	-	-
	<u>18,512</u>	<u>2,932</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>18,512</u>	<u>2,932</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Spendable:					
Restricted	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 18,512</u>	<u>\$ 2,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

<u>Debt Service</u>	<u>TANF</u>	<u>Title IV SSAE</u>	<u>Extended Day - Bains</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 301,751
-	8,049	-	-	186,609
-	-	-	-	93,371
-	-	-	-	30,116
<u>\$ -</u>	<u>\$ 8,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,847</u>
\$ -	\$ -	\$ -	\$ -	\$ 204,003
-	-	-	-	13,459
-	8,049	-	-	140,915
-	8,049	-	-	358,377
-	-	-	-	30,116
-	-	-	-	253,470
-	-	-	-	(30,116)
-	-	-	-	253,470
<u>\$ -</u>	<u>\$ 8,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,847</u>

(concluded)

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

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	School Food Service	Julius Freyhan	Title I	Homeless	Special Education
Revenues					
Local sources:					
Food sales	\$ 40,383	\$ -	\$ -	\$ -	\$ -
Ad valorem taxes	-	-	-	-	-
Earnings on investments	-	130	-	-	-
Other	-	-	-	-	-
State sources:					
Unrestricted grants-in-aid	83,968	-	-	-	-
Restricted grants-in-aid	-	-	-	-	-
Other	-	-	-	-	-
Federal sources:					
Restricted grants-in-aid - direct	-	-	-	-	-
Restricted grants-in-aid - subgrants	948,965	-	453,067	320	554,583
Commodities - United States Department of Agriculture	85,444	-	-	-	-
Total revenues	<u>1,158,760</u>	<u>130</u>	<u>453,067</u>	<u>320</u>	<u>554,583</u>
Expenditures					
Instruction:					
Regular education programs	-	-	42,508	-	-
Special education programs	-	-	4,067	-	357,236
Other education programs	-	-	211,886	320	4,764
Support services:					
Pupil support services	-	-	-	-	2,614
Instructional staff services	-	-	117,187	-	133,565
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business and central services	-	-	39,698	-	-
Plant operation and maintenance	-	-	-	-	-
Transportation	-	-	-	-	7,274
Non-Instructional Services:					
School food service	1,324,164	-	-	-	-
Community service programs	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Total expenditures	<u>1,324,164</u>	<u>-</u>	<u>415,346</u>	<u>320</u>	<u>505,453</u>
Excess (deficiency) of revenues over expenditures	<u>(165,404)</u>	<u>130</u>	<u>37,721</u>	<u>-</u>	<u>49,130</u>
Other financing sources (uses)					
Operating transfers out	-	-	(40,377)	-	(49,130)
Operating transfers in	155,713	-	2,656	-	-
Total other sources (uses)	<u>155,713</u>	<u>-</u>	<u>(37,721)</u>	<u>-</u>	<u>(49,130)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(9,691)</u>	<u>130</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	<u>9,691</u>	<u>253,340</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 253,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

