
POINTE COUPEE PARISH SCHOOL BOARD

NEW ROADS, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017

P&N

Postlethwaite & Netterville

A Professional Accounting Corporation

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POINTE COUPEE PARISH SCHOOL BOARD

NEW ROADS, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

The Members of the
Pointe Coupee Parish School Board
New Roads, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pointe Coupee Parish School Board (the School Board) as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedules of funding progress and employer contributions for other post-employment benefit plans, the schedule of Pointe Coupee Parish School Board's proportionate share of the net pension liability, and the schedule of Pointe Coupee Parish School Board's contributions to cost-sharing multi-employer defined benefit plans on pages 4 through 11, pages 51 through 54, page 55, page 56, and page 57, 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. The combining non-major governmental fund financial statements; the schedule of compensation paid to board members; and the schedule of compensation, benefits, and other payments to the superintendent, on pages 59 through 63, page 64, and page 65, 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 and accompanying notes on pages 71 through 73 is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining non-major governmental fund financial statements; the schedule of compensation paid to board members; 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 schedules on pages 85 through 97 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Postlethwaite & Netterville

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

POINTE COUPEE PARISH SCHOOL BOARD

NEW ROADS, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION – Part I

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

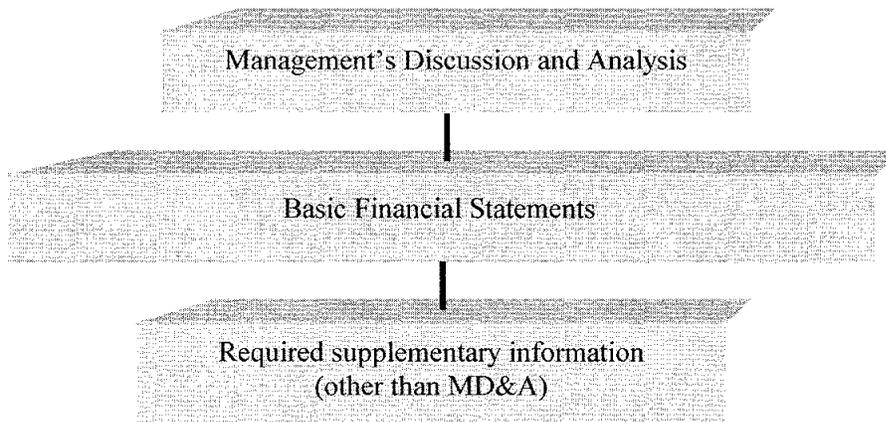
The Management's Discussion and Analysis of the Pointe Coupee Parish School Board's financial performance presents a narrative overview and analysis of Pointe Coupee Parish School Board's financial activities for the year ended June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Pointe Coupee Parish School Board's liabilities plus deferred inflows of resources exceeded its assets plus deferred outflows of resources at the close of fiscal year 2017 by \$21,030,081. Of this deficit net position, \$9,355,900 is either restricted or invested in capital assets and is unavailable for payment of ongoing obligations. The unrestricted net position reflects a deficit balance of \$30,385,981.
- Revenue exceeded expenses by \$448,670 on the accrual basis for the 2017 fiscal year, representing an increase in the overall financial condition of the School Board.
- Ad valorem tax revenue increased by \$765,937, or 10% in comparison to fiscal year 2016 due to an increase in property value assessed in the parish during the fiscal year 2017.
- Sales tax revenue increased by \$123,601, or 2% in comparison to fiscal year 2016 due to increased economic activity in the Parish in the 2017 fiscal year.
- Minimum Foundation Program (MFP) revenue increased by \$183,332, or 2% in comparison to fiscal year 2017 as a result of increased student counts with the opening of the STEM Academy.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information. The basic financial statements consist of two separate financial statements each of which provides a different perspective as described below:

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

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

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

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

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains several individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Sales Tax Fund, which are the School Board's major funds. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

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

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

FINANCIAL ANALYSIS OF THE ENTITY

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

	2017	2016 (as restated)
Assets		
Cash and cash equivalents	\$ 6,810,794	\$ 5,016,036
Certificate of deposit	182,544	181,361
Receivables	2,392,760	2,987,732
Inventory	117,121	54,164
Capital assets	9,969,202	10,306,449
Other assets	83,357	28,631
Total assets	19,555,778	18,574,373
 Deferred outflows of resources	7,262,089	5,427,479
 Liabilities		
Accounts payable and accrued expenses	3,466,335	3,674,370
Long-term liabilities	8,528,295	8,175,299
Net pension liability	34,633,916	32,092,174
Total liabilities	46,628,546	43,941,843
 Deferred inflows of resources	1,219,402	1,538,760
 Net position		
Net investment in capital assets	7,435,692	7,268,614
Restricted	1,920,208	1,492,576
Unrestricted (deficit)	(30,385,981)	(30,239,941)
Total net position	\$ (21,030,081)	\$ (21,478,751)

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

- Cash and certificates of deposit account for 36% of the total assets of the School Board. These assets increased from the prior year primarily due to operating surplus of the general fund.
- Capital assets (reported net of accumulated depreciation), which account for 51% of the total assets of the School Board, decreased primarily as of recording of current year depreciation expense of \$649,857.
- Accounts payable and other accrued expense balances decreased \$208,035, or 6% primarily as a result of the lower payables due to the completion of construction related to the STEM Academy.
- Long-term liabilities (including the net pension liability) experienced a net increase of \$2,894,738, or 7% primarily as a result of the increase in the net pension liability and the increase in net post-employment benefit obligation.
- Net position at June 30, 2017 shows a deficit of \$21,030,081. The deficit is primarily a result of the School Board reporting its proportionate share of unfunded pension liabilities of the Teachers Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS).

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

Statements of Revenues and Expenses
For the Years Ended June 30, 2017, 2016 and 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues			
Program revenues			
Charges for services	\$ 183,405	\$ 248,897	\$ 157,850
Operating grants and contributions	7,551,237	8,017,378	8,112,101
Capital grants and contributions	102,984	772,802	-
General revenues			
Property taxes	8,582,958	7,817,021	6,908,052
Sales taxes	6,736,673	6,613,072	7,390,412
Earnings on Investments	29,610	44,663	53,088
Minimum Foundation Program	11,464,752	11,281,420	12,408,451
Other	398,028	267,085	253,954
	<u>35,049,647</u>	<u>35,062,338</u>	<u>35,283,908</u>
Expenses			
Regular education	11,039,798	10,571,534	10,807,917
Special and other education	6,981,577	6,487,496	7,065,427
Pupil support	1,476,309	1,618,367	1,981,416
Instructional staff	1,272,507	1,228,482	1,745,391
General administrative	1,178,598	1,232,015	1,215,460
School administrative	2,002,894	1,794,726	1,840,309
Business and central services	661,946	1,245,623	1,100,168
Plant operation and maintenance	3,089,599	3,147,719	3,462,089
Transportation	4,622,939	3,814,929	3,841,191
Charter schools	192,432	243,903	139,209
Food services	1,988,484	2,051,945	1,845,873
Interest expense	68,915	91,185	85,613
Other	24,979	608	305
	<u>34,600,977</u>	<u>33,528,532</u>	<u>35,130,368</u>
Excess of revenues over expenses	<u>\$ 448,670</u>	<u>\$ 1,533,806</u>	<u>\$ 153,540</u>

Revenues

- Operating grants and contributions, which accounts for 22% of total revenues, decreased by \$1,135,959 or 13% in 2017. This is predominantly due to the decrease in state funding of \$669,818 in 2017 for capital projects related to the STEM Academy.
- Local tax revenues consist of sales and property taxes and are approximately 44% of total revenue. Tax revenues have increased \$889,538 or 6% as a result of an increase in property taxes and an increase in sales taxes as a result of increased economic activity within the parish.
- Minimum Foundation Program (MFP) revenue increased by \$183,332, or 2% in comparison to fiscal year 2016 as a result of increased enrollment incurred from the South Louisiana Flood that significantly the Baton Rouge area.

Expenses

- Expenses overall increased by \$1,072,445 or 3%, primarily as a result of increased salaries and transportation costs associated with the opening of the STEM Academy.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

ANALYSIS OF INDIVIDUAL FUNDS

- The majority of the School Board's financial activity occurs in the general fund. The fund balance at June 30, 2017, is \$4,174,689. This fund balance is a result of accumulated operating surpluses and deficits from the current and prior fiscal years and serves to sustain the system during periods of decreased revenue or major events.
- The combined non-major funds have a fund balance of \$1,942,116, consisting primarily of the District 10 debt service fund of \$867,498 and the Capital projects fund of \$349,019. The remainder consists primarily of grant program funds. The majority of the grant programs maintain minimal, if any, fund balance as these funds account for reimbursement driven programs.
- The Sales Tax Fund, which accounts for the proceeds of the one cent tax dedicated to salaries and benefits contains no fund balance and operated at a deficit. Transfers of \$244,709 were made from the General fund during the year ended June 30, 2017 to cover the deficit.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Budget amendments were adopted during the year ended June 30, 2017 for the General and Sales Tax Funds to better reflect actual operations as they evolved through the fiscal year. Both funds' amendments were a result of anticipated variance in revenues compared to originally budgeted amounts and increases to expenditures. The General Fund and Sales Tax Fund, with actual revenues of \$23,678,204 and \$3,368,337, respectively, operated within the available resources as planned through respective budgets.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2017, the Pointe Coupee Parish School Board had \$9,969,202 invested in a broad range of capital assets, including land, building, and equipment. (See table below.) This amount represents a net decrease (including additions and deductions) of \$337,247 or 3%, over last year.

Capital Assets at June 30, 2017 and 2016
(Net of Accumulated Depreciation)

	2017	2016
Land and land improvements	\$ 994,686	\$ 984,827
Construction in progress	54,000	838,309
Buildings and improvements	8,137,933	7,703,210
Machinery and equipment	782,583	780,103
Totals	\$ 9,969,202	\$ 10,306,449

The School Board completed construction for the STEM Academy in early 2017 and the assets were placed in service.

Long-term liabilities

The School Board's long-term liabilities consists of bonds payable, the liability for compensated absences, claims and judgments, obligations under capital leases, an obligation for other post-employment benefits (OPEB), and its net pension liability (see table below).

Long-Term Liabilities at June 30, 2017 and 2016

	2017	2016
Bonds payable	\$ 2,406,125	\$ 2,852,125
Claims and judgments	273,158	100,000
Obligations under capital lease	127,385	185,710
Net other post-employment benefit obligation	5,200,147	4,573,756
Compensated absences	521,480	463,708
Net pension liability	34,633,916	32,092,174
	\$ 43,162,211	\$ 40,267,473

Claims and judgments increased as a result of an accrued liability related to the privatization of certain positions which requires contributions to the Louisiana School Employees Retirement System. The OPEB obligation increased due to the accrued cost of retirement health benefits exceeding the amounts paid for those benefits. The net pension liability increased as a result of change in market conditions that impacted the actuarial estimate of the School Board's share of the net pension liability due for TRSL and LSERS retirement systems.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The School System has historically operated in an environment of stagnant enrollment and marginal local fiscal support in comparison to other districts in Louisiana. This environment and other factors have contributed to the past unfavorable financial condition of the System. However, for the past several fiscal years, management and the Board were successful in raising the school system to a reasonably adequate level of financial stability through expenditure control and efforts to increase funding. Student enrollment increased in 2017 as a result of the opening of the STEM Academy and those enrollment levels are expected to remain or increase thereby maintaining or increasing the minimum foundation revenue. Despite this financial stability, many of the School System's facilities remain substandard and in need of significant improvement.

For 2017-2018, cost containment budget measures were implemented in order to adopt a balanced budget. Revenues are projected to remain constant based on conservative estimates of sales and ad valorem taxes. The School Board has prepared a breakeven budget for the 2017-2018 fiscal year.

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

- Ad valorem and Sales tax revenues are expected to remain constant.
- MFP revenue funded by the State of Louisiana is expected to reflect an increase in enrollment.
- Health insurance costs are expected to increase approximately 7%.
- Expenditures have been budgeted for retirement costs and technology updates needed to meet requirements mandated by the State Department of Education.

