

Richland Parish School Board

Rayville, Louisiana



Annual Financial Report
As of and for the year ended June 30, 2018

**Richland Parish School Board
Rayville, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2018**

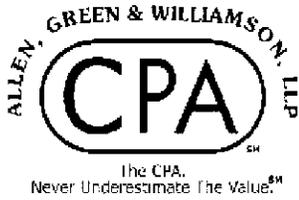
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Independent Auditor's Report

Board Members
Richland Parish School Board
Rayville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Richland Parish School Board, as of June 30, 2018, 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, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, the Budgetary Comparison Schedule, and notes to required supplementary information, as listed in the table of contents, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Richland Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019 on our consideration of the Richland Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's 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.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

This section of the Richland Parish School Board's annual financial report provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

In fiscal year 2018, the School Board adopted the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The adoption of Statement No. 75 has no impact on the School Board's governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board's 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$34,233,353 reflecting the cumulative retrospective effect of adoption.

- *Statement No. 85 – Omnibus 2017*, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).
- *Statement No. 86 – Certain Debt Extinguishment Issues*, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

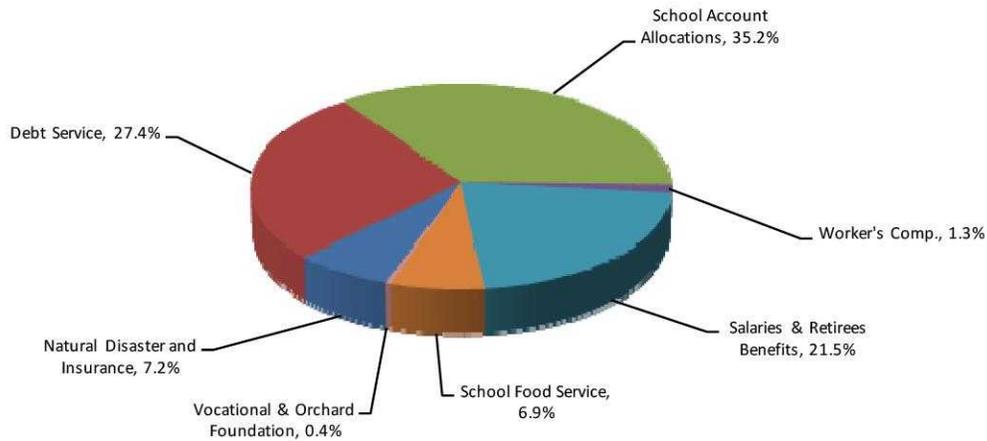
The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily Minimum Foundation Program (MFP) funding and cost reimbursement grants and federal revenues which are primarily cost reimbursement grants.

Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

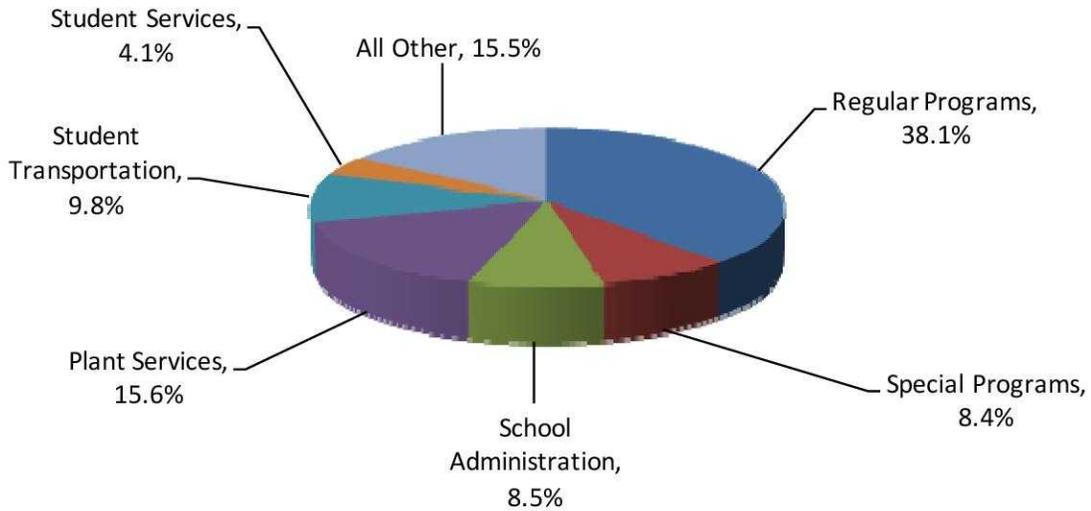
Governmental Activities
Restricted Net Position
June 30, 2018



The liabilities and deferred inflows of resources for the Richland Parish School Board exceeded its assets and deferred outflows of resources at the close of the 2018 fiscal year by \$57.49 million (net position). Of this amount, the unrestricted net position had a deficit of \$77.56 million. Of the remaining net position \$12.56 million is net investment in capital assets, \$.10 million is for payment of worker's compensation, \$.52 million represents the fund balance maintained by School Food Service, \$2.65 million is restricted for school account allocations, \$1.62 million is for payment of salaries and retiree benefits, \$2.05 million is restricted for payment of long term debt, \$.54 million is restricted for natural disaster and insurance, and \$.03 million is restricted for a vocational grant and Orchard Foundation.

**Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018**

**Governmental Activities
Net Cost of Services
For the Year Ended June 30, 2018**



Total gross spending for all programs was \$32.17 million, whereas the net cost for all programs was \$26.00 million. The majority of the School Board's local taxes and Minimum Funding Program funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: regular programs \$9.90 million, special programs \$2.18 million, student services \$1.07 million, school administration \$2.21 million, plant services \$4.06 million, student transportation \$2.54 million. The net cost of the remaining programs was \$4.04 million overall.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Richland Parish School Board as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. Notes to the Financial Statements provide additional information that is essential for the fair presentation of the School Board's financial position and its operations. The notes are an integral part of the financial statements and should be considered part of the statements.

Annual Financial Report

Required Supplementary Information
Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Schedule of Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Information for Major Funds

Supplementary Information
Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members
Schedule of Compensation, Benefits and Other Payments to Agency Head

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities The analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities, and deferred outflows/inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

These two statements report the School Board's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

All activities reported in the Statement of Net Position and Statement of Activities are considered to be governmental activities. Governmental activities are all of the School Board's services, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements The School Board's fund financial statements provide detailed information about the most significant funds, not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. The fund financial statements do not include the capitalization of capital assets or related depreciation nor do they include long term liabilities as the government-wide financial statements do. We describe the relationship between the government-wide financial statements and the fund financial statements in the reconciliations on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities The School Board is the trustee, or fiduciary, for its student activities funds which are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. These funds are under the control and administration of the individual schools. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are only those funds generated at the school and do not include funds available to the schools from other sources such as local tax revenues or Title I, which are accounted for at the School Board level.

Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

THE SCHOOL BOARD AS A WHOLE

The School Board's net position was \$(57.49) million at June 30, 2018. Of this amount, unrestricted was a deficit of \$77.56 million. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position (in millions)
June 30,

	Governmental Activities		
	2018	2017	Variance
Other assets	\$ 18.84	\$ 24.96	\$ (6.12)
Capital assets	31.99	25.27	6.72
Total assets	50.83	50.23	0.60
Deferred outflows of resources	4.90	8.12	(3.22)
Other liabilities	5.16	3.71	1.45
Long-term liabilities	100.75	78.30	22.45
Total liabilities	105.91	82.01	23.90
Deferred inflows of resources	7.31	3.37	3.94
Net position			
Net investment in capital assets	12.56	12.62	(0.06)
Restricted	7.51	7.21	0.30
Unrestricted	(77.56)	(46.86)	(30.70)
Total net position	\$ (57.49)	\$ (27.03)	\$ (30.46)

The negative \$77.56 million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to liquidate its assets and pay off all of its bills today including all of its non-capital liabilities (for example the OPEB and pension liabilities), there would be a deficit of \$57.49 million.

The net position increased by \$3.77 million during the fiscal year ended June 30, 2018. This increase was primarily due to an adjustment made to the OPEB liability.

Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Table 2
Changes in Net Position (in millions)
For the Years Ended June 30,

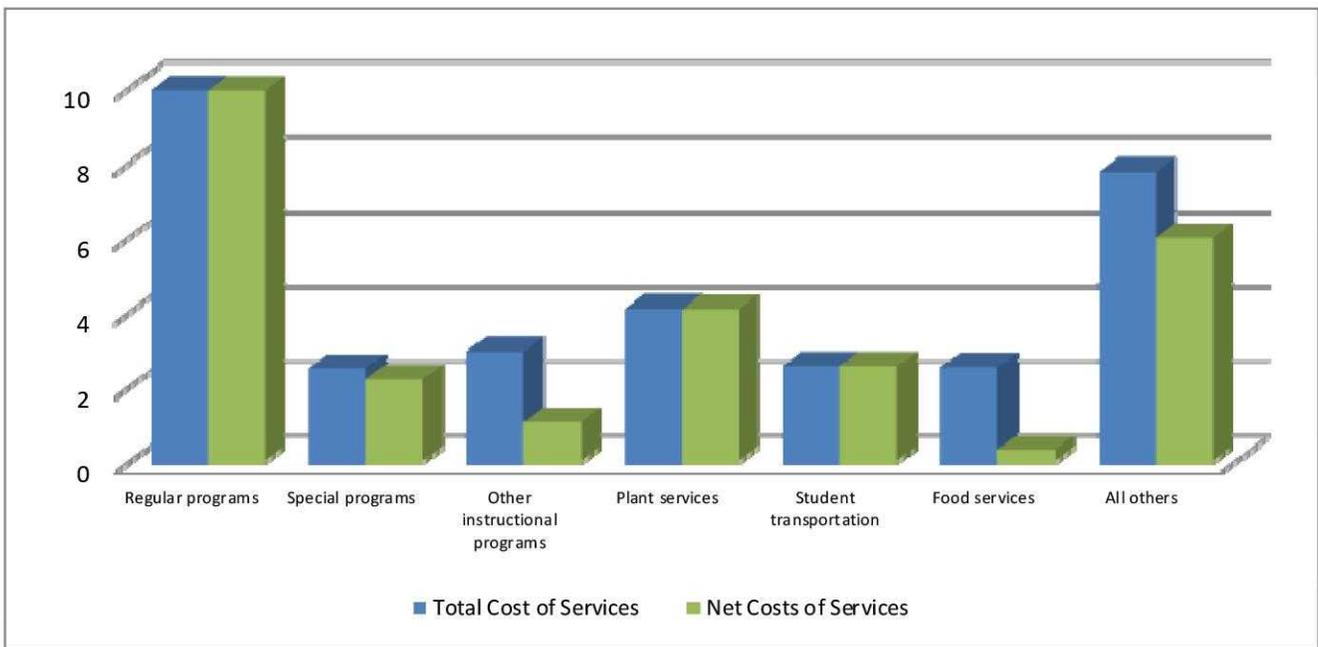
	Governmental Activities		
	2018	2017	Variance
Revenues:			
Program revenues			
Charges for services	\$ 0.05	\$ 0.06	\$ (0.01)
Operating grants and contributions	6.12	6.29	(0.17)
General Revenues			
Ad valorem taxes	6.54	6.44	0.10
Sales taxes	6.11	6.22	(0.11)
State equalization	16.45	17.18	(0.73)
Other general revenues	0.67	0.48	0.19
Total revenues	<u>35.94</u>	<u>36.67</u>	<u>(0.73)</u>
Functions/Program Expenses:			
Instruction			
Regular programs	9.91	12.05	(2.14)
Special programs	2.48	3.13	(0.65)
Other instructional programs	2.93	3.16	(0.23)
Support services			
Student services	1.43	1.33	0.10
Instructional staff support	1.17	1.36	(0.19)
General administration	0.94	1.25	(0.31)
School administration	2.26	2.73	(0.47)
Business services	0.67	0.65	0.02
Plant services	4.07	3.49	0.58
Student transportation services	2.54	2.95	(0.41)
Central services	0.51	0.44	0.07
Community service programs	0.01	-	0.01
Food services	2.51	2.79	(0.28)
Interest on long-term debt	0.74	0.74	-
Total expenses	<u>32.17</u>	<u>36.07</u>	<u>(3.90)</u>
Increase (decrease) in net position	<u>3.77</u>	<u>0.60</u>	<u>3.17</u>
Net Position - beginning	(27.03)	(27.63)	0.60
Prior period adjustment	(34.23)	-	(34.23)
Net position beginning restated	<u>(61.26)</u>	<u>(27.63)</u>	<u>(33.63)</u>
Net Position - ending	<u>\$ (57.49)</u>	<u>\$ (27.03)</u>	<u>(30.46)</u>

Governmental Activities In the table below, we have presented the cost of each of the School Board's six largest functions: regular programs, special programs, other instructional programs, plant services, student transportation and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Table 3
Cost of Services (in millions)
For the Years Ended June 30,