<u>Head Start</u>	<u>Title II</u>	<u>Capital Projects</u>	<u>Adult Education</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	23,404
922,787	-	-	-
-	91,679	-	-
-	-	-	-
<u>922,787</u>	<u>91,679</u>	<u>-</u>	<u>23,404</u>
-	63,598	-	-
-	-	-	-
653,631	-	-	24,344
-	-	-	-
220,906	19,928	-	533
-	-	-	-
-	-	-	-
58,473	-	-	-
8,407	-	-	-
-	-	-	-
-	-	23,484	-
-	-	-	-
<u>941,417</u>	<u>83,526</u>	<u>23,484</u>	<u>24,877</u>
<u>(18,630)</u>	<u>8,153</u>	<u>(23,484)</u>	<u>(1,473)</u>
(95,632)	(8,153)	-	-
114,415	-	303	1,473
<u>18,783</u>	<u>(8,153)</u>	<u>303</u>	<u>1,473</u>
153	-	(23,181)	-
<u>(153)</u>	<u>-</u>	<u>23,181</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	Carl Perkins	Cohort 2	Medicaid	Education Excellence	8G
Revenues					
Local sources:					
Food sales	\$ -	\$ -	\$ -	\$ -	\$ -
Ad valorem taxes	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Other	-	-	124,097	-	-
State sources:					
Unrestricted grants-in-aid	-	-	-	-	-
Restricted grants-in-aid	-	-	-	39,285	4,863
Other	-	-	-	-	-
Federal sources:					
Restricted grants-in-aid - direct	-	-	-	-	-
Restricted grants-in-aid - subgrants	23,846	3,942	-	-	-
Commodities - United States Department of Agriculture	-	-	-	-	-
Total revenues	<u>23,846</u>	<u>3,942</u>	<u>124,097</u>	<u>39,285</u>	<u>4,863</u>
Expenditures					
Instruction:					
Regular education programs	-	-	-	13,310	-
Special education programs	-	175	71,632	-	-
Other education programs	21,089	-	448	9,774	-
Support services:					
Pupil support services	-	-	52,017	-	-
Instructional staff services	2,757	3,767	-	16,201	7,279
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business and central services	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-
Transportation	-	-	-	-	3,709
Non-Instructional Services:					
School food service	-	-	-	-	-
Community service programs	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Total expenditures	<u>23,846</u>	<u>3,942</u>	<u>124,097</u>	<u>39,285</u>	<u>10,988</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	(6,125)
Other financing sources (uses)					
Operating transfers out	-	-	-	-	-
Operating transfers in	-	-	-	-	6,125
Total other sources (uses)	-	-	-	-	6,125
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balances at beginning of year (as restated)	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

	Debt Service	TANF	Title IV SSAE	Extended Day - Bains	Total
\$	-	\$ -	\$ -	\$ -	40,383
	296	-	-	-	296
	8	-	-	-	138
	-	-	-	53,493	177,590
	-	-	-	-	83,968
	-	-	-	-	44,148
	-	-	-	-	23,404
	-	-	-	-	922,787
	-	73,315	9,731	-	2,159,448
	-	-	-	-	85,444
	<u>304</u>	<u>73,315</u>	<u>9,731</u>	<u>53,493</u>	<u>3,537,606</u>
	-	-	-	-	119,416
	-	-	-	-	433,110
	-	66,793	8,874	52,323	1,054,246
	-	-	-	-	54,631
	-	-	-	-	522,123
	-	-	-	-	-
	-	-	-	1,177	1,177
	-	-	-	-	39,698
	-	-	-	-	58,473
	-	-	-	-	19,390
	-	-	-	-	1,324,164
	-	-	-	-	-
	-	-	-	-	23,484
	-	-	-	-	-
	<u>-</u>	<u>66,793</u>	<u>8,874</u>	<u>53,500</u>	<u>3,649,912</u>
	<u>304</u>	<u>6,522</u>	<u>857</u>	<u>(7)</u>	<u>(112,306)</u>
	(304)	(6,522)	(857)	7	(200,968)
	-	-	-	-	280,685
	<u>(304)</u>	<u>(6,522)</u>	<u>(857)</u>	<u>7</u>	<u>79,717</u>
	-	-	-	-	(32,589)
	-	-	\$ -	-	286,059
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>253,470</u>

(Concluded)

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF BOARD MEMBERS' COMPENSATION

FOR THE YEAR ENDED JUNE 30, 2018

Kevin Beauchamp, President	\$ 4,800
Sara Wilson-Rogers	4,200
Amanda McKinney	4,200
Nancy Tycer	4,200
Milton Coats	4,200
Kelly O'Brien	4,200
Helen W. Whitfield	<u>4,200</u>
Total	\$ <u>30,000</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2018

Superintendent Name: Hollis G. Milton

Salary, including incentive	\$ 158,000
Benefits-insurance	4,942
Benefits-life insurance	55
Benefits-retirement	39,668
Benefits-medicare	2,361
Operational allowance	9,600
Registration fees	<u>6,910</u>
	<u>\$ 221,536</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Feliciana Parish School Board (the School Board), as of and for the year ended June 30, 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 School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 19, 2018

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 the School Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