CONTACTING THE POINTE COUPEE PARISH SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Kevin Lemoine, Superintendent, Pointe Coupee Parish School Board, P.O. Box 579, New Roads, LA 70760-0579, 225-638-8674.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$	6,810,794
Certificate of deposit		182,544
Receivables:		
Sales tax		568,774
Due from other governments		1,823,986
Inventory		117,121
Capital assets, not being depreciated:		
Land		787,734
Construction-in-progress		54,000
Capital assets, net of accumulated depreciation		9,127,468
Other assets		83,357
TOTAL ASSETS		19,555,778

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension contributions		3,447,583
Deferred amounts related to net pension liability		3,814,506
TOTAL DEFERRED OUTFLOWS OF RESOURCES		7,262,089

LIABILITIES

Accounts payable and accrued expenses		3,466,335
Long-term liabilities:		
Due within one year		687,340
Due in more than one year		7,840,955
Net pension liability		34,633,916
TOTAL LIABILITIES		46,628,546

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability		1,219,402
TOTAL DEFERRED INFLOWS OF RESOURCES		1,219,402

NET POSITION

Net investment in capital assets		7,435,692
Restricted for:		
Debt service		845,590
Federal Programs and Capital Projects		1,074,618
Unrestricted		(30,385,981)
TOTAL NET POSITON	\$	(21,030,081)

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction:					
Regular education programs	\$ 11,039,798	\$ -	\$ 1,853,775	\$ -	\$ (9,186,023)
Special education programs	2,457,329	-	438,006	-	(2,019,323)
Other education programs	4,524,248	-	759,701	-	(3,764,547)
Support Services:					
Pupil support services	1,476,309	168,814	247,898	-	(1,059,597)
Instructional staff services	1,272,507	-	226,818	-	(1,045,689)
General administration services	1,178,598	-	210,079	-	(968,519)
School administration services	2,002,894	-	357,005	-	(1,645,889)
Business and central services	661,946	-	117,988	-	(543,958)
Plant operation and maintenance	3,089,599	-	547,124	102,984	(2,439,491)
Transportation	4,622,939	-	824,014	-	(3,798,925)
Appropriation:					
Charter schools	192,432	-	-	-	(192,432)
Food services	1,988,484	14,591	1,968,829	-	(5,064)
Interest Expense	68,915	-	-	-	(68,915)
Other	24,979	-	-	-	(24,979)
Total Governmental Activities	34,600,977	183,405	7,551,237	102,984	(26,763,351)
General Revenues					
Taxes:					
					8,582,958
					6,736,673
Grants and contributions not restricted to specific purposes:					
					11,464,752
					29,610
					398,028
					<u>27,212,021</u>
					448,670
					<u>(21,478,751)</u>
					<u>\$ (21,030,081)</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

	General	Sales Tax	Other Non-Major	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,739,175	\$ -	\$ 2,071,619	\$ 6,810,794
Certificate of deposit	182,544	-	-	182,544
Receivables				
Sales tax	284,387	284,387	-	568,774
Due from other governments	131,293	-	1,692,693	1,823,986
Prepaid Expenses	58,013	-	-	58,013
Due from other funds	2,195,564	-	144,446	2,340,010
Inventory	-	-	117,121	117,121
	TOTAL ASSETS	\$ 284,387	\$ 4,025,879	\$ 11,901,242
	\$ 7,590,976	\$ 284,387	\$ 4,025,879	\$ 11,901,242
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,253,213	\$ -	\$ 242,011	\$ 1,495,224
Claims payable	69,425	-	-	69,425
Salaries and benefits payable	1,879,778	-	-	1,879,778
Due to other funds	213,871	284,387	1,841,752	2,340,010
	TOTAL LIABILITIES	284,387	2,083,763	5,784,437
	3,416,287	284,387	2,083,763	5,784,437
Fund balances:				
Nonspendable	58,013	-	117,121	175,134
Spendable:				
Restricted	-	-	1,824,995	1,824,995
Unassigned	4,116,676	-	-	4,116,676
	TOTAL FUND BALANCES	-	1,942,116	6,116,805
	4,174,689	-	1,942,116	6,116,805
TOTAL LIABILITIES AND FUND BALANCES				
	\$ 7,590,976	\$ 284,387	\$ 4,025,879	\$ 11,901,242

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

Total Fund Balances at June 30, 2017 - Governmental Funds		\$ 6,116,805
Cost of capital assets at June 30, 2017	25,681,143	
Less: Accumulated Depreciation as of June 30, 2017	<u>(15,711,941)</u>	9,969,202
Bond discount, net of amortization		25,344
Accrued interest on long-term debt		(21,908)
Long-term liabilities at June 30, 2017:		
Bonds payable	(2,406,125)	
Obligations under capital lease	(127,385)	
Claims & judgments payable	(273,158)	
Compensated absences payable	(521,480)	
Net other post-employment benefit obligation		
- unfunded actuarial accrued liability	<u>(5,200,147)</u>	<u>(8,528,295)</u>
Net pension obligation balances in accordance with GASB 68		
Deferred outflow of resources - deferred pension contributions	3,447,583	
Deferred outflow of resources - related to net pension liability	3,814,506	
Net pension liability	(34,633,916)	
Deferred inflow of resources - related to net pension liability	<u>(1,219,402)</u>	<u>(28,591,229)</u>
Total net position at June 30, 2017 - Governmental Activities		<u>\$ (21,030,081)</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

	General	Sales Tax	Other Non-Major	Total
<u>REVENUES</u>				
Local sources:				
Ad valorem taxes	\$ 8,437,685	\$ -	\$ 145,273	\$ 8,582,958
Sales and use taxes	3,368,336	3,368,337	-	6,736,673
Earnings on investments	23,851	-	5,759	29,610
Food sales	-	-	14,591	14,591
Other	206,303	-	360,539	566,842
State sources:				
Minimum foundation program (MFP)	11,369,392	-	95,360	11,464,752
Restricted grants-in-aid	152,490	-	556,156	708,646
Other	5,161	-	-	5,161
Federal grants	114,986	-	6,825,428	6,940,414
TOTAL REVENUES	23,678,204	3,368,337	8,003,106	35,049,647
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular education programs	8,734,334	1,624,224	36,760	10,395,318
Special education programs	1,532,832	340,907	472,337	2,346,076
Other education programs	840,783	164,887	3,391,636	4,397,306
Support:				
Pupil support services	981,676	152,313	289,231	1,423,220
Instructional staff services	366,290	132,222	704,554	1,203,066
General administration services	1,012,546	136,878	640	1,150,064
School administration services	1,644,998	266,897	623	1,912,518
Business and central services	498,301	128,825	-	627,126
Plant operation and maintenance	2,491,346	134,460	5,500	2,631,306
Transportation	3,897,423	301,774	252,158	4,451,355
Food services	-	229,659	1,690,921	1,920,580
Appropriation:				
Charter schools	192,432	-	-	192,432
Facility acquisition and construction	124,904	-	232,774	357,678
Debt service - principal	206,000	-	240,000	446,000
Debt service - interest	38,088	-	29,780	67,868
TOTAL EXPENDITURES	22,561,953	3,613,046	7,346,914	33,521,913
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,116,251	\$ (244,709)	\$ 656,192	\$ 1,527,734

(continued)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

	General	Sales Tax	Other Non-Major	Total
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	\$ (244,709)	\$ -	\$ (230,800)	\$ (475,509)
Transfers in	230,800	244,709	-	475,509
TOTAL OTHER FINANCING SOURCES (USES)	(13,909)	244,709	(230,800)	-
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	1,102,342	-	425,392	1,527,734
Fund balances, June 30, 2016	3,072,347	-	1,516,724	4,589,071
FUND BALANCES, JUNE 30, 2017	\$ 4,174,689	\$ -	\$ 1,942,116	\$ 6,116,805 (concluded)

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

Excess of Revenues and Other Financing Sources		
over (under) Expenditures and Other Uses - Total Governmental Funds		\$ 1,527,734
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 337,589	
Loss on disposal of property	(24,979)	
Depreciation expense	<u>(649,857)</u>	(337,247)
Long Term Liabilities:		
Principal portion of debt service payments	\$ 504,325	
Change in compensated absences payable	(57,772)	
Change in claims payable and judgments	(173,158)	
Change in accrued interest on long-term debt	2,240	
Bond discount current amortization	(3,287)	
Change in post-employment benefit obligation	<u>(626,391)</u>	(354,043)
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68		<u>(387,774)</u>
Change in Net Position - Governmental Activities		<u>\$ 448,670</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents - School Activity Accounts	<u>\$ 255,544</u>
TOTAL ASSETS	<u>255,544</u>
<u>LIABILITIES</u>	
Amounts held for others	<u>255,544</u>
TOTAL LIABILITIES	<u>\$ 255,544</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Pointe Coupee Parish School Board (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-setting body for establishing governmental accounting and financial reporting principles.

A. FINANCIAL REPORTING ENTITY

The Pointe Coupee Parish School Board was created by Louisiana Revised Statute LSA-R S 17:51 to provide public education in Pointe Coupee Parish. The School Board is authorized by LSA-R S 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eight members who are elected from eight districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of approximately 3,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students. In the fall of 2016, a sixth school was opened named the Science Technology Engineering and Mathematics (STEM) Magnet Academy.

The Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* establish 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. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements (GWFS)

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

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Government-Wide Financial Statements (continued)

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. This statement demonstrates the degree to which direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

The School Board reports all direct expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function.

Fund Financial Statements (FFS)

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

The funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds

Governmental Funds are used to account for the School Board's general activities that are financed with taxes or intergovernmental support, including the acquisition or construction of fixed assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund is the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

Sales Tax Fund is used to account for financial resources to be used for salaries and benefits from sales and uses taxes approved in 1999.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Governmental Funds (continued)

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 6 months after year-end, or within 60 days after year-end for property taxes. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in current net position. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when a legally enforceable claim arises (generally when levied) and the resources are available.

Sales and use taxes are recognized when the underlying exchange transaction occurs and the resources are available.

Entitlements and shared revenues (which include the state Minimum Foundation Program revenue, state revenue sharing, and federal and state grants) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries and benefits are recorded as earned. Salaries for nine-month employees are accrued at June 30.

Vendor payments are recorded as the obligation is incurred.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Governmental Funds (continued)

Expenditures (continued)

Other Financing Sources (Uses) consist of transfers between funds that are not expected to be repaid, capital lease transactions, sales of fixed assets, debt extinguishments, and long-term debt proceeds, and are recognized at the time the underlying events occur.

Fiduciary Funds

An Agency Fund is a Fiduciary Fund which is custodial in nature (assets equal liabilities) and does not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in the agency capacity. The agency fund consists of the school activity accounts which accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are accounted for on the accrual basis of accounting.

C. **CASH AND INVESTMENTS**

Cash consists of demand deposits. Time deposits and those investments with original maturities of 90 days or less are categorized as cash.

Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Investments are generally restricted to debt securities backed by the U.S. Government or its agencies, and debt securities of Louisiana state and local governments.

D. **SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the governmental funds balance sheet, and are considered to be short-term interfund loans. All interfund transactions for which no intent or ability for repayment exists are treated as transfers.

E. **ELIMINATION AND RECLASSIFICATIONS**

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

F. **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 Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when used. All purchased inventory items are valued at cost using first-in, first-out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

G. **CAPITAL ASSETS**

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

Capital assets are recorded in the GWFS, but are not reported in the FFS. All depreciable capital assets are depreciated using the straight-line method over their estimated 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 3 to 20 years for equipment and computer software; and 40 years for buildings and improvements.

H. **COMPENSATED ABSENCES**

All 12-month employees earn up to ten days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated up to 40 days. Upon separation, all unused vacation is paid to the employee.

All School Board employees earn a certain amount of sick leave each year, depending upon the length of service and employment status. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days for 9-11 month employees and up to 37 days for 12 month employees is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement computation as earned service.

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

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

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

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

H. **COMPENSATED ABSENCES** (continued)

Accounting standards further provide that a liability for sick leave should be accrued using one of the following termination approaches:

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

I. **PENSION PLANS**

The Pointe Coupee Parish School Board is a participating employer in two defined benefit pension plans (plans) as described in Note 5. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

J. **RESTRICTED NET POSITION**

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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 - represent balances that are not expected to be converted to cash.

Spendable

Restricted - represent balances where constraints have been established by parties outside of the School Board or by enabling legislation.

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

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

Unassigned - represent balances for which there are no constraints.

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

L. SALES AND USE TAXES

The voters of Pointe Coupee Parish authorized the School Board to levy and collect two separate sales and use taxes. Revenues generated by the two taxes must be used exclusively to supplement other revenues available to the School Board for the following purposes:

- 1% Sales and Use Tax - permanent tax levied for the Pointe Coupee Parish School Board, approved September 30, 1967, to be used for salaries of teachers and/or for the general operation of the schools of Pointe Coupee Parish.
- 1% Sales and Use Tax - tax levied for the Pointe Coupee Parish School Board, originally approved November 20, 1999 to be used for salary and benefits. The Board's policy is to use 75% of the proceeds for salary and benefits for certified teachers and the remaining 25% for salary and benefits for non-certified teachers and support personnel of Pointe Coupee Parish.

The receipt and expenditure of the sales and use taxes adopted in 1967 are included in the operations of the General Fund. The sales and use taxes adopted in 1999 are recorded in the Sales Tax Fund.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

M. **USE OF ESTIMATES**

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

2. **AD VALOREM TAXES**

The School Board levies taxes on real and business personal property located within Pointe Coupee Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Pointe Coupee Parish Tax Assessor, except for public utility property which is assessed by the Louisiana Tax Commission. Assessed values are approved by the Louisiana Tax Commission. The Pointe Coupee Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

	<u>Property Tax Calendar</u>
Millage rates adopted	October, 2016
Levy date	October, 2016
Tax bills mailed	November, 2016
Due date	December 31, 2016
Lien date	January 1, 2017
Collection date	May, 2017
Tax Sale Date – 2016 Delinquent Property	May, 2017

Total assessed value was \$528,872,109 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$41,274,262 of the assessed value in calendar year 2016.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recorded in the general and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises to the extent available. All taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. **AD VALOREM TAXES** (continued)

A summary of the various taxes levied for 2016 is as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund (parish-wide taxes)			
Constitutional School Tax	4.54	4.54	N/A
Support	11.96	11.96	2020
Debt Service			
District 10	general obligation	2.90	2022

3. **DEPOSITS AND INVESTMENTS**

The carrying amount of the School Board's deposits with financial institutions was \$7,248,882 and the bank balance was \$8,176,598 at June 30, 2017. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the School Board's deposits may not be returned. 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. The School Board had no custodial credit risk as of June 30, 2017.