Governmental Activities	2018		2017	
	Total Cost of Services	Net Costs of Services	Total Cost of Services	Net Costs of Services
Regular programs	\$ 9.91	\$ 9.90	\$ 12.05	\$ 11.73
Special programs	2.48	2.18	3.13	2.74
Other instructional programs	2.93	1.05	3.16	1.01
Plant services	4.07	4.06	3.49	3.49
Student transportation	2.54	2.54	2.95	2.95
Food services	2.51	0.31	2.79	0.58
All others	7.73	5.96	8.50	7.23
Totals	\$ 32.17	\$ 26.00	\$ 36.07	\$ 29.73



Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

THE SCHOOL BOARD'S FUNDS

As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

Total fund balances of all governmental funds decreased \$7.57 million as follows:

The fund balance of the general fund increased \$.52 million due to the continued efforts of the School Board to align current expenditures to current revenues and to replenish the fund balance back to a level considered reasonable for its obligations.

The fund balance of the district #4 construction fund decreased \$7.94 million due to the completion of construction projects being capitalized as the projects are completed.

The decrease in nonmajor governmental fund balance of \$.15 million is primarily due to the reduction in the nonmajor capital project fund.

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

The approximate \$.80 million increase made to the original 2017-18 general fund budget's expenditures are due to a decrease in the projected sales tax collections to be transferred for distribution.

The actual revenues exceeded the budgeted revenues by \$.25 million, which was due to an increase in MFP revenues resulting from an increase in actual student count over the count initially projected. The budgeted expenditures exceeded the actual expenditures by \$.40 million, which was due primarily to a decrease in actual costs over what was projected in regular program expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2018, the School Board had \$31.99 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of approximately \$6.72 million, or 26.59% from last year. See Note 5 in the notes to the financial statements for additional information.

Capital Assets (in millions)
June 30,

	<u>Governmental Activities</u>	
	2018	2017
Land	\$ 0.10	\$ 0.10
Construction in Progress	2.31	1.14
Buildings	27.88	22.68
Furniture and equipment	1.70	1.35
Totals	\$ 31.99	\$ 25.27

Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Debt Administration At June 30, 2018, the School Board had \$21.75 million in general obligation bonds outstanding with maturities from 2021 to 2036 with interest rates ranging from 2.00 to 4.25 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property.

At June 30, 2018, the School Board's net bonded debt of \$19.43 million (total bonded debt of \$21.75 million less fund balance in debt service funds of \$2.32 million) was well below the legal limit of \$79.48 million. The School Board's outstanding OPEB liability was \$40.97 million and the net pension liability was \$35.89 million. See Notes 6, 7, and Note 11 in the notes to the financial statements for additional information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The consolidated budget for the 2018-19 year includes a 3% decrease in projected revenues and a corresponding 3% decrease in projected expenditures. The decrease in budgeted revenues and expenditures is primarily due to the projected decrease in student count. Projections show that more than 90% of the School Board's General Fund budget for the 2018-19 year is consumed by salaries and related benefits. Overall, the School Board has budgeted an excess of revenues over expenditures of \$.16 million for the 2018-19 fiscal year, which is attributed directly to the continued diligence of the School Board to maintain a fiscally sound budget.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Regina R. Mekus, CPA, Business Manager, at Richland Parish School Board, P. O. 599, Rayville, Louisiana 71269-0599, telephone number (318) 728-5964.

BASIC FINANCIAL STATEMENTS:

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

RICHLAND PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2018

	Statement A <u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 14,673,447
Investments	2,313,638
Receivables	1,602,098
Inventory	72,958
Prepays	178,521
Capital assets:	
Land and construction in progress	2,403,983
Capital assets, net of depreciation	<u>29,586,168</u>
TOTAL ASSETS	<u>50,830,813</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>4,901,936</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,901,936</u>
LIABILITIES	
Accounts, salaries and other payables	4,662,199
Unearned revenue	29,894
Retainage payable	194,859
Claims payable	16,289
Interest payable	259,402
Long-term liabilities	
Due within one year	2,541,849
Due in more than one year	<u>98,205,454</u>
TOTAL LIABILITIES	<u>105,909,946</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	1,422,806
Deferred inflows related to pensions	<u>5,892,187</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,314,993</u>
NET POSITION	
Net investment in capital assets	12,561,112
Restricted for:	
Worker's compensation	100,000
Vocational grant	30,009
School Food Service	518,758
Orchard Foundation	355
School account allocations	2,645,215
Salaries and retiree benefits	1,620,042
Debt service	2,056,337
Natural disaster and insurance	536,499
Unrestricted	<u>(77,560,517)</u>
TOTAL NET POSITION	<u>\$ (57,492,190)</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

RICHLAND PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Primary Government				
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 9,912,135	\$ -	\$ 9,468	\$ (9,902,667)
Special programs	2,478,379	-	294,201	(2,184,178)
Other instructional programs	2,931,576	-	1,878,660	(1,052,916)
Support services:				
Student services	1,427,222	-	360,598	(1,066,624)
Instructional staff support	1,168,282	-	904,185	(264,097)
General administration	944,028	-	302,816	(641,212)
School administration	2,261,105	-	50,007	(2,211,098)
Business services	667,007	-	72,265	(594,742)
Plant services	4,066,872	-	1,372	(4,065,500)
Student transportation services	2,542,263	-	-	(2,542,263)
Central services	507,375	-	93,956	(413,419)
Food services	2,513,133	53,128	2,148,087	(311,918)
Community service programs	9,745	-	-	(9,745)
Interest on long-term debt	739,437	-	-	(739,437)
Total Governmental Activities	<u>\$ 32,168,559</u>	<u>\$ 53,128</u>	<u>\$ 6,115,615</u>	<u>(25,999,816)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				3,692,160
Property taxes, levied for debt services				2,846,201
Sales taxes, levied for general purposes				6,116,276
Grants and contributions not restricted for specific programs				
Minimum Foundation Program				16,451,977
State revenue sharing				185,102
Interest and investment earnings				202,134
Miscellaneous				282,932
Total general revenues				<u>29,776,782</u>
Changes in net position				<u>3,776,966</u>
Net position - beginning				(27,035,803)
Prior period adjustment				<u>(34,233,353)</u>
Net position - beginning, restated				<u>(61,269,156)</u>
Net position - ending				<u>\$ (57,492,190)</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