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

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 19, 2018

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grantor Project Number</u>	<u>CFDA Number</u>	<u>Expenditures 2018</u>
UNITED STATES DEPARTMENT OF AGRICULTURE			
CHILD NUTRITION CLUSTER			
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	N/A	10.555 \$	85,444
Passed through Louisiana Department of Education: National School Breakfast Program	LDE/103-63	10.553	202,166
National School Lunch Program	LDE/103-63	10.555	704,661
Summer Food Service Program for Children	LDE/103-63	10.559	<u>3,876</u>
TOTAL CHILD NUTRITION CLUSTER			996,147
Child and Adult Care Food Program - Dinner Feeding	05-SFS-103	10.558	<u>38,262</u>
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>1,034,409</u>
UNITED STATES DEPARTMENT OF EDUCATION			
SPECIAL EDUCATION (IDEA) CLUSTER			
Special Education Grants to States			
Passed through Louisiana Department of Education: Individuals with Disabilities Educational Act - Part B	28-18-B1-63	84.027A	<u>542,495</u>
Total Special Education Grants to States			<u>542,495</u>
Special Education Preschool Grants			
IDEA B - Preschool	28-18-P1-63	84.173A	<u>12,088</u>
Total Special Education - Preschool Grants			<u>12,088</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			554,583
Passed through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	28-18-T1-63	84.010A	453,067
Homeless	28-17-H1-63	84.196A	320
Carl Perkins Grant	28-18-02-63	84.048A	23,846
Title IV - ESEA, as amended by ESSA	28-18-71-63	84.424A	9,731
Title II - Part A, Teacher & Principal Training & Recruiting	28-18-50-63	84.367A	<u>91,679</u>
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>1,133,226</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Administration for Children, Youth, and Families - Head Start - (Direct Funding)	06CH10137-03-01	93.600	922,787
CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			
Passed through Louisiana Department of Education:			
Child Care and Development Block Grant - Early Childhood Network Pilots	28-17-CO-63	93.575	<u>3,942</u>
TOTAL CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			3,942
TEMPORARY ASSISTANCE TO NEEDY FAMILIES CLUSTER			
Temporary Assistance for Needy Families (TANF)	28-18-36-63	93.558B \$	<u>73,315</u>
TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES CLUSTER			<u>73,315</u>
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>1,000,044</u>
UNITED STATES DEPARTMENT OF DEFENSE			
ROTC - Navy Junior Reserve Officers Training Program - (Direct Funding)	WF-101-63	12.XXX	<u>48,308</u>
Total Expenditures of Federal Awards			<u>\$ 3,215,987</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Feliciana Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2018, the organization had food commodities totaling \$13,887 in inventory. The value of commodities received and used during the period ended June 30, 2018 totaled \$85,444.

NOTE C – DE MINIMUS COST RATE

During the year ended June 30, 2018, the West Feliciana Parish School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

NOTE D – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

During the year ended June 30, 2018, the West Feliciana Parish School Board did not pass through any federal funding to subrecipients.

NOTE E – RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

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

Federal Restricted Grants-in-aid-direct	\$ 971,095
Federal Restricted Grants-in-aid-subgrants	2,159,448
Commodities-United States Department of Agriculture	<u>85,444</u>
Total Federal Expenditures - SEFA	<u>\$ 3,215,987</u>

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

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

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
93.600	Head Start

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

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

B. Findings – Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs

None.

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

B. Findings – Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs

2017-001

Matching

93.600 Head Start #06CH10137-02-00

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

Condition: The School Board met the 20 percent match for the program. However, the documentation in support of the match should be significantly improved.

Cause: The School Board does not have official written policies in place requiring certain documentation to support the program's matching requirement.

Effect: The controls in place over the review and preparation of the Head Start program's matching documentation are lacking.

Questioned Costs: None.

Universe/
Population Size: Not applicable

Sample Size: Not applicable

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

Repeat Finding: Yes.

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

Current status: *The above corrective action plan has been implemented as described above. Thus, the finding is considered resolved.*

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

2017-002

Special Tests and Provisions

93.600 Head Start #06CH10137-02-00

Criteria: The School Board's Head Start program is required by program compliance requirements to share monthly financial information with the governing body and policy council.

Condition: The School Board does not provide monthly financial information to the School Board members related to its Head Start Program.

Cause: The School Board provides financial information including the Head Start Program to School Board members quarterly.