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. The School Board currently owns no investment securities.

Interest Rate Risk – The School Board's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Under Louisiana R.S. 33:2955, as amended, the School Board may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The System's investment policy does not further limit its investment choices.

Concentration of Credit Risk – The School Board's investment policy does not limit the amount the School System may invest in any one issuer.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. **CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not depreciated:</u>				
Land	\$ 787,734	\$ -	\$ -	\$ 787,734
Construction-in-progress	<u>838,309</u>	<u>180,978</u>	<u>(965,287)</u>	<u>54,000</u>
Total capital assets, not depreciated	<u>1,626,043</u>	<u>180,978</u>	<u>(965,287)</u>	<u>841,734</u>
<u>Capital assets being depreciated</u>				
Land improvements	601,961	31,781	-	633,742
Buildings and improvements	21,240,478	965,287	(12,588)	22,193,177
Machinery and equipment	<u>2,195,054</u>	<u>124,830</u>	<u>(307,394)</u>	<u>2,012,490</u>
Total capital assets, being depreciated	<u>24,037,493</u>	<u>1,121,898</u>	<u>(319,982)</u>	<u>24,839,409</u>
Total capital assets, at cost	<u>25,663,536</u>	<u>1,302,876</u>	<u>(1,285,269)</u>	<u>25,681,143</u>
<u>Less accumulated depreciation</u>				
Land improvements	404,868	21,922	-	426,790
Buildings and improvements	13,537,268	517,976	-	14,055,244
Machinery and equipment	<u>1,414,951</u>	<u>109,959</u>	<u>(295,003)</u>	<u>1,229,907</u>
Total accumulated depreciation	<u>15,357,087</u>	<u>649,857</u>	<u>(295,003)</u>	<u>15,711,941</u>
Total capital assets being depreciated (net)	<u>8,680,406</u>	<u>472,041</u>	<u>(24,979)</u>	<u>9,127,468</u>
Total capital assets (net)	<u>\$ 10,306,449</u>	<u>\$ 653,019</u>	<u>(\$ 990,266)</u>	<u>\$ 9,969,202</u>

Depreciation expense of \$649,857 for the year ended June 30, 2017 was charged to the following governmental functions:

Regular education programs	\$ 42,351
Special education programs	9,560
Other education programs	17,918
Pupil support services	5,798
Instructional staff services	4,904
General administrative services	4,686
School administration services	7,793
Business and central services	2,555
Plant operation and maintenance	528,698
Transportation	17,768
Food services	7,826
	<u>\$ 649,857</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. RETIREMENT SYSTEMS

The Pointe Coupee Parish School Board (the School Board) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS) (the Systems). 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:	LSERS:
8401 United Plaza Blvd.	8660 United Plaza
P. O. Box 94123	Blvd.
Baton Rouge, Louisiana 70804-9123	Baton Rouge, LA
(225) 925-6446	70804
www.trsl.org	(225) 925-6484
	www.lasers.net

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL)

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing defined benefit pension 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. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761.

Louisiana School Employees' Retirement System (LSERS)

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing 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.

Cost of Living Adjustments

The pension plans in which the School System participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to these systems, (TRSL and LSERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to funded status and interest earnings.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **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). TRSL also receives a percentage of ad valorem taxes collected by parishes. The parish is not a participating employer in the pension system and is considered to be a nonemployer contributing entity.

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, 2016, for the School Board and covered employees were as follows:

	<u>School Board</u>	<u>Employees</u>
Teachers' Retirement System (TRSL):		
Regular Plan	25.50%	8.00%
Plan A	30.70%	9.10%
School Employees' Retirement System (LSERS)	27.30%	7.50% - 8.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Teachers' Retirement System	\$ 3,222,518	\$ 3,435,081	\$ 3,870,357
School Employees' Retirement System	225,065	171,534	381,561

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 based on the June 30, 2016 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2016 along with the change compared to the June 30, 2015 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

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

	<u>Net Pension Liability at June 30, 2016</u>	<u>Rate at June 30, 2016</u>	<u>Increase (Decrease) to June 30, 2015 Rate</u>
Teachers' Retirement System	\$ 33,262,973	0.2834%	-0.00186%
School Employees' Retirement System	<u>1,370,943</u>	0.1817%	-0.04214%
	<u>\$ 34,633,916</u>		

The School Board's proportionate share of pension expense for the year ended June 30, 2017 was as follows:

Teachers' Retirement System	\$ 3,796,257
School Employees' Retirement System	<u>39,100</u>
	<u>\$ 3,835,357</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (694,116)
Changes of assumptions	32,478	(36,235)
Net difference between projected and actual earnings on pension plan investments	2,595,143	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,186,885	(489,051)
Employer contributions subsequent to the measurement date	3,447,583	-
Total	<u>\$ 7,262,089</u>	<u>\$ (1,219,402)</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teachers' Retirement System	\$ 6,762,955	\$ (822,242)
School Employees' Retirement System	499,134	(397,160)
	\$ 7,262,089	\$ (1,219,402)

The School Board reported a total of \$3,447,583 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2018. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Teachers' Retirement System	\$ 3,222,518
School Employees' Retirement System	225,065
	\$ 3,447,583

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	Total
2018	\$ 469,577	\$ (165,894)	\$ 303,683
2019	469,577	(85,666)	383,911
2020	1,240,606	78,488	1,319,094
2021	538,435	49,981	588,416
	\$ 2,718,195	\$ (123,091)	\$ 2,595,104

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2016 are as follows:

	TRSL	LSERS
Valuation Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining		
Service Lives	5 years	3 years
Investment Rate	7.75% net of investment	7.125% per annum
of Return	expenses	
Inflation Rate	2.5% per annum	2.625%
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 Distinct Mortality Table.
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.	
Salary Increases	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study of the Plan's members. The annual salary growth rates are based upon the members' years of service.
Cost of Living Adjustments	The System allows for the payment of ad hoc permanent benefit increases that are funded through investment earnings when recommended 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 present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **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:

TRSL	LSERS
<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 was 8.23% for 2016.</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.</p>

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2016:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic equity	31.0%	51.0%	4.50%	3.10%
International equity	19.0%	-	5.31%	-
Domestic fixed income	14.0%	30.0%	2.45%	1.82%
International fixed income	7.0%	-	3.28%	-
Alternatives	29.0%	13.0%	11.62%	0.79%
Real assets	-	6.0%	-	0.36%
Total	100.0%	100.0%	n/a	6.07%
Inflation				2.00%
Expected Arithmetic Nominal Return				8.07%
n/a - amount not provided by Retirement System				

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL and LSERS was 7.75% and 7.125%, respectively, for the measurement date June 30, 2016.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.75%	7.75%	8.75%
PCPSB Share of NPL	\$ 41,489,108	\$ 33,262,973	\$ 26,263,088
LSERS			
Rates	6.125%	7.125%	8.125%
PCPSB Share of NPL	\$ 1,799,666	\$ 1,370,943	\$ 1,003,638

Payables to the Pension Plan

The Pointe Coupee Parish School Board recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2017 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the retirement systems at June 30, 2017 is as follows:

TRSL	\$ 699
LSERS	90,936
	<u>\$ 91,635</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS

The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees' Group Benefits Program whose monthly premiums are paid jointly by the employee and the School Board. The School Board accounts for these benefits according to *GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions* (GASB 45).

Plan Description. The School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and are made available to employees upon actual retirement.

The OGB involves several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at www.groupbenefits.org – "Quick Links" – "Health Plans". The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes. The OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility for purposes of this valuation, and we have assumed that 12.5% of post-Medicare eligibility retirees elect that plan. Medical benefits are provided to employees upon actual retirement from either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS). The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 5 years of service. For membership after January 1, 2011, the earliest allowable retirement age without actuarial reduction in benefits is age 60.

Life insurance coverage under the OGB program is available to retirees by election. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB Codification Section P50 requires the use of "unblended" rates, the School Board has used the 94GAR mortality table described below to "unblend" the rates 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. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

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

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Funding Policy. Until fiscal year ending June 30, 2008, the School Board recognized the cost of providing post-employment medical and life benefits (the School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. While the cost of the benefits is now expensed over the term of employment, (as it is earned), the plan continues to be funded on a pay-as-you-go basis. During the fiscal year ended June 30, 2009, the School Board implemented GASB Codification Section P50, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Codification Section P50), which requires the School Board to recognize as an expense, the cost of the benefits as they are earned over the term of employment rather than when they became due and payable. The amount at which the expense is recognized is based upon an actuarially determined amount known as the Annual Required Contribution or ARC. The School Board does not fund the ARC except to the extent of the current year's retiree premiums due.

For the fiscal year ending June 30, 2017, the School Board's portion of the health care and life insurance funding cost for retired employees totaled \$1,396,361. This amount was applied toward the Net Other Post-employment Benefits (OPEB) Obligation.

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

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 507,052	\$ 600,433
30-year UAL amortization amount	1,597,250	1,820,473
Annual required contribution (ARC)	<u>\$ 2,104,302</u>	<u>\$ 2,420,906</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

	<u>2017</u>		<u>2016</u>
Beginning Net OPEB Obligation	\$ 4,573,756	\$	3,817,022
Annual required contribution	2,104,302		2,420,906
Interest on Net OPEB Obligation	182,951		152,681
ARC Adjustment	<u>(264,501)</u>		<u>(220,739)</u>
OPEB Cost	2,022,752		2,352,848
Contribution to Irrevocable Trust	-		-
Current year retiree premium	<u>(1,396,361)</u>		<u>(1,596,114)</u>
Change in Net OPEB Obligation	626,391		756,734
Ending Net OPEB Obligation	\$ <u>5,200,147</u>	\$	<u>4,573,756</u>

The following table shows the School Board's annual OPEB cost, percentage of the annual cost contributed, and the net OPEB obligation:

<u>Post Employment Benefit</u>	<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
Medical & Life	June 30, 2017	\$ 2,022,752	69.03%	\$ 5,200,147
Medical & Life	June 30, 2016	\$ 2,352,848	67.84%	\$ 4,573,756
Medical & Life	June 30, 2015	\$ 2,273,930	64.99%	\$ 3,817,022

Funded Status and Funding Progress. Based on the July 1, 2016 actuarial valuation, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) at June 30, 2017 was \$28,724,538, which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Projected United Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses that is not provided by normal cost. Since the plan had no assets, the entire actuarial accrued liability was unfunded as of that date.

	<u>2017</u>		<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 28,724,538	\$	32,738,436
Actuarial Value of Plan Assets (AVP)	-		-
Unfunded Act. Accrued Liability (UAAL)	\$ <u>28,724,538</u>	\$	<u>32,738,436</u>
Funded Ratio (AVP/AAL)	0.00%		0.00%
Covered Payroll (active plan members)	\$ 14,717,193	\$	14,524,522
UAAL as a percentage of covered payroll	195%		225%

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the School Board and plan members in the future.

Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

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

Post-employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the D.R.O.P. This consists of a three year D.R.O.P. period plus an additional two year delay. Medical benefits are provided to employees upon actual retirement. Most 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 60 and 5 years of service. The remainder of employees are covered by the Louisiana School Employees' Retirement System (LSER) whose retirement (D.R.O.P. entry) eligibility provisions are the same as TRSL except that they are eligible to retire at age 60 and 10 years of service. Entitlement to benefits continues through Medicare to death.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Investment Return Assumption (Discount Rate). GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8.0% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Zero trend has been assumed for valuing life insurance.

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The "State Share" premiums in the OGB medical rate schedule provided are "unblended" rates for active and retired as required by GASB Codification Section P50 and have been used for valuation purposes.

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

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

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

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

OPEB Costs and Contributions			
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 2,273,930	\$ 2,352,848	\$ 2,022,752
Contribution	-	-	-
Retiree premium	<u>1,477,883</u>	<u>1,596,114</u>	<u>1,396,361</u>
Total contribution and premium	<u>1,477,883</u>	<u>1,596,114</u>	<u>1,396,361</u>
Change in net OPEB obligation	\$ <u>796,047</u>	\$ <u>756,734</u>	\$ <u>626,391</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	64.99%	67.84%	69.03%

7. **AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in school activities agency fund deposits due others for the year ended June 30, 2017 follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Agency Funds:				
School Activities Accounts	\$ <u>249,416</u>	\$ <u>587,952</u>	(\$ <u>581,824</u>)	\$ <u>255,544</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. LONG-TERM LIABILITIES

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

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>June, 30, 2017</u>
Bonds payable	\$ 2,852,125	\$ -	(\$ 446,000)	\$ 2,406,125
Net Pension Liability	32,092,174	2,590,489	(48,747)	34,633,916
Claims & judgments	100,000	198,723	(25,565)	273,158
Obligations under capital lease	185,710	-	(58,325)	127,385
Net other post-employment benefit obligation	4,573,756	2,022,752	(1,396,361)	5,200,147
Compensated absences	<u>463,708</u>	<u>151,941</u>	<u>(94,169)</u>	<u>521,480</u>
	<u>\$ 40,267,473</u>	<u>\$ 4,963,905</u>	<u>(\$ 2,069,167)</u>	<u>\$ 43,162,211</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, 2017:

	<u>Bonds, Claims, and Capital Leases Payable</u>	<u>Compensated Absences</u>	<u>Net Post-employment Benefit Obligation and Net Pension Liability</u>	<u>Total</u>
Current	\$ 552,728	\$ 134,612	\$ -	\$ 687,340
Long-Term	<u>2,253,940</u>	<u>386,868</u>	<u>39,834,063</u>	<u>42,474,871</u>
	<u>\$ 2,806,668</u>	<u>\$ 521,480</u>	<u>\$ 39,834,063</u>	<u>\$ 43,162,211</u>

The majority of the compensated absence, other post-employment benefit liabilities and net pension liability will be liquidated through the General Fund, Sales Tax Fund and School Food Service, as these funds expend a majority of the payroll. The bonds payable will be liquidated through the debt service fund as well as the general fund. The claims and judgments will be paid from the general fund.