RICHLAND PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2018

Statement C

	DISTRICT #4			TOTAL
	GENERAL	CONSTRUCTION MANGHAM	NONMAJOR GOVERNMENTAL	
ASSETS				
Cash and cash equivalents	\$ 8,038,218	\$ 3,552,633	\$ 3,082,596	\$ 14,673,447
Investments	1,310,168	1,003,470	-	2,313,638
Receivables	627,063	-	975,035	1,602,098
Interfund receivables	702,414	-	48,371	750,785
Prepaid	178,521	-	-	178,521
Inventory	-	-	72,958	72,958
TOTAL ASSETS	10,856,384	4,556,103	4,178,960	19,591,447
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	3,516,783	660,878	484,538	4,662,199
Interfund payables	48,371	-	702,414	750,785
Unearned revenue	-	-	29,894	29,894
Retainage payable	-	194,859	-	194,859
Claims payable	16,289	-	-	16,289
Total Liabilities	3,581,443	855,737	1,216,846	5,654,026
Fund Balances:				
Nonspendable	178,521	-	43,064	221,585
Restricted	4,901,756	3,700,366	2,919,050	11,521,172
Unassigned	2,194,664	-	-	2,194,664
Total Fund Balances	7,274,941	3,700,366	2,962,114	13,937,421
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,856,384	\$ 4,556,103	\$ 4,178,960	\$ 19,591,447

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

RICHLAND PARISH SCHOOL BOARD

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

Statement D

Total fund balances - governmental funds \$ 13,937,421

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs is reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 74,707,344	
Accumulated depreciation	<u>(42,717,193)</u>	
		31,990,151

Deferred outflows/inflows related to pensions and OPEB are not due and payable in the current period and accordingly are not reported in the fund financial statements

Deferred outflows related to pensions	4,901,936
Deferred inflows related to pensions	(5,892,187)
Deferred inflows related to OPEB	(1,422,806)

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at June 30, 2018 are:

Long-term liabilities		
Bonds payable	(21,750,000)	
Premium on bonds	(842,134)	
Compensated absences payable	(690,169)	
Workers' compensation payable	(12,668)	
Capital lease payable	(591,460)	
Net pension liability	(35,891,035)	
OPEB liability	(40,969,837)	
Interest payable	<u>(259,402)</u>	
		<u>(101,006,705)</u>

Net Position of Governmental Activities \$ (57,492,190)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

RICHLAND PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018

Statement E

	DISTRICT #4			TOTAL
	GENERAL	CONSTRUCTION MANGHAM	NONMAJOR GOVERNMENTAL	
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,692,160	\$ -	\$ 2,846,201	\$ 6,538,361
Sales and use	6,116,276	-	-	6,116,276
Interest earnings	40,204	140,166	21,764	202,134
Food services	-	-	53,128	53,128
Other	289,337	-	5,847	295,184
State sources:				
Equalization	16,248,490	-	203,487	16,451,977
Other	214,924	-	204,337	419,261
Federal sources	55,017	-	5,826,439	5,881,456
Total Revenues	<u>26,656,408</u>	<u>140,166</u>	<u>9,161,203</u>	<u>35,957,777</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	11,061,876	23,225	9,468	11,094,569
Special programs	2,377,946	-	294,201	2,672,147
Other instructional programs	1,351,212	-	1,880,489	3,231,701
Support services:				
Student services	1,268,817	-	355,490	1,624,307
Instructional staff support	406,455	-	900,358	1,306,813
General administration	566,285	-	415,824	982,109
School administration	2,519,948	-	50,007	2,569,955
Business services	650,687	15	72,265	722,967
Plant services	2,906,389	739,631	1,372	3,647,392
Student transportation services	1,843,045	-	2,046	1,845,091
Central services	486,018	-	93,956	579,974
Food services	125,576	-	2,479,774	2,605,350
Community services	9,745	-	-	9,745
Capital outlay	608,538	7,316,600	417,282	8,342,420
Debt service:				
Principal retirement	267,411	-	1,795,000	2,062,411
Interest and bank charges	7,580	-	785,815	793,395
Total Expenditures	<u>26,457,528</u>	<u>8,079,471</u>	<u>9,553,347</u>	<u>44,090,346</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 198,880</u>	<u>\$ (7,939,305)</u>	<u>\$ (392,144)</u>	<u>\$ (8,132,569)</u>

(CONTINUED)

RICHLAND PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2018

	DISTRICT #4			Statement E
	GENERAL	CONSTRUCTION MANGHAM	NONMAJOR GOVERNMENTAL	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 239,022	\$ 239,022
Transfers out	(239,022)	-	-	(239,022)
Lease proceeds	557,912	-	-	557,912
Total Other Financing Sources (Uses)	318,890	-	239,022	557,912
Net Change in Fund Balances	517,770	(7,939,305)	(153,122)	(7,574,657)
FUND BALANCES - BEGINNING	6,757,171	11,639,671	3,115,236	21,512,078
FUND BALANCES - ENDING	\$ 7,274,941	\$ 3,700,366	\$ 2,962,114	\$ 13,937,421

(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

RICHLAND PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Change in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2018**

Statement F

Total net change in fund balances - governmental funds \$ (7,574,657)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	\$ (1,610,136)	
Capital outlays	8,342,420	
Loss on disposal of capital assets	<u>(12,252)</u>	
		6,720,032

The issuance of long-term debt provides current financial resources of governmental funds, while repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

Repayment of bond debt	1,795,000	
Repayment of capital lease	<u>267,411</u>	
		2,062,411

Bond premiums are recorded as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however; bond premiums increase long-term debt and are amortized over the life of the bonds. 46,785

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$407,242) exceeded the amounts earned (\$382,540) by \$24,702. 24,702

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. (Increase)decrease of incurred but not reported workers' compensation claims (10,099)

The recognition of pension expense in the Statement of Activities is based on projected benefits payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. 2,602,526

The decrease in the OPEB liability and increase in deferred inflows is reported in the Statement of Activities and does not require the use of current financial resources so it is not reported as expenditures in governmental funds. 456,005

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 7,173

Capital lease proceeds are recognized as other sources in the governmental funds financial statements but in the government-wide statements it is reported as long term debt. (557,912)

Change in net position of governmental activities \$ 3,776,966

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

RICHLAND PARISH SCHOOL BOARD

FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2018

Statement G

AGENCY
FUND

ASSETS

Cash and cash equivalents

\$ 475,252

Total assets

475,252

LIABILITIES

Deposits due others

475,252

Total liabilities

\$ 475,252

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

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Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Richland Parish 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 standard setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The Richland Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Richland 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 nine members who are elected from nine districts for terms of four years.