Effect: The School Board is not in compliance with Head Start program compliance requirements.

Questioned Costs: None.

Universe/
Population Size: Not applicable

Sample Size: Not applicable

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

Repeat Finding: No.

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

Current status: *The above corrective action plan has been implemented as described above. Thus, the finding is considered resolved.*

WEST FELICIANA PARISH SCHOOL BOARD
ST. FRANCISVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

2017-004

Documentation of Suspension and Debarment

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

<u>Criteria:</u>	Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000. When a non-federal entity enters into a covered transaction with an entity, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded from doing business with the federal government. This verification may be accomplished by checking the <i>System for Award Management (SAM)</i> for exclusions, collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.
<u>Condition:</u>	During the performance of our audit procedures, we noted that the School Board did not maintain documentation to supports its annual review of the suspension and debarment of vendors.
<u>Cause:</u>	Management has underlying controls that they believe to be sufficient to ensure all vendors are not debarred; however, these searches must be documented annually for all vendors.
<u>Effect:</u>	The School Board could be using a vendor that was previously suspended or debarred which would be non-compliant with Federal award terms.
<u>Questioned Costs:</u>	None.
<u>Universe/ Population Size:</u>	Not applicable.
<u>Sample Size:</u>	Not applicable.
<u>Recommendation:</u>	The School Board should perform a search for all vendors annually then export and/or print the results of its search of SAM system and maintain this documentation in each file of a vendor which meets the applicable criteria.
<u>Repeat Finding:</u>	No.

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

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

We have performed the procedures enumerated below, which were agreed to by the West Feliciana 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 West Feliciana Parish School Board for the fiscal year ended June 30, 2018 in order to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the West Feliciana 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 sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures
 - Total Local Taxation Revenue
 - Total Local Earnings on Investment in Real Property
 - Total State Revenue in Lieu of Taxes
 - Nonpublic Textbook Revenue
 - Nonpublic Transportation Revenue

No differences noted.

Class Size Characteristics (Schedule 2)

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

No differences noted.

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 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 was properly classified on the PEP data (or equivalent listing prepared by management).

No differences noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (NO SCHEDULE)

4. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), of full-time teachers, principals, and assistant principals by classification and obtained management's representation that the data/listing was complete. We traced the same sample used in procedure 3 to the individual's personnel file and observed that each individual's experience was properly classified on the PEP data (or equivalent listing prepared by management).

No differences noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

5. 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).

No differences 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 West Feliciana Parish School Board as required by Louisiana Revised Statute 24:514.1, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 19, 2018

WEST FELICIANA PARISH SCHOOL BOARD
ST FRANCISVILLE, LOUISIANA

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

As of and for the Year Ended June 30, 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.

WEST FELICIANA PARISH SCHOOL BOARD

PERFORMANCE MEASUREMENT DATA

West Feliciana Parish School Board
 General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 For the Year Ended June 30, 2018

Schedule 1

	<u>Column A</u>	<u>Column B</u>
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$9,003,129	
Other Instructional Staff Activities	1,133,627	
Instructional Staff Employee Benefits	3,994,963	
Purchased Professional and Technical Services	152,196	
Instructional Materials and Supplies	407,626	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>-</u>	<u>\$14,691,541</u>
Other Instructional Activities		<u>427,520</u>
Pupil Support Activities	1,282,647	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u>-</u>	<u>1,282,647</u>
Instructional Staff Services	1,319,965	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>-</u>	<u>1,319,965</u>
School Administration Services	1,982,918	
Less: Equipment for School Administration Services	-	
Net School Administration Services	<u>-</u>	<u>1,982,918</u>
Total General Fund Instructional Expenditures		<u>\$ 19,704,591</u>
Total General Fund Equipment Expenditures		<u>\$ -</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ 1,321,492	
Renewable Ad Valorem Tax	8,096,041	
Debt Service Ad Valorem Tax	296	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	217,651	
Sales and Use Taxes	8,123,942	
Total Local Taxation Revenue	<u>-</u>	<u>\$ 17,759,422</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property	<u>-</u>	<u>\$ -</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ 54,886	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes	<u>-</u>	<u>\$ 54,886</u>
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	-	
Total State Revenue for Non-public Education	<u>-</u>	<u>\$ -</u>