During the year ended June 30, 2013, the School Board refunded the School District No. 10 General Obligation Refunding Bonds, Series 2005 by issuing \$1,910,000 in general obligation refunding bonds. At the time of the refunding, the bonds had a principal balance of \$1,850,000. Proceeds from the issuance of the new general obligation bonds were used to payoff the existing principal balance plus accrued interest on the existing bonds as well as issuance costs associated with the refunding. Accordingly, the refunded general obligation bonds are considered defeased and are not included in the financial statements. The bonds are secured by a property tax (see Note 2). Revenue from the property tax for the year ended June 30, 2017 was \$145,273 and debt service for the year was \$269,780. The approximate remaining amount of the pledge is \$844,726 consisting of \$795,000 in principal and \$49,726 in interest through 2020.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **LONG-TERM LIABILITIES** (continued)

For the purpose of construction, rehabilitation, and renovations, the School Board issued \$2,500,000 of bonds payable through the federally sponsored Qualified School Construction Bond Program during the year ended June 30, 2010. The bonds are subject to mandatory sinking fund redemption prior to maturity, including interest accrued to the redemption date on an annual basis commencing March 15, 2011 and ending March 15, 2025.

For the purpose of construction, renovation, equipping, and rehabilitation of public school facilities, the School Board issued \$1,000,000 of revenue bonds during the year ended June 30, 2015, secured by and payable solely from a pledge and dedication of the ad valorem constitutional tax and other lawfully available funds including excess tax revenues and State Minimum Foundation Payments. The bonds are subject to mandatory sinking fund redemption prior to maturity, including interest accrued to the redemption date on an annual basis commencing March 1, 2016 and ending March 1, 2030. For the year ended June 30, 2017, there were no draws.

The constitutionally dedicated property tax (to schools) (see Note 2) and the minimum foundation program revenue are pledged as repayment on the Series 2015 Revenue Bonds dated April 29, 2015. The debt secured by the pledge totals \$1,000,000. The term of the commitment is 15 years beginning in April 2015 and ending in March 2030. The dedicated revenues are pledged 100% annually up to the current amount due for principal and interest. For fiscal year 2017 the pledged revenues recognized totaled \$13,580,944. The principal requirement for fiscal year 2017 was \$41,000 and the interest requirement was \$10,392.

The bond issues outstanding at June 30, 2017 are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
School District #10 General Obligation Refunding Bonds, Series 2012 dated July 24, 2012	\$ 1,910,000	0.6 – 3.25	April 1, 2020	\$ 49,726	\$795,000
Qualified School Construction Bonds, Series 2009 dated December 17, 2009	2,500,000	1.75	March 15, 2025	107,734	1,415,000
Revenue Bonds, Series 2015 dated April 29, 2015	<u>1,000,000</u>	4.75	March 1, 2030	<u>19,552</u>	<u>196,125</u>
	<u>\$ 5,410,000</u>			<u>\$ 177,012</u>	<u>\$2,406,125</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **LONG-TERM LIABILITIES** (continued)

Principal and interest payments are due as:

Years Ending June 30	Principal	Interest	Total
2018	\$ 466,000	\$ 56,246	\$ 522,246
2019	481,000	44,118	525,118
2020	496,000	30,866	526,866
2021	226,000	16,485	242,485
2022	182,125	12,127	194,252
2023-2025	555,000	17,170	572,170
Total	<u>\$ 2,406,125</u>	<u>\$ 177,012</u>	<u>\$ 2,583,137</u>

In accordance with LSA-R.S. 39:562(L), the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2017, the statutory limit is \$132,218,027.

9. **CAPITAL LEASE OBLIGATIONS**

The School Board entered into agreements to lease modular buildings which qualify as capital leases. Lease payments are scheduled annually over a five-year period ending June 20, 2019 and August 1, 2019.

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

Years Ending June 30,	
2018	\$ 66,012
2019	66,014
2020	<u>2,090</u>
Total minimum lease payments	134,113
Less: amount representing interest costs	<u>(6,731)</u>
Present value of minimum lease payments	<u>\$ 127,385</u>

10. **INTERFUND TRANSACTIONS**

Interfund receivable/payable:

<u>Interfund Receivable</u>		<u>Interfund Payable</u>	
General	\$ 2,195,564	General	\$ 213,871
Sales tax	-	Sales tax	284,387
Other Non-Major	<u>144,446</u>	Other Non-Major	<u>1,841,752</u>
	<u>\$ 2,340,010</u>		<u>\$ 2,340,010</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

10. **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 in/out:

<u>Transfers In</u>		<u>Transfers Out</u>	
General	\$ 230,800	General	\$ 244,709
Sales tax	244,709	Sales tax	-
Other Non-Major	-	Other Non-Major	230,800
	<u>\$ 475,509</u>		<u>\$ 475,509</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 the state tax fund with transfers from the general fund.

11. **RISK MANAGEMENT**

The School Board manages its exposure under general liability, fleet, workers' compensation, and errors and omissions through the purchase of commercial insurance. Qualifying employees and retirees may participate in the state group medical and life insurance plan. Prior to fiscal year 2011, risk of loss under workers' compensation statutes was self-insured by the School Board and the Board remains liable for losses incurred prior 2011 for up to \$250,000 per occurrence, with reinsurance coverage in force for losses in excess of that amount. The self-insured plan is administered by a third party, with the claims under the self-insured amount paid by the General Fund; certain Special Revenue funds may reimburse the General Fund for payment of their claims. Consistent with the provisions of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the School Board uses the General Fund to account for its risk financing activities. Claims payable for worker's compensation risks of \$197,292 have been recorded as liabilities of the general fund. A claims liability has also been recorded as general long term debt (see note 8) for other types of risks.

12. **LITIGATION AND CLAIMS**

Litigation. The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position. An accrual of \$100,000 has been made within the statement of net position to cover any potential exposure.

During the year ended June 30, 2017, the School Board received notifications from Louisiana School Employees District Retirement System of amounts due for the School Board's portion of the unfunded accrued liability for retirement benefits as a result of the privatization of certain positions. The School Board chose the presented option to make annual installment payments on this liability over a 10-year period. The balance at June 30, 2017 was \$173,158.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

12. **LITIGATION AND CLAIMS** (continued)

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

13. **COMMITMENTS AND CONTINGENCIES**

During the year ended June 30, 2010, the School Board was awarded an appropriation of \$3,325,000 from Act 21 of the 2010 (Capital Outlay Act) for the renovation and construction of the central office building damaged by Hurricane Gustav. The appropriation includes the State of Louisiana's general obligation bonds as a means of finance and is not funded until the State's debt issuance is approved by the state bond commission. Approval is still pending.

The School Board is involved in long-standing desegregation litigation - *Boyd v. Pointe Coupee Parish School Board* residing within in the U.S. District Court, Middle District of Louisiana, and remains under court decree. As such, certain operational or educational actions may be subject to court approval.

14. **OPERATING LEASE AND COMMITMENT**

The School Board leases school buses through a lease arrangement which qualifies as an operating lease. The pricing for the agreement is based on the quantity of buses needed, special accessories needed on the bus, and frequency of use per day. The lease payments are to be made on a monthly basis. The lease is scheduled for July 1, 2016 through June 30, 2021.

Lease payments made during the year ended June 30, 2017 totaled approximately \$2,451,000 for the school bus lease arrangement.

Management has estimated that the minimum future lease payments under non-cancellable lease agreements in effect at June 30, 2017 are as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
2018	\$ 2,500,000
2019	2,500,000
2020	2,500,000
2021	<u>2,500,000</u>
	<u>\$ 10,000,000</u>

On July 1, 2016 the School Board entered into a 36-month agreement for professional services related to its computer network. The agreement calls for payments of \$3,000 per month. At June 30, 2017, 24 months remain in the commitment for a total of \$72,000.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

15. **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:	
Debt service:	
Debt service for obligation bonds	\$ <u>845,590</u>
Total net position restricted for debt service	<u>845,590</u>
Capital improvements:	
Bond funds for STEM Academy	<u>349,019</u>
Total net position for capital improvements	<u>349,019</u>
Federal programs:	
School Food	<u>725,599</u>
Total net position for federal programs	<u>725,599</u>
Total Restricted Net Position	<u>\$ 1,920,208</u>

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		
Prepaid expenses	\$ 58,013	\$ -
School Food	<u>-</u>	<u>117,121</u>
Total nonspendable	<u>58,013</u>	<u>117,121</u>
Restricted for:		
Debt service	-	867,498
Capital projects	-	349,019
Federal programs	<u>-</u>	<u>608,478</u>
Total Restricted	<u>-</u>	<u>1,824,995</u>
Unassigned	<u>4,116,676</u>	<u>-</u>
Total fund balances	<u>\$ 4,174,689</u>	<u>\$ 1,942,116</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

16. **FUTURE ACCOUNTING CHANGES**

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

17. **DISAGGREGATION OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

Vendors	\$ 1,495,224
Accrued interest	21,908
Salaries and benefits	1,879,778
Claims payable	<u>69,425</u>
Total governmental fund encumbrances	<u>\$ 3,466,335</u>

18. **TAX REVENUES ABATED**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2017, approximately \$643,000 in Pointe Coupee Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

19. **APPROPRIATIONS TO CHARTER SCHOOLS**

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

	<u>General Fund</u>
Louisiana Key Academy	\$ 30,342
Advantage Charter Academy	10,114
Louisiana Virtual Charter Academy	38,686
University View Academy	<u>111,507</u>
Total appropriations – type 2 charter schools	190,649
Office of Juvenile Justice	<u>1,783</u>
Total appropriations	<u>\$ 192,432</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

20. **RESTATEMENT OF NET POSITION**

Beginning net position was restated to correct an understatement of the net pension liability.

	<u>Governmental Activities</u>
Total Net Position, June 30, 2016, as previously reported	(\$ 21,171,615)
Correction to Net Pension Liability	<u>(307,136)</u>
Total Net Position, June 30, 2016, restated	<u>(\$ 21,478,751)</u>

Pointe Coupee Parish School Board

New Roads, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION – Part II

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	\$ 7,772,616	\$ 8,262,304	\$ 8,437,685	\$ 175,381
Sales and use	3,285,986	3,285,986	3,368,336	82,350
Earnings on investments	6,000	5,500	23,851	18,351
Other	209,859	203,762	206,303	2,541
State sources:				
Minimum Foundation Program	10,705,645	10,542,522	11,369,392	826,870
Restricted grants-in-aid	192,000	192,000	152,490	(39,510)
Other	125,000	125,000	5,161	(119,839)
Federal grants	-	13,455	114,986	101,531
Total revenues	22,297,106	22,630,529	23,678,204	1,047,675
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	8,157,670	8,251,705	8,734,334	(482,629)
Special education programs	1,633,831	1,675,859	1,532,832	143,027
Other education programs	741,090	743,417	840,783	(97,366)
Support services:				
Pupil support services	852,872	857,541	981,676	(124,135)
Instructional staff services	485,892	383,641	366,290	17,351
General administration services	1,045,029	1,042,878	1,012,546	30,332
School administration services	1,711,442	1,828,453	1,644,998	183,455
Business administration and central services	896,064	969,686	498,301	471,385
Plant operation and maintenance	2,661,843	2,618,651	2,491,346	127,305
Transportation	3,336,065	3,286,320	3,897,423	(611,103)
Appropriation:				
Charter schools	240,313	263,280	192,432	70,848
Facilities acquisition and construction	141,600	110,600	124,904	(14,304)
Debt Service - Principal	261,750	225,000	206,000	19,000
Debt Service - Interest	-	35,000	38,088	(3,088)
Total expenditures	22,165,461	22,292,031	22,561,953	(269,922)
Excess (deficiency) of revenues over expenditures	\$ 131,645	\$ 338,498	\$ 1,116,251	\$ 777,753

(continued)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>Other financing sources (uses):</u>				
Proceeds on sale of assets	\$ 1,253	\$ 3,003	\$ -	\$ (3,003)
Operating transfers out	(362,898)	(362,898)	(244,709)	118,189
Operating transfers in	230,000	230,000	230,800	800
Total other financing sources (uses)	<u>(131,645)</u>	<u>(129,895)</u>	<u>(13,909)</u>	<u>115,986</u>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	-	208,603	1,102,342	893,739
Fund balances, June 30, 2016	<u>2,468,064</u>	<u>2,549,009</u>	<u>3,072,347</u>	<u>523,338</u>
FUND BALANCES, JUNE 30, 2017	<u>\$ 2,468,064</u>	<u>\$ 2,757,612</u>	<u>\$ 4,174,689</u>	<u>\$ 1,417,077</u> (concluded)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

	Sales Tax Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
One Cent Sales Tax	\$ 3,285,986	\$ 3,285,986	\$ 3,368,337	\$ 82,351
Total revenues	3,285,986	3,285,986	3,368,337	82,351
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	1,726,900	1,726,900	1,624,224	102,676
Special education programs	307,261	307,261	340,907	(33,646)
Other education programs	166,766	166,766	164,887	1,879
Support services:				
Pupil support services	156,171	156,171	152,313	3,858
Instructional staff services	136,342	136,342	132,222	4,120
General administration services	122,267	122,267	136,878	(14,611)
School administration services	282,268	282,268	266,897	15,371
Business administration and central services	146,413	146,413	128,825	17,588
Plant operation and maintenance	116,054	116,054	134,460	(18,406)
Transportation	230,258	230,258	301,774	(71,516)
Food services	258,184	258,184	229,659	28,525
Total expenditures	3,648,884	3,648,884	3,613,046	35,838
Excess (deficiency) of revenues over expenditures	(362,898)	(362,898)	(244,709)	118,189
<u>Other financing sources (uses):</u>				
Operating transfers in	362,898	362,898	244,709	(118,189)
Total other financing sources (uses)	362,898	362,898	244,709	(118,189)
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	-	-	-	-
Fund balances, June 30, 2016	-	-	-	-
FUND BALANCES, JUNE 30, 2017	\$ -	\$ -	\$ -	\$ -

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2017

BUDGETS

General Budget Practices. The School Board follows these procedures in establishing the budgetary data reflected in the financial statements.