The School Board operates eleven schools within the parish with a total enrollment of approximately 2,900 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.

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, 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 Statements 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. FUNDS 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. The minimum number of 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 government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund The 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.

District #4 Construction Mangham This fund accounts for the expenditure of \$12,000,000 in bond proceeds for construction.

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Agency funds are custodial in nature (assets equal liabilities) and do 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 an agency capacity. The agency fund is as follows:

School activities agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 Accounting and Financial Reporting for Nonexchange Transactions.

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.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 60 days after year-end. 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.

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

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 net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when all applicable eligibility requirements are met and the resources are available.

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

Entitlements and shared revenues (which include state equalization and state revenue sharing) 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 are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability is incurred.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

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.

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

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

F. 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 balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

G. 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.

H. INVENTORY AND PREPAID ITEMS 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 consumed; however, all inventory items are recorded as expenditures when purchased. Unused commodities at June 30 are reported as unearned revenues. 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.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 8 years
Intangibles – software	5 years

Interest during construction is not capitalized on capital assets.

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

J. UNEARNED REVENUES The School Board reports unearned revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES All 12-month employees earn from twelve to eighteen days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated but cannot exceed sixty days. However, upon separation, all unused vacation up to sixty days is paid to the employee.

All School Board employees earn from twelve to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days 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 benefit computation as earned service.

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

GASB Statement 16 provides 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.

GASB Statement 16 provides 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. The School Board uses this approach. The School Board accrues those employees that have a minimum experience of 20 years.
- 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.

L. LONG-TERM LIABILITIES Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board.

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For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems' fiduciary net position have been determined on the accrual basis, as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board reported deferred outflows related to pensions due to changes of assumptions, changes in proportion and differences between employer contributions and proportionate share of contributions and employer contributions subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board reported deferred inflows related to pensions due to differences between expected and actual experience, differences between projected and actual earnings on pension plan investments and changes in proportion and differences between employer contributions and proportionate share of contributions. See note 6 for more information. Additionally the School Board reported deferred inflows of resources for OPEB. See note 7 for additional information.

N. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use is either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- 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. Restricted net position reported in the Statement of Net Position as school account allocations, salaries and retiree benefits, debt service and natural disaster and insurance are restricted by enabling legislation.

O. FUND EQUITY OF FUND FINANCIAL STATEMENTS GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The Board is the highest level of decision making authority for the School Board that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Committed amounts

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cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

Unassigned: Fund balance that is the residual classification for the general fund.

The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The School Board considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance is available.

P. INTERFUND ACTIVITY Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. SALES TAXES The School Board has the following three sales tax ordinances:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held February 6, 1968. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the School System and for benefits of the retirees of the School System.

The School Board has a one-half cent parish-wide sales and use tax as authorized in a special election held September 21, 1996 and renewed in a special election on April 29, 2017 for ten years. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely to maintain and operate the public schools of Richland Parish.

The School Board has a one-half cent parish-wide sales and use tax as authorized in a special election held July 15, 2000. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely to pay salaries and benefits of teachers and other School Board employees.

R. BUDGETS

General Budget Policies The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

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

Each year prior to September 15, 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.

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Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level by fund; except for special revenue funds, which are controlled at the fund level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved by the Board.

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

S. 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.

NOTE 2 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Richland Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Richland Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

The Richland Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Levy date	October 4, 2017
Tax bills mailed	November 14, 2017
Due date	January 31, 2018
Lien date	May 8, 2018
Tax sale date - 2017 delinquent property	May 2, 2018

Assessed values are established by the Richland Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	25% public service properties, excluding land
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$227,088,187 in calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$29,055,854 of the assessed value in calendar year 2017.

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

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required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general 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. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2017 property taxes occurs in December, and January and February of the next year.

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

The following is a summary of authorized and levied ad valorem taxes:

	Adjusted Maximum Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	8.71	8.71	Statutory
Maintenance	8.59	8.59	2026
District taxes:			
School District #1	Various	7.00	2025
School District #3	Various	20.00	2022
School District #4	Various	27.00	2035

NOTE 3 - DEPOSITS AND INVESTMENTS Deposits are stated at cost, which approximated fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The School Board’s policy does not address interest rate risk.

Credit Risk: The School Board’s investments are in Certificates of Deposits which do not have credit ratings; however, the School Board’s policy does not address credit rate risk.

Custodial Credit Risk: At year-end the school Board's carrying amount of deposits was \$17,462,337 and the bank balance was \$18,086,167 which includes \$2,313,638 in certificate of deposits classified as investments. These deposits are reported as follows: Statement A cash and cash equivalents, \$14,673,447, Statement A investments \$2,313,638 and Statement G cash and cash equivalents \$475,252. Of the bank balance, \$5,306,490 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. The School Board's policy does not address custodial risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

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NOTE 4 - RECEIVABLES The balance of receivables at June 30, 2018, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	Nonmajor Governmental	Total
Taxes:			
Sales and use	\$ 579,016	\$ -	\$ 579,016
Ad valorem	-	403	403
Intergovernmental-grants:			
Federal	4,658	960,502	965,160
State	-	14,130	14,130
Local Accounts	43,389	-	43,389
Total	<u>\$ 627,063</u>	<u>\$ 975,035</u>	<u>\$ 1,602,098</u>

NOTE 5 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2018 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 102,200	\$ -	\$ -	\$ 102,200
Construction in Progress	1,131,808	7,596,038	6,426,063	2,301,783
Total nondepreciable capital assets	<u>1,234,008</u>	<u>7,596,038</u>	<u>6,426,063</u>	<u>2,403,983</u>
Depreciable capital assets				
Buildings	59,613,275	6,426,063	-	66,039,338
Furniture and equipment	5,656,690	746,382	139,049	6,264,023
Total depreciable capital assets	<u>65,269,965</u>	<u>7,172,445</u>	<u>139,049</u>	<u>72,303,361</u>
Less accumulated depreciation				
Buildings	36,924,084	1,232,768	-	38,156,852
Furniture and equipment	4,309,770	377,368	126,797	4,560,341
Total accumulated depreciation	<u>41,233,854</u>	<u>1,610,136</u>	<u>126,797</u>	<u>42,717,193</u>
Total depreciable capital assets, net	<u>24,036,111</u>	<u>5,562,309</u>	<u>12,252</u>	<u>29,586,168</u>
Governmental activities				
Capital assets, net	<u>\$ 25,270,119</u>	<u>\$ 13,158,347</u>	<u>\$ 6,438,315</u>	<u>\$ 31,990,151</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 86,612
Special programs	139,901
Other Instructional services	37,140
Student services	4,480
Instructional staff support	8,960
Plant services	488,475
Student transportation services	786,359
Food services	58,209
Total depreciation expense	<u>\$ 1,610,136</u>

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NOTE 6 - PENSION PLANS

The School Board is a participating employer in two statewide, public employee retirement systems, the Louisiana School Employees' Retirement System (LSERS) and the Teacher's Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LSERS and TRSL may be obtained at www.lasers.net and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see Optional Retirement Plan note below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Louisiana School Employees' Retirement System: LSERS administers a plan to provide retirement, disability, and survivor's benefits to non-teacher school employees excluding those classified as lunch workers and their beneficiaries as defined in R.S. 11:1001. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1141-1153 and vary depending on the member's hire date.