Schedule 2: Class Size Characteristics

Category	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	23.6%	49	74.5%	155	1.9%	4	0.0%	0
Elementary Activity Classes	7.4%	2	85.2%	23	7.4%	2	0.0%	0
Middle /Jr. High	61.8%	115	37.1%	69	1.1%	2	0.0%	0
Middle /Jr. High Activity Classes	70.3%	26	24.3%	9	5.4%	2	0.0%	0
High	74.2%	207	24.0%	67	1.8%	5	0.0%	0
High Activity Classes	86.4%	51	6.8%	4	6.8%	4	0.0%	0

WEST FELICIANA PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2018



Postlethwaite & Netterville

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Management's Response and Corrective Action Plan	

Independent Accountant's Report
On Applying Agreed-Upon Procedures
For the Year June 30, 2018

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

We have performed the procedures enumerated below, which were agreed to by the West Feliciana Parish School Board and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 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 performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity" is indicated.

Written Policies and Procedures

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

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

No exceptions noted.

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

No exceptions noted.



Postlethwaite & Netterville

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

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

Budget to actual comparisons were not included in monthly board meetings from July 2017 to June 2018. However, the comparisons were included in quarterly meetings.

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

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

A listing of bank accounts was provided and included a total of 20 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending June 30, 2018, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- 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.

No exceptions noted.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 10 collection locations. No exceptions were noted as a result of performing this procedure.

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

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

No exceptions noted.



Postlethwaite & Netterville

- 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.

For 1 of the 5 locations selected for our procedures, the employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation 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.

For 1 of the 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit.

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

For 1 of the 5 locations selected for our procedures, there is no formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the collection locations selected.

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

No exceptions noted.

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

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

For 4 of the 10 deposits selected for testing, the deposit was not made within 1 day of the collection.

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

No exceptions noted.

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

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

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

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

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

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

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

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

No exceptions noted.

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

No exceptions noted.



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- 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.

For 1 of the 5 locations selected for our procedures, the person processing payments was not prohibited from adding / modifying vendor files. The same employee is responsible for periodic review of 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.

No exceptions noted.

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

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

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

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

No exceptions noted.

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

No exceptions noted.

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

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

No exceptions noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we randomly selected 5 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

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

For 5 of the 5 credit cards tested, the monthly statement provided did not contain evidence of review by someone other than the card holder. There is no formal documentation for reviewing credit card statements.

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

For 2 of the 5 credit cards tested, there were finance charges and late fees assessed.

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

We randomly selected 10 transactions for 3 of the 5 cards and a total of 16 transactions for 2 of the 5 cards that all transactions were less than 10 from each statement in procedure #12 and performed the specified procedures. No exceptions noted.

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

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

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

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

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

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

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

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

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

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

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

Contracts

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

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

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

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

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

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

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

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

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

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

Payroll and Personnel

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ethics

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

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

No exceptions noted.

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

For all 5 employees/officials selected for our procedures, signature verification evidencing that the employee/official had read the Entity's ethics policy during the fiscal period could not be obtained.

Debt Service

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

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

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

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

Other

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

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

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

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

Corrective Action

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

See attached corrective action plan.

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.

Sincerely,

Postlethwaite & Netterville

December 19, 2018



West Feliciana Parish

PUBLIC SCHOOLS

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

CORRECTIVE ACTION PLAN STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES DECEMBER 19, 2018

West Feliciana Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

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

Period: July 1, 2017 to June 30, 2018

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

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

Budget to actual comparisons were not included in monthly board meetings from July 2017 to June 2018. However, the comparisons were included in quarterly meetings.

Planned Corrective Action: The School Board presents monthly budget to actual comparisons in the boards monthly packet of information. However, the budget to actual data is only verbally discussed quarterly. The School Board will note in the minutes that this information is discussed in the monthly Superintendents report data.

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

Student Success: Learning Today, Leading Tomorrow!

Collections

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 10 collection locations. No exceptions were noted as a result of performing this procedure.

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

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

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

For 1 of the 5 locations selected for our procedures, the employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation to the deposit.