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal Budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the Board and as amended by the Board.

Encumbrances. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting. All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

SCHEDULE OF FUNDING PROGRESS

<u>Fiscal Year</u> <u>Ending</u>	<u>Actuarial</u> <u>Valuation Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded Ratio</u> <u>(a/b)</u>	<u>Covered Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>Covered Payroll</u> <u>((b-a)/c)</u>
06/30/17	07/01/16	\$ -	\$ 28,724,538	\$ 28,724,538	0.00%	\$ 14,717,193	195%
06/30/16	07/01/14	-	32,738,436	32,738,436	0.00%	14,524,522	225%
06/30/15	07/01/14	-	31,479,265	31,479,265	0.00%	15,559,566	202%
06/30/14	07/01/12	-	35,396,720	35,396,720	0.00%	15,120,456	234%
06/30/13	07/01/12	-	34,035,307	34,035,307	0.00%	14,218,004	239%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Amount</u> <u>Contributed</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Costs</u> <u>Contributed</u>	<u>Increase</u> <u>(Decrease) to</u> <u>Net OPEB</u> <u>Obligation</u>	<u>Net OPEB</u> <u>Obligation</u>
06/30/17	\$ 2,022,752	\$ 1,396,361	69.03%	\$ 626,391	\$ 5,200,147
06/30/16	2,352,848	1,596,114	67.84%	756,734	4,573,756
06/30/15	2,273,930	1,477,883	64.99%	796,047	3,817,022
06/30/14	2,570,701	2,303,953	89.62%	266,748	3,020,975
06/30/13	2,476,052	2,133,290	86.16%	342,762	2,754,227

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

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- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System of Louisiana						
	2017	0.2834%	\$33,262,973	\$13,061,144	254.6712%	59.90%
	2016	0.2853%	30,672,484	13,822,704	221.8993%	62.50%
	2015	0.2786%	28,478,755	13,850,989	205.6081%	63.70%
Louisiana School Employees Retirement System						
	2017	0.1817%	1,370,943	567,113	241.7407%	70.09%
	2016	0.2239%	1,112,554	1,156,245	96.2213%	74.49%
	2015	0.2375%	1,376,963	1,464,665	94.0121%	76.18%

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.

The two Retirement Systems reported in this schedule are as follows:

TRSL = Teachers' Retirement System of Louisiana

LSERS = Louisiana School Employees' Retirement System

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SCHEDULE OF POINTE COUPEE PARISH SCHOOL BOARD'S CONTRIBUTIONS TO COST-
SHARING MULTI-EMPLOYER DEFINED BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2017

Pension Plan	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll ³	Contributions as a % of Covered Employee Payroll
Teachers Retirement System of Louisiana						
	2017	\$3,222,518	\$3,222,518	\$ -	\$12,637,325	25.5000%
	2016	3,435,081	3,435,081	-	13,061,144	26.3000%
	2015	3,870,357	3,870,357	-	13,822,704	28.0000%
Louisiana School Employees Retirement System						
	2017	225,065	225,065		824,414	27.3000%
	2016	171,534	171,534	-	567,993	37.2000%
	2015	381,561	381,561	-	1,156,245	33.0000%

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

For reference only:

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

² *Actual employer contributions remitted to retirement systems*

³ *Employer's covered employee payroll amount for the fiscal year ended June 30, 2017*

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

Changes of Benefit Terms include:

Teachers Retirement System of Louisiana

- There were no changes of benefit terms for the year ended June 30, 2017 and 2016.

Louisiana School Employees Retirement System

- There were no changes of benefit terms for the year ended June 30, 2017 and 2016.

Changes of Assumptions

Teachers Retirement System of Louisiana

- There were no changes of benefit assumptions for the years ended June 30, 2017 and 2016.

Louisiana School Employees Retirement System

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:

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

Inflation Rate:

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

Salary Increases:

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

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

POINTE COUPEE PARISH SCHOOL BOARD

OTHER SUPPLEMENTAL INFORMATION

COMBINING NON-MAJOR GOVERNMENTAL FUND STATEMENTS

POINTE COUPEE PARISH SCHOOL BOARD

NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

Title I This fund accounts for federal grants received under the umbrella of Title One as revised by the No Child Left Behind Act. The purpose of Title I is to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

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

Special Education *The Individuals with Disabilities Education Act (IDEA)* is a federally financed program providing free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.

Head Start This fund accounts for a federal grant, the goal of which is to promote the school readiness of low-income preschool children (ages 3 to 5) by enhancing their cognitive social and emotional development in learning environments.

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

School Food Service Accounts for activities of the School Board's food service program.

Striving Readers This fund accounts for a federal grant, the goal of which is to increase literacy achievement for all students.

21st Century This fund accounts for a federal grant, the goal of which is to provide quality after school enrichment opportunities.

Other Federal Programs Accounts for the proceeds of miscellaneous small or non-recurring federal grants including Vocational Education, LINC'S with Technology, and Reading First.

State Grants Used to account for special non-federal grants received from various departments of the State of Louisiana.

District No. 10 Debt Service Fund Accumulates funds for the payment of the 2012 refunding general obligation bonds.

Capital Projects Fund Accounts for various major capital improvements.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

	<u>Title I</u>	<u>Title II</u>	<u>Special Education</u>	<u>Head Start</u>	<u>TANF</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Due from other governments	308,937	187,062	213,312	254,090	158,598
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 308,937</u>	<u>\$ 187,062</u>	<u>\$ 213,312</u>	<u>\$ 254,090</u>	<u>\$ 158,598</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and accrued expenses	\$ 24,535	\$ 12,266	\$ 17,583	\$ -	1,555
Due to other funds	284,402	174,796	195,729	254,090	157,043
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>308,937</u>	<u>187,062</u>	<u>213,312</u>	<u>254,090</u>	<u>158,598</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Spendable					
Restricted	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 308,937</u>	<u>\$ 187,062</u>	<u>\$ 213,312</u>	<u>\$ 254,090</u>	<u>\$ 158,598</u>

(Continued)

School Food Service	Striving Readers	21st Century	Other Federal	State Grants	District 10 Debt Service	Capital Projects	Total
\$ 806,739	\$ -	\$ -	\$ -	\$ 38,329	\$ 867,498	359,053	\$ 2,071,619
43,841	120,370	237,693	35,932	132,858	-	-	1,692,693
-	-	-	-	144,446	-	-	144,446
117,121	-	-	-	-	-	-	117,121
<u>\$ 967,701</u>	<u>\$ 120,370</u>	<u>\$ 237,693</u>	<u>\$ 35,932</u>	<u>\$ 315,633</u>	<u>\$ 867,498</u>	<u>\$ 359,053</u>	<u>\$ 4,025,879</u>
\$ 2,074	\$ 11,152	-	\$ -	\$ 172,846	\$ -	\$ -	\$ 242,011
240,028	109,218	237,693	35,932	142,787	-	10,034	1,841,752
242,102	120,370	237,693	35,932	315,633	-	10,034	2,083,763
117,121	-	-	-	-	-	-	117,121
608,478	-	-	-	-	867,498	349,019	1,824,995
725,599	-	-	-	-	867,498	349,019	1,942,116
<u>\$ 967,701</u>	<u>\$ 120,370</u>	<u>\$ 237,693</u>	<u>\$ 35,932</u>	<u>\$ 315,633</u>	<u>\$ 867,498</u>	<u>\$ 359,053</u>	<u>\$ 4,025,879</u>

(Concluded)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

	<u>Title I</u>	<u>Title II</u>	<u>Special Education</u>	<u>Head Start</u>	<u>TANF</u>
<u>REVENUES</u>					
Local sources:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-
Food safes	-	-	-	-	-
Other	-	-	-	-	-
State sources:					
Unrestricted grants-in-aid, MFP	-	-	-	-	-
Restricted grants-in-aid	-	-	-	-	16,492
Federal grants	1,068,819	350,680	978,527	1,121,902	461,812
TOTAL REVENUES	1,068,819	350,680	978,527	1,121,902	478,304
<u>EXPENDITURES</u>					
Current:					
Instruction:					
Regular education programs	1,891	-	1,891	-	-
Special education programs	-	-	443,751	-	-
Other education programs	792,183	186,870	44,141	917,116	471,605
Support:					
Pupil support services	-	-	245,673	466	-
Instructional staff services	169,180	137,776	97,021	121,974	1,331
General administration services	-	-	-	640	-
School administration services	-	-	-	-	-
Plant operation and maintenance	-	-	-	480	-
Transportation	20,870	-	2,905	81,226	868
Food services	-	-	-	-	-
Facility acquisition and construction	-	-	64,825	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
TOTAL EXPENDITURES	984,124	324,646	900,207	1,121,902	473,804
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	84,695	26,034	78,320	-	4,500.00
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers out	(84,695)	(26,034)	(78,320)	-	(4,500)
TOTAL OTHER FINANCING SOURCES (USES)	(84,695)	(26,034)	(78,320)	-	(4,500)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>					
	-	-	-	-	-
Fund balances, June 30, 2016	-	-	-	-	-
FUND BALANCES, JUNE 30, 2017	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

<u>School Food Service</u>	<u>Striving Readers</u>	<u>21st Century</u>	<u>Other Federal</u>	<u>State Grants</u>	<u>District 10 Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,273	\$ -	\$ 145,273
612	-	-	-	7	4,864	276	5,759
14,591	-	-	-	-	-	-	14,591
23,002	-	-	-	43,092	-	294,445	360,539
50,000	-	-	-	45,360	-	-	95,360
-	-	-	-	436,680	-	102,984	556,156
1,918,829	363,822	425,932	135,105	-	-	-	6,825,428
<u>2,007,034</u>	<u>363,822</u>	<u>425,932</u>	<u>135,105</u>	<u>525,139</u>	<u>150,137</u>	<u>397,705</u>	<u>8,003,106</u>
-	3,115	-	2,596	27,267	-	-	36,760
-	-	-	28,586	-	-	-	472,337
-	188,426	279,927	62,917	448,451	-	-	3,391,636
-	-	-	-	43,092	-	-	289,231
-	138,579	-	37,457	1,236	-	-	704,554
-	-	-	-	-	-	-	640
-	-	-	-	623	-	-	623
-	-	-	-	-	-	5,020	5,500
-	-	146,005	-	284	-	-	252,158
1,690,921	-	-	-	-	-	-	1,690,921
28,998	-	-	-	4,186	-	134,765	232,774
-	-	-	-	-	240,000	-	240,000
-	-	-	-	-	29,780	-	29,780
<u>1,719,919</u>	<u>330,120</u>	<u>425,932</u>	<u>131,556</u>	<u>525,139</u>	<u>269,780</u>	<u>139,785</u>	<u>7,346,914</u>
<u>287,115</u>	<u>33,702</u>	<u>-</u>	<u>3,549</u>	<u>-</u>	<u>(119,643)</u>	<u>257,920</u>	<u>656,192</u>
<u>-</u>	<u>(33,702)</u>	<u>-</u>	<u>(3,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,800)</u>
<u>-</u>	<u>(33,702)</u>	<u>-</u>	<u>(3,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,800)</u>
<u>287,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,643)</u>	<u>257,920</u>	<u>425,392</u>
<u>438,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>987,141</u>	<u>91,099</u>	<u>1,516,724</u>
<u>\$ 725,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867,498</u>	<u>\$ 349,019</u>	<u>\$ 1,942,116</u>

(Concluded)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2017

Anita Kay Lejeune	\$ 11,400
Frank Aguillard	9,600
Bobby Jarreau	9,600
Brandon J Bergeron	9,900
Chad A Aguillard	9,600
James M Cline	9,900
Leslie Grezaffi	9,900
Thomas A Nelson	<u>9,900</u>
	<u>\$ 79,800</u>

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2017

Superintendent Name: R. Kevin Lemoine

Salary	\$ 145,750
Benefits - retirement	34,586
Benefits - medicare	<u>18,980</u>
	<u>\$ 199,316</u>

**OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND BY
THE U.S. OFFICE OF MANAGEMENT AND BUDGET (UNIFORM GUIDANCE)**

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

Internal Control over Financial Reporting

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

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

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



Postlethwaite & Netterville

Compliance and Other Matters

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

Purpose of this Report

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

Postlethwaite & Netterville

Baton Rouge, Louisiana

December 29, 2017

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

The Members of the
Pointe Coupee Parish School Board
New Roads, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Pointe Coupee Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2017. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.