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 20 years of creditable service regardless of age with an actuarially reduced benefit.

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

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A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service who has withdrawn from active service prior to the age at which that person is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the system on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S. 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011 and July 1, 2015.

Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. The minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or a qualified handicapped child.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit

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based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

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. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plans' unfunded accrual liability.

Employer contributions to LSERS for fiscal year 2018 were \$422,576 with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.6%. Employer defined benefit plan contributions to TRSL for fiscal year 2018 were \$3,671,744, with active member contributions of 8%, and employer contributions of 26.6%. Non-employer contributions to TRSL, which are comprised of \$121,964 from ad valorem taxes and revenue sharing funds and \$4,025 from the State for PIP salaries, totaled \$137,748 for fiscal year 2018. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2018, the School Board reported liabilities of \$3,634,529 and \$32,256,506 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2017, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2017, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were .56796%, or a decrease of .012983% for LSERS and .31464% or a decrease of .02485% for TRSL.

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For the year ended June 30, 2018, the School Board recognized a total pension expense of \$1,491,794, or \$331,438 and \$1,160,356 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 84,754	\$ 1,060,323	\$ 1,145,077
Changes of assumptions	76,209	340,146	416,355	56,620	-	56,620
Net difference between projected and actual earnings on pension plan investments	-	-	-	56,832	833,127	889,959
Changes in proportion and differences between employer contributions and proportionate share of contributions	77,715	313,545	391,260	61,190	3,739,341	3,800,531
Employer contributions subsequent to the measurement date	422,576	3,671,745	4,094,321	-	-	-
Total	\$ 576,500	\$ 4,325,436	\$ 4,901,936	\$ 259,396	\$ 5,632,791	\$ 5,892,187

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	LSERS	TRSL	Total
2019	\$ (75,729)	\$ (1,995,970)	\$ (2,071,699)
2020	78,539	(890,803)	(812,264)
2021	23,956	(719,853)	(695,897)
2022	(132,238)	(1,372,474)	(1,504,712)

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Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LSERS	TRSL
	June 30, 2017	June 30, 2017
Valuation Date	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	3 years, closed period	5 years, closed period
Expected Remaining Service Lives	7.125% per annum	7.70%, net of investment exp.
Investment Rate of Return	2.625% per annum	2.5% per annum
Inflation Rate	RP-2000 Sex Distinct Mortality Table	RP-2000, scale AA to 2025
Mortality - Non-disabled	RP-2000 Disabled Lives Mortality Table	RP-2000
Mortality - Disabled	2008-2012 experience study	2008-2012 experience study
Termination, Disability, Retirement	3.075% to 5.375%	3.5% - 10% varies depending on duration of service
Salary Increases	Not substantively automatic	Not substantively automatic
Cost of Living Adjustments		

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

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For TRSL, the long-term expected rate of return 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 target allocation and best estimates of real rates of return for each major asset class are summarized for each plan in the following table:

	Target Allocation	LT Expected Real Rate of Return	
TRSL (arithmetic)			
Domestic equity	27.00%	4.28%	
International equity	19.00%	4.96%	
Domestic fixed income	13.00%	1.98%	
International fixed income	5.50%	2.75%	
Private equity	25.50%	8.47%	
Other private assets	10.00%	3.51%	
Total	100.00%		
LSERS (arithmetic)			
Fixed income	Core Fixed Income	8.00%	2.02%
	High Yield	5.00%	4.43%
	Emerging Markets Debt	7.00%	4.71%
	Global Fixed Income	10.00%	1.38%
Equity	US Equity	20.00%	6.44%
	Developed Equity	18.00%	7.40%
Alternative	Emerging Markets Equity	10.00%	9.42%
	Global REITs	3.00%	5.77%
	Private Equity	5.00%	10.47%
	Hedge Fund of Funds	3.00%	3.75%
Real assets	Real Estate	5.00%	5.00%
	Timber	2.00%	5.67%
	Oil & Gas	2.00%	10.57%
Total	Infrastructure	2.00%	6.25%
	Total	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.75% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Richland Parish School Board
Notes to the Financial Statements
June 30, 2018**

The TRSL discount rate used in the June 30, 2017 net pension liability valuation was decreased from the 7.75% used in the June 30, 2016 valuation to 7.70%. The discount rate was reduced in accordance with the TRSL Board’s adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contributions requirements for fiscal year 2018.

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the School Board’s proportionate share of the NPL for LSERS and TRSL using the current discount rate 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:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS	\$ 4,982,513	\$ 3,634,529	\$ 2,476,928
TRSL	41,563,244	32,256,506	24,339,489

Pension plan fiduciary net position. Detailed information about LSERS and TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan. At June 30, 2018, the School Board had \$107,752 and \$1,228,778 in payables to LSERS and TRSL, respectively, for the June 2018 employee and employer legally required contributions.

Optional Retirement Plan

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer equal to the contribution rates established for the regular retirement plan of TRSL. However, effective July 1, 2014, the employer contribution rate for amounts credited to the ORP participants who are not employed in higher education must be the greater of: (1) the employer normal cost contribution for the TRSL Regular Plan; or (2) 6.2%.