Planned Corrective Action: Due to its size, the school board is limited in staff who are responsible for banking and bookkeeping procedures. The school board does have an additional staff person at the school level sign off on deposits ensuring accuracy and the school board staff reviews monthly bank reconciliations and reports to ensure deposit amounts match the reconciled amounts.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

For 1 of the 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit.

Planned Corrective Action: Due to its size, the school board is limited in staff who are responsible for banking and bookkeeping procedures. The school board does have an additional staff person at the school level sign off on deposits ensuring accuracy and the school board staff reviews monthly bank reconciliations and reports to ensure deposit amounts match the reconciled amounts.

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

For 1 of the 5 locations selected for our procedures, there is no formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the collection locations selected.

Planned Corrective Action: The revenue ledger is reviewed by school board accounting staff during monthly review of reconciliation reports.

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

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

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

For 4 of the 10 deposits selected for testing, the deposit was not made within 1 day of the collection.

Planned Corrective Action: The school board will reiterate the requirement that all deposits should be done within one day of the collection. However, sometimes this is not feasible due to money being collected on holidays such as Easter, Thanksgiving or Christmas when the school has activities but the office staff is not working.

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

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

For 1 of the 5 locations selected for our procedures, the person processing payments was not prohibited from adding / modifying vendor files. The same employee is responsible for periodic review of vendor files.

Planned Corrective Action: Changes/additions to vendor files are reviewed by Business Manager.

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we randomly selected 5 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

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

For 5 of the 5 credit cards tested, the monthly statement provided did not contain evidence of review by someone other than the card holder. There is no formal documentation for reviewing credit card statements.

Planned Corrective Action: Statement reviews will be documented.

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

For 2 of the 5 credit cards tested, there were finance charges and late fees assessed.

Planned Corrective Action: Pay all balances unless questionable to avoid finance charges or late fees.

Ethics

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

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

For all 5 employees/officials selected for our procedures, signature verification evidencing that the employee/official had read the Entity's ethics policy during the fiscal period could not be obtained.

Planned Corrective Action: The school board made signature verifying that employees have read the District's ethics policy a part of the new year procedures beginning with the 18-19 school year.

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

Sincerely,



Misty Cook

WEST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2018



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

WEST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2018

December 19, 2018

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

In planning and performing our audit of the financial statements of the West Feliciana Parish School Board (the School Board) as of and for the year ended June 30, 2018, we considered the School Board's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we became aware of matters that are opportunities for improving financial reporting and refining policies and procedures. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 19, 2018 on the financial statements of the School Board.

2018-1

Budgeting

Condition:

LA R.S. 39:1301 – 1315, as amended through Act 966 of the 2010 Legislative session, requires the School Board to cause budgets to be prepared and adopted in a prescribed format. That format requires, among other things, presentation of revenues, expenditures, and beginning and ending fund balances of general and special revenue funds. Act 966 requires presentation of the current year's budget and actual information, the budgeted year's information and the percentage change from the current year to the next year's budget.

The Board's 2018-2019 budget does not contain all of the required components.

Recommendation:

The Board and its administration should amend its 2018-2019 budget to conform with the format prescribed by the aforementioned statute.

Management's

Response:

The School Board will implement the above recommendations as prescribed above.

2018-2

Collection Procedures

Condition:

During the performance of our statewide agreed-upon procedures engagement, we noted that 1 of the 5 collection locations had an employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation to the deposit.

2018-2

Collection Procedures (continued)

Recommendation: We recommend that the School Board develop policies and procedures to ensure the proper segregation of duties for its collection locations.

Management's
Response:

We concur with the recommendation above.

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

Postlethwaite & Netterville

STATUS OF PRIOR YEAR REPORT TO MANAGEMENT

2017-1

Enhancement of Policies and Procedures

Condition:

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

Recommendation:

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

Management's
Response:

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

Current Status:

The recommendation was implemented during the 2018 period. Thus, the matter is considered resolved.

2017-2

Documentation of Process Reviews

Condition:

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

Recommendation:

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

Management's
Response:

We concur with the recommendation above.

Current Status:

The recommendation was implemented during the 2018 period. Thus, the matter is considered resolved.