Postlethwaite & Netterville

Other Matters

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

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be significant deficiencies.

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



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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

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

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Grantor Project Number	Expenditures
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster:			
Pass-through program from Louisiana Department of Agriculture and Forestry:			
Food Distribution - Commodities	10.555	N/A	\$ 140,698
Pass-through program from Louisiana Department of Education:			
School Lunch Program	10.555	05-SFS-014	1,320,708
School Breakfast Program	10.553	05-SFS-014	426,984
Summer Feeding	10.559	05-SFS-014	30,439
Child Nutrition Cluster Total			<u>1,918,829</u>
Total United States Department of Agriculture			<u>1,918,829</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Louisiana Department of Education:			
Temporary Assistance for Needy Families (TANF) Cluster:			
Jobs for America's Graduates LA - TANF	93.558	28-17-JS-39	61,251
The Cecil J. Picard LA 4 Early Childhood Program - TANF	93.558	28-17-36-39	<u>400,561</u>
Coping Skills	93.959	N/A	10,798
Child Care and Development Fund (CCDF) Cluster:			
Early Childhood Community Network Pilots - CCDF	93.575	28-17-CO-39	10,665
Direct Programs:			
Administration for Children, Youth, and Families - Head Start	93.600	06CH010145-02-00	702,902
Administration for Children, Youth, and Families - Head Start	93.600	06CH010145-03-00	<u>419,000</u>
Total United States Department of Health and Human Services			<u>1,605,177</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Passed through Louisiana Community & Technical College System:			
Adult Education	84.002A	V002A100018	24,343
Passed through Louisiana Department of Education:			
Title I Regular Project	84.010A	28-17-T1-39	1,034,700
Believe & Prepare - Cohort 3 - 1003a	84.010A	28-16-BJ-39	2,499
School Redesign Planning Grant	84.010A	U282A160013	9,200
Title I - Grants to Local Education Agencies	84.010A	28-17-RD1-39	<u>22,420</u>
Special Education Cluster:			
Special Education Regular Project	84.027A	28-17-IB-39	828,967
Believe & Prepare - Cohort 3 - IDEA	84.027A	28-16-BJ-39	2,499
Opportunity Grant - IDEA	84.027A	28-16-OG-39	47,702
Preschool Leadership - IDEA	84.027A	28-17-B1-39	506
High Cost Services - IDEA	84.027A	28-17-RH-39	2,868
Jobs for America's Graduates AIM High Middle School Pilot Project	84.027A	28-17-JP-39	48,796
Special Education Preschool Project	84.173A	28-16-P1-39	<u>47,189</u>
Vocational Education - Carl Perkins	84.048	28-17-02-39	30,505
21st Century Community Learning Center	84.287C	28-17-2C-39	425,932
LA ST Personnel Development Grant	84.323A	28-16-P4-39	17,649
LA ST Personnel Development Grant	84.323A	28-17-P4-39	<u>41,145</u>
Title II Regular Project	84.367A	28-17-50-39	350,680

(Continued)

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

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

Federal Grantor/ Pass-Through Grantor/ <u>Program Name</u>	<u>CFDA Number</u>	<u>Grantor Project Number</u>	<u>Expenditures</u>
Striving Readers Comprehensive Literacy Program - SRCL	84.371C	28-17-SO-39	363,822
Gaining Early Awareness And Readiness For Undergraduate Programs	84.334S	N/A	<u>30,418</u>
Total United States Department of Education			<u>3,331,840</u>
 <u>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</u>			
FEMA - Disaster Grants - Public Assistance	97.036	N/A	84,568
Total United States Department of Homeland Security			<u>84,568</u>
 Total Expenditures of Federal Awards			 <u>\$ 6,940,414</u> (Concluded)

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

POINTE COUPEE PARISH SCHOOL BOARD

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2017, the organization had food commodities totaling \$30,978 in inventory. The value of commodities received and used during the period ended June 30, 2017 totaled \$140,698.

NOTE C – DE MINIMUS COST RATE

During the year ended June 30, 2017, the Pointe Coupee Parish School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

NOTE D – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

During the year ended June 30, 2017, the Pointe Coupee 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

Total Federal Revenues	\$ 6,940,414
	<u> -</u>
Total Federal Expenditures - SEFA	<u>\$ 6,940,414</u>

POINTE COUPEE PARISH SCHOOL BOARD

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

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

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

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? yes 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
84.027A, 84.173A	Special Education Cluster (IDEA)
84.287C	21 st Century Community Learning Centers

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

POINTE COUPEE PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

2016-001

Equipment and Real Property Management

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-014

Criteria: Property and equipment purchased with federal awards in an amount equal to or exceeding the School Board’s capitalization policy of \$5,000 must be identified with the federal award identification number (FAIN) within the accounting records.

Condition: The School Board did not identify an equipment purchase of \$23,708 with program funding by the FAIN within its property control (accounting) records.

Cause: The School Board transitioned to new accounting software in fiscal year 2016 and the software has not been updated by the provider to track the FAIN within the new accounting software.

Effect: The School Board is not in compliance with the requirement to identify property and equipment purchased with federal awards with the FAIN in the accounting records.

Questioned Costs: None

Universe/
Population Size: The School Board purchased one capital asset with funding from the applicable federal program. This capital asset was selected for testing.

Sample Size: There was a population size of one. Therefore, there was no sample testing performed.

Recommendation: The process for recording property and equipment should be enhanced by ensuring that all assets purchased with federal awards are identified with the FAIN.

Repeat Finding: No.

View of Responsible Official:
The Chief Financial Officer and his staff will work with the software company to ensure the software is updated so the School Board can add the FAIN to future property and equipment purchases funded by federal programs.

POINTE COUPEE PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

2016-001

Equipment and Real Property Management (continued)

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-014 (continued)

Current Status:

The finding has not been resolved and is repeated in the current year's schedule of findings and questioned costs. See finding 2017-001.

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

To the Members of the Pointe Coupee Parish School Board
and the Louisiana Legislative Auditor

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Pointe Coupee Parish School Board (School Board) and the Louisiana Legislative Auditor (the specified parties) on the performance and statistical data accompanying the annual financial statements of the School Board for the fiscal year ended June 30, 2017; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose

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

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

Procedure #1:

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

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

Results of Procedure # 1:

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

Education Levels of Public School Staff (Schedule 2)

Procedure # 2

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

Results of Procedure # 2:

Schedule 2 does not reconcile to Schedule 4.

Procedure # 3

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

Results of Procedure # 3

Schedule 2 does not reconcile to Schedule 4.

Procedure # 4

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

Results of Procedure # 4:

For 4 of the 25 teachers tested, the degree listed per the personnel records did not agree to the degree listed on the schedule.

Number and Type of Public Schools (Schedule 3)

Procedure # 5

We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title One application.

Results of Procedure # 5:

We noted no discrepancies between the total number of schools as listed in the Title One Program application and the list supporting the schools represented in the schedule.

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

Procedure #6

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

Results of Procedure # 6:

For 3 of the 25 individuals tested, the individual was not listed on the schedule.

Per the provided Schedule 4, 1 teacher did not have experience listed.

Public Staff Data: Average Salaries (Schedule 5)

Procedure # 7

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

Results of Procedure # 7:

The School Board was not able to provide data for "Classroom Teachers Excluding ROTC and Rehired Retirees" in Schedule 5, due to a software conversion.

Procedure # 8

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

Results of Procedure # 8:

The School Board was not able to provide data for "Classroom Teachers Excluding ROTC and Rehired Retirees" in Schedule 5, due to a software conversion.

Class Size Characteristics (Schedule 6)

Procedure # 9

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

Results of Procedure # 9

No differences were noted.



Louisiana Educational Assessment Program (LEAP) – ELA & Math (Schedule 7)

Procedure # 10

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

Results of Procedure # 10:

No differences were noted.

The Graduation Exit Exam (GEE) (Schedule 8)

Procedure # 11

Information is not applicable for 2017. Graduation Exit Exam is no longer administered.

The iLEAP Tests - Science and Social Studies (Schedule 9)

Procedure # 12

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

Results of Procedure # 12

No differences were noted.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statute 24:514 I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

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

As of and for the Year Ended June 30, 2017

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

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

Schedule 2 - Education Levels of Public School Staff

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

Schedule 3 - Number and Type of Public Schools

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

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

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

Schedule 5 - Public School Staff Data: Average Salaries

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

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP) – ELA & Math

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

Schedule 8 - The Graduation Exit Exam (GEE)

The GEE has been discontinued and therefore no new additional scores will be available.

Schedule 9 - The iLEAP Tests – Science & Social Studies

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

POINTE COUPEE PARISH SCHOOL BOARD

PERFORMANCE AND STATISTICAL DATA

POINTE COUPEE PARISH SCHOOL BOARD

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2017**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	7,250,215	
Other Instructional Staff Activities	869,562	
Employee Benefits	6,255,077	
Purchased Professional and Technical Services	147,106	
Instructional Materials and Supplies	486,722	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		15,008,682

Other Instructional Activities 152,136

Pupil Support Activities	1,133,989	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,133,989

Instructional Staff Services	498,511	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		498,511

School Administration	1,911,895	
Less: Equipment for School Administration	-	
Net School Administration		1,911,895

Total General Fund Instructional Expenditures 18,705,213

Total General Fund Equipment Expenditures -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	2,211,552	
Renewable Ad Valorem Tax	5,826,168	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	260,207	
Sales and Use Taxes	6,736,673	
Total Local Taxation Revenue		<u>15,034,600</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	18,262	
Earnings from Other Real Property	106	
Total Local Earnings on Investment in Real Property		<u>18,368</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	38,455	
Revenue Sharing - Other Taxes	101,303	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>139,758</u>

Nonpublic Textbook Revenue -

Nonpublic Transportation Revenue -

Total State Revenue for Non-public Education -

POINTE COUPEE PARISH SCHOOL BOARD
Education Levels of Public School Staff
As of October 1, 2016

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	1.00%	0	0.00%	0	0.00%	0	0.00%
Bachelor's Degree	86	82.00%	11	85.00%	0	0.00%	0	0.00%
Master's Degree	15	14.00%	2	15.00%	8	61.00%	0	0.00%
Master's Degree + 30	1	1.00%	0	0.00%	4	31.00%	0	0.00%
Specialist in Education	2	2.00%	0	0.00%	0	0.00%	0	0.00%
Ph. D. or Ed. D.	0	0.00%	0	0.00%	1	8.00%	0	0.00%
Total	105	100.00%	13	100.00%	13	100.00%	0	0.00%

Note 1: 23 Teachers did not have either a certificate or degree listed.

Note 2: 1 Principal did not have a certificate or degree listed.

POINTE COUPEE PARISH SCHOOL BOARD
Number and Type of Public Schools
For the Year Ended June 30, 2017

Type	Number
Elementary	4
Middle/Jr. High	0
Secondary	1
Combination	0
Total	5

POINTE COUPEE PARISH SCHOOL BOARD

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	1	0	1	1	2	2	1	8
Principals	0	0	0	1	0	2	3	6
Classroom Teachers	30	6	25	11	18	15	35	140
Total	31	6	26	13	20	19	39	154

Note: 1 Teacher did not have experience listed.