Employer ORP contributions to TRSL for fiscal year 2018 totaled \$50,280, which represents pension expense for the School Board. Employee contributions totaled \$13,978. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 22.2% made to the TRSL defined benefit plan described above.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board’s OPEB plan is a single-employer defined benefit “substantive plan” as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. Substantially all of the School Board’s employees become eligible for these benefits if they reach normal retirement age while working

Richland Parish School Board
Notes to the Financial Statements
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for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Benefits Provided and Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	\$	414
Inactive employees entitled to but not yet receiving benefit payments		-
Active employees		316
Total	\$	730

Total OPEB Liability – The School Board’s total OPEB liability of \$40,969,837 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

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

Actuarial method	Entry age normal cost - Level percentage of projected salary
Inflation rate	2.30%
Discount rate	3.87% based on the Bond Buyer General Obligation 20 bond municipal index
Healthcare trend	5.2%/5.3% for non-Medicare/Medicare claims in 2017, gradually decreasing to an ultimate rate of 4.4%/4.4% for 2089 and beyond.
Mortality	Adjusted Sex Distinct RP 2006 Healthy Mortality Table for annuitants with Generational Mortality Scale MP2017.
Turnover	Range from 9% at age 25 to 4% at ages 50 and over
Retirement rates	Ranges from 4% at age 39 increasing to 25.6% at age 60, declining to 21.9% at age 68.
Salary increase	3.00%

The discount rate changed from 3.58% at June 30, 2017 to 3.87% at June 30, 2018. No salary experience studies were conducted. The School Board contributed \$2,275,237 utilizing the pay-as-you-go basis.

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2017	\$ 42,848,648
Changes for the year:	
Service cost	863,816
Interest	1,524,538
Effect of economic/demographic gains and losses	(172,435)
Effect of assumptions changes or inputs	(1,819,493)
Benefit payments	(2,275,237)
Net changes	(1,878,811)
Balance at June 30, 2018	\$ 40,969,837

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate.

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 48,603,910	\$ 40,969,837	\$ 34,968,544

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 33,718,876	\$ 40,969,837	\$ 50,345,243

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB– For the year ended June 30, 2018, the School Board recognized OPEB expense of \$456,005. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 123,168	\$ -
Changes of assumptions	1,299,638	-
Total	\$ 1,422,806	\$ -

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

Richland Parish School Board
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Year Ended June 30:	
2019	\$ (569,122)
2020	(569,122)
2021	(284,562)

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2018, are as follows:

	General	District #4 Construction Mangham	Nonmajor Governmental	Total
Salaries	\$ 1,601,596	\$ -	\$ 343,696	\$ 1,945,292
Accounts	1,915,187	660,878	140,842	2,716,907
Total	<u>\$ 3,516,783</u>	<u>\$ 660,878</u>	<u>\$ 484,538</u>	<u>\$ 4,662,199</u>

NOTE 9 - COMPENSATED ABSENCES At June 30, 2018, employees of the School Board have accumulated and vested \$690,169 of employee leave benefits, including \$9,864 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in school activities agency fund deposits due others for the year ended June 30, 2018, follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School activities agency fund	<u>\$ 518,998</u>	<u>\$ 1,960,708</u>	<u>\$ 2,004,454</u>	<u>\$ 475,252</u>

NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation debt	\$ 23,545,000	\$ -	\$ 1,795,000	\$ 21,750,000	\$ 1,865,000
Premium on bonds	888,919	-	46,785	842,134	-
Other liabilities:					
Compensated absences	714,871	382,540	407,242	690,169	407,242
Worker's compensation claims	2,569	47,928	37,829	12,668	12,668
Capital Leases	300,959	557,912	267,411	591,460	256,939
Net pension liability	44,228,694	1,772,319	10,109,978	35,891,035	-
*OPEB liability	42,848,648	396,426	2,275,237	40,969,837	-
Governmental Activities					
Long-term liabilities	<u>\$ 112,529,660</u>	<u>\$ 3,157,125</u>	<u>\$ 14,939,482</u>	<u>\$ 100,747,303</u>	<u>\$ 2,541,849</u>

*The beginning OPEB liability was increased \$34,233,353 due to the implementation of GASB 75.

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June 30, 2018

The compensated absences liability, worker's compensation liability, capital leases, net pension liability and OPEB liability attributable to the governmental activities will be liquidated by several of the School Board's governmental funds. In the past, approximately 100% was paid by the general fund.

The individual bond issues are as follows:

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation: School District #3 Refunding	11/1/2010	\$ 6,125,000	2.90%	3/1/2021	\$ 123,975	\$ 2,105,000
School District #3	5/1/2011	6,000,000	3.25%-4.25%	3/1/2031	1,373,126	4,450,000
School District #1 Refunding	4/16/2013	5,295,000	2.45%	3/1/2025	381,587	3,790,000
School District #4	7/28/2016	12,000,000	2%-4%	3/1/2036	4,115,050	11,405,000
Total					<u>\$ 5,993,738</u>	<u>\$ 21,750,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and general operating funds of the School Board. At June 30, 2018, the School Board has accumulated \$2,315,739 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2019	\$ 1,865,000	\$ 732,112	\$ 2,597,112
2020	1,950,000	678,257	2,628,257
2021	2,025,000	616,623	2,641,623
2022	1,335,000	552,562	1,887,562
2023	1,385,000	507,530	1,892,530
2024-2028	5,855,000	1,844,796	7,699,796
2029-2033	4,825,000	909,309	5,734,309
2034-2036	2,510,000	152,549	2,662,549
Total	<u>\$ 21,750,000</u>	<u>\$ 5,993,738</u>	<u>\$ 27,743,738</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, the statutory limit was \$79,480,865 and outstanding net bonded debt totaled \$19,434,261.

Capital Lease During the 2015 fiscal year, the School Board purchased 10 school buses under a new capital lease for \$743,500. The net book value of the purchased school buses was \$426,824 at fiscal year end. Depreciation expense for the year was \$82,611.

During the 2018 fiscal year, the School Board purchased 7 school buses under a new capital lease for \$572,125. The net book value of the purchased school buses was \$561,530 at fiscal year end. Depreciation expense for the year was \$10,595.

Richland Parish School Board
Notes to the Financial Statements
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The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2018:

<u>Fiscal Year-end</u>		
2019	\$	274,990
2020		118,803
2021		118,802
2022		118,803
Less: amounts representing interest		39,938
Present value of net minimum lease payments	\$	591,460

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 702,414	Nonmajor Governmental	\$ 702,414
Nonmajor Governmental	48,371	General	48,371
	\$ 750,785		\$ 750,785

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received. The general fund owes School Food Service \$48,371 for a deposit received in the master bank account at year end.

Interfund transfers:

<u>Receiving Fund</u>	<u>Transfers In</u>	<u>Paying Fund</u>	<u>Transfers Out</u>
Nonmajor Governmental	\$ 239,022	General Fund	\$ 239,022
	\$ 239,022		\$ 239,022

The purpose of the interfund transfer was to cover operating expenditures of the School Food Service Fund.