POINTE COUPEE PARISH SCHOOL BOARD
Public School Data: Average Salaries
For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	43,034.34	Data not provided
Average Classroom Teachers' Salary Excluding Extra Compensation	42,505.93	Data not provided
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	148	Data not provided

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

POINTE COUPEE PARISH SCHOOL BOARD

Class Size Characteristics
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	41%	13	59%	19	0%	-	0%	-
Elementary Activity Classes	50%	114	46%	105	1%	3	3%	8
Middle/Jr. High	66%	29	25%	11	7%	3	2%	1
Middle/Jr. High Activity Classes	52%	134	34%	87	12%	30	2%	6
High	100%	5	0%	-	0%	-	0%	-
High Activity Classes	60%	240	31%	124	8%	34	1%	2
Combination	100%	1	0%	-	0%	-	0%	-
Combination Activity Classes	23%	25	55%	59	22%	23	0%	-

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

POINTE COUPEE PARISH SCHOOL BOARD

Louisiana Educational Assessment Program (LEAP) - ELA & Math
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	2%	0%	0%	5%	4%	3%
Mastery	36%	24%	24%	33%	31%	19%
Basic	27%	28%	27%	24%	29%	28%
Approaching Basic	24%	24%	29%	25%	18%	32%
Unsatisfactory	11%	24%	20%	13%	18%	18%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	1%	0%	1%	3%	3%	0%
Mastery	34%	22%	27%	42%	26%	18%
Basic	36%	29%	41%	29%	32%	32%
Approaching Basic	20%	37%	21%	19%	26%	35%
Unsatisfactory	9%	12%	10%	7%	13%	15%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	1%	1%	1%	1%	0%	1%
Mastery	29%	28%	20%	20%	10%	9%
Basic	29%	30%	33%	28%	29%	28%
Approaching Basic	29%	28%	32%	33%	40%	50%
Unsatisfactory	12%	13%	14%	18%	21%	12%
Total	100%	100%	100%	100%	100%	100%

POINTE COUPEE PARISH SCHOOL BOARD

Louisiana Educational Assessment Program (LEAP) - ELA & Math
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	5%	1%	1%	1%	2%	1%
Mastery	23%	28%	26%	18%	14%	12%
Basic	35%	34%	35%	29%	30%	26%
Approaching Basic	27%	27%	30%	39%	40%	47%
Unsatisfactory	10%	10%	8%	13%	14%	14%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7						
Advanced	7%	4%	1%	1%	0%	0%
Mastery	25%	30%	19%	17%	13%	11%
Basic	25%	30%	39%	31%	26%	27%
Approaching Basic	23%	23%	23%	38%	42%	39%
Unsatisfactory	20%	13%	18%	13%	19%	23%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	4%	3%	1%	1%	2%	2%
Mastery	31%	42%	30%	10%	22%	22%
Basic	29%	30%	34%	21%	21%	26%
Approaching Basic	22%	17%	21%	38%	31%	26%
Unsatisfactory	14%	8%	14%	30%	24%	24%
Total	100%	100%	100%	100%	100%	100%

POINTE COUPEE PARISH SCHOOL BOARD
The Graduation Exit Exam (GEE)
For the Year Ended June 30, 2017

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

POINTE COUPEE PARISH SCHOOL BOARD

The iLEAP Tests - Science & Social Studies
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2%	3%	2%	3%	N/A	0%
Mastery	14%	10%	14%	15%	N/A	12%
Basic	47%	43%	41%	29%	N/A	44%
Approaching Basic	26%	28%	24%	34%	N/A	22%
Unsatisfactory	11%	16%	19%	19%	N/A	22%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2%	0%	1%	2%	N/A	1%
Mastery	13%	9%	12%	19%	N/A	7%
Basic	53%	46%	50%	23%	N/A	44%
Approaching Basic	23%	28%	26%	34%	N/A	28%
Unsatisfactory	9%	17%	11%	22%	N/A	20%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	0%	3%	1%	N/A	2%
Mastery	9%	9%	6%	14%	N/A	3%
Basic	40%	44%	40%	21%	N/A	37%
Approaching Basic	28%	25%	33%	25%	N/A	33%
Unsatisfactory	20%	22%	18%	39%	N/A	25%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	2%	1%	4%	N/A	0%
Mastery	8%	9%	6%	8%	N/A	5%
Basic	40%	38%	40%	23%	N/A	36%
Approaching Basic	33%	30%	37%	36%	N/A	37%
Unsatisfactory	16%	21%	16%	29%	N/A	22%
Total	100%	100%	100%	100%	N/A	100%

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

POINTE COUPEE PARISH SCHOOL BOARD

The iLEAP Tests - Science & Social Studies
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	1%	4%	3%	N/A	0%
Mastery	13%	12%	16%	12%	N/A	3%
Basic	35%	32%	34%	27%	N/A	45%
Approaching Basic	33%	36%	28%	24%	N/A	34%
Unsatisfactory	16%	19%	18%	34%	N/A	18%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	2%	1%	4%	N/A	0%
Mastery	7%	8%	12%	19%	N/A	9%
Basic	35%	37%	38%	21%	N/A	44%
Approaching Basic	35%	35%	29%	25%	N/A	30%
Unsatisfactory	22%	18%	20%	31%	N/A	17%
Total	100%	100%	100%	100%	N/A	100%

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



Pointe Coupee Parish School Board

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(225) 638-8674 • Fax (225) 638-3237



CORRECTIVE ACTION PLAN

December 29, 2017

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

Name and address of independent public accounting firm:

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

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

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

FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2017-001

Equipment and Real Property Management

Condition:

The School Board did not identify an equipment purchase of \$64,825 (Special Education Cluster) and two equipment purchases totaling \$27,057 (Child Nutrition Cluster) with program funding by the FAIN within its property control (accounting) records.

Recommendation:

The process for recording property and equipment should be enhanced by ensuring that all assets purchased with federal awards are identified with the FAIN.

Planned Corrective Action:

The School Board will review the recommended best practices Capital Assets Policy & Procedures, from the Legislative Auditors Web Site and make recommended revisions to incorporate needed changes to ensure that all fixed asset purchases are captured on the depreciation schedule. During the last quarter of 2017, all assets were converted to the new business system. The review process did not pick-up on the items noted and were inadvertently left off the report. During the year, the CFO will randomly check that certain items are included on the depreciation list.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

2017-002

Internal Controls over Reporting, Maintenance of Effort, and Special Tests and Provisions

Condition:

The School Board does not have written evidence to support the review of prepared and submitted Community Eligibility Provision (CEP) report, Income and Expense Report for the Child Nutrition Cluster, 21st Century periodic expense reports, Maintenance of Effort Verification reports for the Special Education program and Every Student Succeeds Act (ESSA) programs, and targeting reports for the ESSA programs.

The School Board's school wide programs monitoring should be enhanced to ensure that special provisions related to federal programs are complied with.

Recommendation:

The School Board should implement policies and procedures that establish for the review and approval of verification reports and other required reports for federal programs evidenced by initial or signature prior to submission.

The School Board's school wide programs policies and procedures should be enhanced to ensure that the special provisions of federal programs are complied with.

Planned Corrective Action:

During 2017 a new Business System was installed, and the business office did not implement the federal program reports needed to perform an end of month/quarter review until the last quarter. The School Board will implement policies and procedures where persons that review/confirm the accuracy and completeness of the federal program reports both sign and date all supporting documents.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle, CPA
Chief Fiscal Officer

' EQUAL OPPORTUNITY EMPLOYER'

POINTE COUPEE PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2017



Postlethwaite & Netterville

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POINTE COUPEE PARISH SCHOOL BOARD
STATEWIDE AGREED UPON PROCEDURES
ON CONTROL AND COMPLIANCE AREAS

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Independent Accountant's Report
On Applying Agreed-Upon Procedures
For the Year Ended 2017

To the Pointe Coupee Parish School Board and the Louisiana Legislative Auditor

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

Written Policies and Procedures

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

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

No exceptions noted.

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

The School Board policies do not specify (5) documentation required to be maintained for all bids and price quotes.

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

No exceptions noted.



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

The policy does not specifically address the recording of receipts.

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

No exception noted.

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

The School Board policies do not specify criteria (2) standard terms and conditions, (3) legal review, and (5) the monitoring process.

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

The School Board does not have a written policy for its credit cards and fuel cards that specify criteria (1) how cards are to be controlled, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

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

The School Board does not have a written policy for its travel and expense reimbursement that specify criteria (2) dollar thresholds by category of expense, (3) documentation requirements – specifically information on per diem and mileage rates, and (4) required approvers.

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

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

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

The policy does not specifically address (2) EMMA reporting requirements and (4) debt reserve requirements.

Board (or Finance Committee, if applicable)

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

No exception noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No exception noted.

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

No exceptions noted.

Bank Reconciliations

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

No exceptions noted.

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

- a) Bank reconciliations have been prepared;

Of the 60 bank reconciliation obtained, two bank reconciliations were not prepared.

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

Of the 60 bank reconciliations obtained, 12 did not have a reviewers initials or any other documentation evidencing the review.

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

Of the 60 bank reconciliations obtained, 9 had outstanding items greater than 6 months and contained no evidence of management's research for proper disposition.

Collections

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

A listing of cash collection locations was provided and included a total of 14 cash collection locations. No exceptions were noted as a result of performing this procedure.

6. Using the listing provided by management, select all of the PCPSB's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

P&N selected 5 locations and performed the procedures noted below.

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

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

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

For the five locations selected the same person is responsible for cash collections and making the deposits, and for reconciling cash collections.

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

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

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

No exceptions noted.

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

No exceptions noted.

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

According to written documentation (policies and procedures), the PCPSB does not have a process to determine completeness of all collections by a person who is not responsible for collections.

Disbursements – Other General

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

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

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

P&N randomly selected 25 disbursements and performed the procedures below.

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

Of the 25 disbursements selected, there was no requisition or purchase order issued for 3 disbursements. However, it was noted that the invoices were approved by a person who did not initiate the transactions.

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

Of the 25 disbursements selected, there was no requisition or purchase order issued for 3 disbursements. However, it was noted that the invoices were approved by a person who did not initiate the transactions.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order (P.O.), or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Of the 25 disbursements selected, there was no requisition or purchase order issued for 3 disbursements. However, it was noted that the invoices were approved by a person who did not initiate the transactions. 1 of the 25 disbursements tested did not have evidence of a receiving report to show receipt of goods purchased.

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

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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

A listing of cards was provided and included a total of 84 cards: sixteen credit card, and sixty eight fuel cards.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the PCPSB has less than ten cards) that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

P&N selected 10 cards and performed the procedures noted below.

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

1 of 10 cards selected did not have evidence of review and approval in writing.

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

No exceptions noted.

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

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

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took place during those months and were tested. 5 of those transactions related to gas purchases, did not have original itemized receipts.

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took place during those months and were tested. 53 of those transactions related to credit card purchases did not have documentation of a business/public purpose.

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took place during those months and were tested. No exceptions were noted.

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

No exceptions noted.

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took place during those months and were tested. 53 of those transactions related to credit card purchases did not have documentation related to the expense to allow knowledge on the nature of the purchase and its business/public purposes for comparison to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

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

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

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

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

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

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner or the Louisiana Legislative Auditor). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the PCPSB complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Of the 5 contracts selected for testing, 2 were subject to bid law. No exceptions noted.

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

Of the 5 contracts selected for testing, 3 were not subject to bid law. Solicited quotes were not obtained, as these contracts all related to service agreements.

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

No exceptions noted.

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

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

No exceptions noted.

Payroll and Personnel

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

A sample of five employees was selected and subjected the procedures below.

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

No exceptions noted.



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

No exceptions noted.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions noted.

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

PCPSB does not currently have a formal process to approve in writing attendance and leave.

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

No exceptions noted.

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

1 of 2 termination payments tested did not contain written evidence of approval.

Supporting documentation for the calculation of the termination payment of could not be located for 1 of 2 termination payments tested. Recalculation performed could not confirm the original amount of \$10,019 paid exactly.

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

For 1 of 24 pay periods selected, the posting to the retirement system was 7 days after the due date.

Ethics

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

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

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

No exceptions noted.

Debt Service

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

No debt issued during the fiscal period.

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

No exceptions noted.

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

No exceptions noted.

Other

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

The School Board experienced 3 instances of theft during the fiscal year. These were food/kitchen related items with a total value assigned of \$308. The thefts were reported to law enforcement but not to the District Attorney or Legislative Auditor.

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

No exceptions noted.



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

No exceptions noted.

Corrective Action

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

See attached Corrective Action Plan.

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

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017



Pointe Coupee Parish School Board

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CORRECTIVE ACTION PLAN STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES December 29, 2017

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

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

Period: July 1, 2016 to June 30, 2017

Written Policies and Procedures

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

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

No exceptions noted.

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

The School Board policies do not specify (5) documentation required to be maintained for all bids and price quotes.

Planned Corrective Action: **The School Board will implement policies that will insure that;**

- An open and competitive atmosphere is to be provided when contracting for services.
- Contracts with related parties (family and business interests) are strictly prohibited.
- Payments are made in accordance with the terms and conditions of the contract.
- Any additions or modifications of existing contracts are presented to the board for approval.
- Contracts and related documentation are maintained in an organized manner and in a central location.

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

No exceptions noted.

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

The policy does not specifically address the recording of receipts.

Planned Corrective Action: A Cash Receipts Policy will be developed that will include controls for segregation of duties.

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

No exception noted.

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

The School Board policies do not specify criteria (2) standard terms and conditions, (3) legal review, and (5) the monitoring process.

Planned Corrective Action: The School Boards Policies will be modified to incorporate standard terms and conditions, legal review and the monitoring process.

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

The School Board does not have a written policy for its credit cards and fuel cards that specify criteria (1) how cards are to be controlled, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Planned Corrective Action: The School Boards Policies will be modified to include a separate policy for Credit Cards. This policy will incorporate the best practices that are recommended from the Louisiana Legislative Auditors Web site.

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

The School Board does not have a written policy for its travel and expense reimbursement that specify criteria (2) dollar thresholds by category of expense, (3) documentation requirements – specifically information on per diem and mileage rates, and (4) required approvers.

Planned Corrective Action: The School Boards Policies will be modified to include a separate policy for Travel and Expense Reimbursement. This policy will incorporate the best practices that are recommended from the Louisiana Legislative Auditors Web site.

- 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 PCPSB's ethics policy.

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

Planned Corrective Action: The School Boards Policies will be modified to include criteria (3) a system to monitor possible ethic violations and (4) requirement that all employees, including elected officials, annually attest through signature verifications that they have read the School Board's ethics policy.

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

The policy does not specifically address criteria (2) EMMA reporting requirements and (4) debt reserve requirements.

Planned Corrective Action: The School Boards Policies will be modified to include criteria (2) EMMA reporting requirements and (2) debt reserve requirements.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

No exception noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No exception noted.

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

No exceptions noted.

Bank Reconciliations

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

No exceptions noted.

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

- a) Bank reconciliations have been prepared;

Of the 60 bank reconciliation obtained, two bank reconciliations were not prepared.

Planned Corrective Action: The School Board plans to incorporate the process noted from the list of recommended Best Practices Policies from the Louisiana Legislative Auditors Web Site. The School Board Plans to make recommendations to the Board that will strengthen the Bank Reconciliation Policy. The new business software did not include a process for the reconciliation of the Payroll Account. The business office had to develop new processes outside of the software in order to preform reconciliations of the payroll account. The new process developed is both time consuming and tedious. The software company has recognized that this is a week-ness in best practices and is incorporating a change to include a bank reconciliation process to the business software for payroll. The Central Office will review the bank reconciliation process with all schools to confirm that procedures are followed.

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

Of the 60 bank reconciliations obtained, 12 did not have a reviewers initials or any other documentation evidencing the review.

Planned Corrective Action: The School Board plans to incorporate the process noted from the list of recommended Best Practices Policies from the Louisiana Legislative Auditors Web Site. The School Board Plans to make recommendations to the Board that will strengthen the Bank Reconciliation Policy. The new business software did not include a process for the reconciliation of the Payroll Account. The business office had to develop new processes outside of the software in order to preform reconciliations of the payroll account. The new process developed is both time consuming and tedious. The software company has recognized that this is a week-ness in best practices and is incorporating a change to include a bank reconciliation process to the business software for payroll. The Central Office will review the bank reconciliation process with all schools to confirm that procedures are followed.

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

Of the 60 bank reconciliations obtained, 9 had outstanding items greater than 6 months and contained no evidence of management's research for proper disposition.

Planned Corrective Action: The School Board plans to incorporate the process noted from the list of recommended Best Practices Policies from the Louisiana Legislative Auditors Web Site. The School Board Plans to make recommendations to the Board that

will strengthen the Bank Reconciliation Policy. The new business software did not include a process for the reconciliation of the Payroll Account. The business office had to develop new processes outside of the software in order to perform reconciliations of the payroll account. The new process developed is both time consuming and tedious. The software company has recognized that this is a weakness in best practices and is incorporating a change to include a bank reconciliation process to the business software for payroll. The Central Office will review the bank reconciliation process with all schools to confirm that procedures are followed.

Collections

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

A listing of cash collection locations was provided and included a total of 14 cash collection locations. No exceptions were noted as a result of performing this procedure.

6. Using the listing provided by management, select all of the PCPSB's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

P&N selected 5 locations and performed the procedures noted below.

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

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

Planned Corrective Action: The School Board plans to incorporate processes to segregate duties over cash collections handled by the schools. The School Board Plans to revise the Accounting Procedures manual to include a process to determine completeness of all collections by a person who is responsible for collections.

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

For the five locations selected the same person is responsible for cash collections and making the deposits, and for reconciling cash collections.

Planned Corrective Action: The School Board plans to incorporate processes to segregate duties over cash collections handled by the schools. The School Board Plans to revise the Accounting Procedures manual to include a process to determine completeness of all collections by a person who is responsible for collections.

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

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

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

No exceptions noted.

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

No exceptions noted.

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

According to written documentation (policies and procedures), the PCPSB does not have a process to determine completeness of all collections by a person who is not responsible for collections.

Planned Corrective Action: The School Board plans to incorporate processes to segregate duties over cash collections handled by the schools. The School Board Plans to revise the Accounting Procedures manual to include a process to determine completeness of all collections by a person who is responsible for collections.

Disbursements – Other General

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

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

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

P&N randomly selected 25 disbursements and performed the procedures below.

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

Of the 25 disbursements selected, there was no requisition or purchase order issued for 3 disbursements. However, it was noted that the invoices were approved by a person who did not initiate the transactions.

Planned Corrective Action: The School Board obtains requisitions/purchase orders prior to purchasing, except in cases of emergencies. The School Board Plans to revise the Purchasing/Disbursement Policy to incorporate best practices as outlined on the Legislative Auditors Web Page. Personnel will be informed of the changes made and adherence will be monitored.

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

Of the 25 disbursements selected, there was no requisition or purchase order issued for 3 disbursements. However, it was noted that the invoices were approved by a person who did not initiate the transactions.

Planned Corrective Action: The School Board obtains requisitions/purchase orders prior to purchasing, except in cases of emergencies. The School Board Plans to revise the Purchasing/Disbursement Policy to incorporate best practices as outlined on the Legislative Auditors Web Page. Personnel will be informed of the changes made and adherence will be monitored.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order (P.O.), or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Of the 25 disbursements selected, there was no requisition or purchase order issued for 3 disbursements. However, it was noted that the invoices were approved by a person who did not initiate the transactions. 1 of the 25 disbursements tested did not have evidence of a receiving report to show receipt of goods purchased.

Planned Corrective Action: The School Board obtains requisitions/purchase orders prior to purchasing, except in cases of emergencies. The School Board obtains evidence of a receiving report whenever possible, when not possible, we obtain a written statement that goods have been received. Schools will be included to follow the

same procedures followed by the Central Office. The School Board Plans to revise the Purchasing/Disbursement Policy to incorporate best practices as outlined on the Legislative Auditors Web Page. Personnel will be informed of the changes made and adherence will be monitored.

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

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

Planned Corrective Action: *This access has been removed.*

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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

A listing of cards was provided and included a total of 84 cards: sixteen credit card, and sixty eight fuel cards.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the PCPSB has less than ten cards) that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

P&N selected 10 cards and performed the procedures noted below.

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

1 of 10 cards selected did not have evidence of review and approval in writing.

Planned Corrective Action: The School Board will perform training with staff relating to the modified policy of credit card procedures and the training will include the confirmation that evidence of review and approval is obtained in writing for all credit card accounts.

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

No exceptions noted.

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

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

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took place during those months and were tested. 5 of those transactions related to gas purchases, did not have original itemized receipts.

Planned Corrective Action: Gas purchases by credit card are charged on a Fuel Man account. The original receipts are maintained by First Student. A meeting was held with the manager of First Student and he has confirmed that he would confirm mileage logs to the missing receipts. The School Board will obtain a written process from First Student outlining the process followed when a receipt is not submitted.

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took place during those months and were tested. 53 of those transactions related to credit card purchases did not have documentation of a business/public purpose.

Planned Corrective Action: The School Board will perform training with staff relating to the modified policy relating to credit card procedures and the training will include that documentation is needed for the individuals participating for meal charges.

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took

place during those months and were tested. No exceptions were noted.

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

No exceptions noted.

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

For the 10 cards tested for the largest month of activity, there were 103 transactions which took place during those months and were tested. 53 of those transactions related to credit card purchases did not have documentation related to the expense to allow knowledge on the nature of the purchase and its business/public purposes for comparison to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Planned Corrective Action: The School Board will perform training with staff relating to the modified policy relating to credit card procedures and the training will include the process that the purpose and nature is included on all documentation related to the transaction. However, management needs to review the 53 transactions in question to confirm if the transactions in nature precludes or obscures a comparison to the requirements of Article 7, Section 14. We believe that staff may not have been familiar with our documentation and failed to see where the purpose of the expense was clearly noted.

Travel and Expense Reimbursement

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

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

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

No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense

documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

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

No exceptions noted.

- b) Report whether each expense is supported by:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

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

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

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

No exceptions noted.

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

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

Of the 5 contracts selected for testing, 2 were subject to bid law. No exceptions noted.

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

Of the 5 contracts selected for testing, 3 were not subject to bid law. Solicited quotes were not obtained, as these contracts all related to service agreements.

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

No exceptions noted.

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

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

No exceptions noted.

Payroll and Personnel

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

A sample of five employees was selected and subjected the procedures below.

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

No exceptions noted.

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

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions noted.

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

PCPSB does not currently have a formal process to approve in writing attendance and leave.

Planned Corrective Action: The School Board is in the process of implementing a new time and attendance process to its business system. The enhanced system will include processes where leave will be tracked and approved by the employee/supervisor, prior to the date of leave.

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

No exceptions noted.

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

1 of 2 termination payments tested did not contain written evidence of approval.

Supporting documentation for the calculation of the termination payment of could not be located for 1 of 2 termination payments tested. Recalculation performed could not confirm the original amount of \$10,019 paid exactly.

Planned Corrective Action: The business office will add procedures to the Payroll Record Keeping policy for the calculation of termination payments to ensure that the final amount paid to employees is accurate and that the amount owed is reviewed and approved prior to payment.

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

For 1 of 24 pay periods selected, the posting to the retirement system was 7 days after the due date.

Planned Corrective Action: During 2017, the person responsible for this task abruptly went on

medical leave at the end of the month and one payment was delayed 7 days after the due date. In the last quarter of 2017, the business department began dual training for the department's desk duties. Training of multiple staff to perform the business office desk duties should eliminate the delay of payment in the future.

Ethics

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

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

Planned Corrective Action: The School Board will incorporate policies and procedures to ensure that training is tracked and employees are held accountable to attend training on an annual basis.

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

No exceptions noted.

Debt Service

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

No debt issued during the fiscal period.

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

No exceptions noted.

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

No exceptions noted.

Other

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

The School Board experienced 3 instances of theft during the fiscal year. These were food/kitchen related items with a total value assigned of \$308. The thefts were reported to law enforcement but not to the District Attorney or Legislative Auditor.

Planned Corrective Action: The School Board will modify policies and procedures to ensure that the school board is in compliance with the required reporting of theft activity to LLA and the local DA's office. The school board will confirm the reporting requirements with those offices and will revise accordingly.

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

No exceptions noted.

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

No exceptions noted.

If there are any questions regarding this plan, please call Gayle Daigle (225)686-6874.

Signature 

Title Gayle Daigle, Chief Fiscal Officer

EQUAL OPPORTUNITY EMPLOYER"

POINTE COUPEE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2017



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POINTE COUPEE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2017

December 29, 2017

Members of the Board and Management
Pointe Coupee Parish School Board
New Roads, Louisiana

In planning and performing our audit of the financial statements of the Pointe Coupee Parish School Board (the School Board) for the year ended June 30, 2017, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

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

2017-1

Performance and Statistical Schedules

Condition:

The data provided for Schedules 2 and 4 did not contain the accurate certificate and degree and experience for a significant number of Public School Staff. Schedule 5 did not contain the data for "Classroom Teachers Excluding ROTC and Rehired Retirees". This was due to the School Board underwent a software conversion and did not ensure the information for these Schedules was updated.

Recommendation:

We recommend that the School Board consult with its software company to ensure that the data needed to accurately prepare this schedules is updated on a timely basis.

*Management's
Response:*

The School Board will continue to work with the software company to assure that the schedules are modified to include the information outlined in the directions. In addition, the human resource department will review the data needed and determine if the business system can incorporate changes that will provide an accurate Schedule 2, 4, and 5.

2017-2

Misappropriation of Assets

Condition:

The School Board experienced three instances of theft during the fiscal year. These thefts were related to food/kitchen items with a total assigned value of \$308. The thefts were reported to law enforcement but not to the District Attorney or Louisiana Legislative Auditor.

Recommendation:

The School Board should implement policies and procedures to ensure that the notification of misappropriated assets is communicated to the District Attorney and Louisiana Legislative auditor as required by the prescribed statute.

Management's

Response: The School Board will modify policies to include processes to follow up for misappropriated assets.

2017-3

Payment of Stipends

Condition: According to Louisiana Legislative Auditor's report, the School Board may have violated Louisiana law with a one-time payment of stipends in January of 2017.

Recommendation: We recommend that the School Board consult with its legal counsel regarding this matter.

Management's

Response: The School Board will consult with its legal counsel as recommended above.

2017-4

Fixed Assets Recordkeeping

Condition: During testing it was noted that no all fixed assets acquired during the fiscal year were properly added to the depreciation schedule.

Recommendation: Policies and procedures over fixed asset purchases should be reviewed to ensure that all fixed asset purchases are captured for depreciation.

Management's

Response: The School Board will review the recommended best practices Capital Assets Policy & Procedures, from the Legislative Auditors Web Site and make recommended revisions to incorporate needed changes to ensure that all fixed asset purchases are captured on the depreciation schedule. During the last quarter of 2017, all assets were converted to the new business system. The review process did not pick-up on two items that were inadvertently left off the report. During the year, the CFO will randomly check that certain items are included on the depreciation list.

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

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

Postlethwaite & Netterville

STATUS OF PRIOR YEAR REPORT TO MANAGEMENT

A. Capital Assets

Condition: Approximately \$17,900 in fixed assets was purchased in the prior year and was subsequently added to the 2015-2016 depreciation schedule.

Recommendation: We recommend that the School Board establish policy and procedures that would require the depreciation schedule to be reviewed by the Chief Fiscal Officer monthly to ensure that all fixed assets that should be capitalized are included in the schedule during the correct reporting period.

Management's
Response:

The CFO will work with the purchasing department to ensure that the depreciation schedule is updated monthly. Also as a part of his monthly financial close process he will review the depreciation schedule to ensure the fixed asset schedule is accurate and assets are in the proper reporting period.

Current status: *The School Board has not implemented the above response from management. Thus, the matter is included as comment 20017-4 for the current period.*