**Richland Parish School Board
Notes to the Financial Statements
June 30, 2018**

NOTE 13 - FUND BALANCE CLASSIFICATION DETAILS

	General	District #4 Construction Mangham	Nonmajor Governmental	Total
Non spendable:				
Inventory	\$ -	\$ -	\$ 43,064	\$ 43,064
Prepays	178,521	-	-	178,521
Restricted for:				
Workers compensation reserve	100,000	-	-	100,000
School food service	-	-	518,758	518,758
Vocational/JAG grants	-	-	30,009	30,009
Orchard Foundation	-	-	355	355
School account allocations	2,645,215	-	-	2,645,215
Salaries and benefits	1,620,042	-	-	1,620,042
Debt service	-	-	2,315,739	2,315,739
Capital Projects	-	3,700,366	54,189	3,754,555
Natural disaster and insurance	536,499	-	-	536,499
Unassigned	2,194,664	-	-	2,194,664
Total	\$ 7,274,941	\$ 3,700,366	\$ 2,962,114	\$ 13,937,421

NOTE 14 - RISK MANAGEMENT The School Board initiated a self-insured program for workers' compensation in 1991. It joined a pool of school boards in Northeast Louisiana in order to share workers' compensation costs. The School Board's share of risk is determined by calculating its percentage of the total manual premium of the group. The risk allocated to the School Board for the year ended June 30, 2018 was 50%. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

Changes in the claims amount for the last three fiscal years were as follows:

Years Ended June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Ending of Fiscal Year Liability
2015-2016	\$ 8,742	\$ 56,883	\$ 56,883	\$ 8,742
2016-2017	8,742	26,784	31,997	3,529
2017-2018	3,529	47,928	22,500	28,957

Of this amount, \$16,289 is reflected as claims payable which represents estimated payments sixty days after year end, which is reported in the balance sheet (Statement C). The remaining \$12,668 is the long-term portion, in which the full amount is considered due within one year reported in the statement of net position (Statement A). In addition, the School Board is at risk for property damage, liability, and theft which are covered by insurance policies.

During the fiscal year 2018, a total of \$22,500 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$350,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. Claims payable of \$28,957 as of June 30, 2018, has been accrued as liability. Claims payable does not include incremental costs. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

The School Board also participates in an entity risk pool for insurance coverage, including property and casualty insurance and the reinsurance of such coverage, in order to provide a more efficient and effective way to acquire insurance coverage. The entity risk pool is known as Property Casualty Alliance of Louisiana (PCAL), which is established only for School Boards and is overseen by a board made up of School Board Members. The responsibilities of the School Board is to pay contributions based upon a risk-funding plan developed by the Program as well as to have a loss prevention plan to make all reasonable efforts to eliminate and minimize hazards that would contribute to property/casualty losses. The pool is responsible for handling any and all claims after notice of loss has been received.

NOTE 15 - 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.

Construction Commitments The School Board had \$2,596,089 and \$2,000,500 in construction contracts outstanding for Mangham Junior/Senior and Labrano Field, respectively, at June 30, 2018.

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. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Tax Arbitrage Rebate Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes that there is no tax arbitrage rebate liability at year end.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$4,025. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2018, the Tax Collector paid the Teacher's Retirement System of Louisiana \$173,594. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution to the TRSL pension plan.

NOTE 17 - ECONOMIC DEPENDENCY The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$16,451,977 to the School Board, which represents approximately 46% of the School Board's total revenue for the year.

NOTE 18 - NEW GASB STANDARDS In fiscal year 2018, the School Board adopted the following new standards of financial accounting issued by the Governmental Accounting Standards Board:

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The adoption of Statement No. 75 has no impact on the School Board’s governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board’s 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of July1, 2017 was decreased by \$34,233,353 reflecting the cumulative retrospective effect of adoption.

Statement No. 85 – Omnibus 2017, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).

Statement No. 86 – Certain Debt Extinguishment Issues, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

NOTE 19 - TAX ABATEMENTS The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2018 by authorized millage is as follows:

<u>Tax Code</u>	<u>Taxable Value</u>	<u>Taxpayer Exemption</u>
Parishwide constitutional and maintenance	\$ 24,553,190	\$ 424,770
School District #1	24,475,650	171,330
School District #3	77,540	1,551
		<u>\$ 597,651</u>

Richland Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 20 - PRIOR PERIOD ADJUSTMENT The government-wide financial statements include a prior period adjustment decreasing net position of the governmental activities by \$34,233,353, which was related to the implementation of GASB 75. The pro forma amounts for fiscal year 2017 are not presented because the amounts are not readily determinable.

REQUIRED SUPPLEMENTARY INFORMATION

Richland Parish School Board

**Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2018**

Exhibit 1-1

Total OPEB Liability

Service costs	\$ 863,816
Interest	1,524,538
Effect of economic/demographic gains or (losses)	(172,435)
Effect of assumption changes or inputs	(1,819,493)
Benefit payments	<u>(2,275,237)</u>
Net change in total OPEB liability	(1,878,811)
Total OPEB liability - Beginning	<u>42,848,648</u>
Total OPEB liability - Ending	40,969,837
Covered employee payroll	16,451,726
Total OPEB liability as a percentage of covered employee payroll	249.03%

Changes of Assumptions

Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following is the discount rate used:

2018	3.87%
------	-------

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4, to pay related benefits.

Richland Parish School Board

**Schedule of Employer's Proportionate Share of the Net Pension Liability
June 30, 2018**

Exhibit 1-2

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.567800%	\$ 3,297,097	\$ 1,593,525	207%	76.18%
2016	0.546381%	3,464,749	1,525,542	227%	74.49%
2017	0.580943%	4,382,328	1,651,077	265%	70.09%
2018	0.567960%	3,634,529	1,626,624	223%	75.03%
Teacher's Retirement System of Louisiana					
2015	0.37210%	\$ 38,033,528	\$ 16,765,123	227%	63.7%
2016	0.33946%	36,499,358	15,688,153	233%	62.5%
2017	0.33949%	39,846,366	15,107,641	264%	59.9%
2018	0.31464%	32,256,506	14,613,204	221%	65.6%

Notes:

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Richland Parish School Board

**Schedule of Employer Contributions to Pension Plans
For the Year Ended June 30, 2018**

Exhibit 1-3

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 503,594	\$ 503,594	\$ -	\$ 1,525,542	33.0%
2016	501,946	501,946	-	1,651,077	30.4%
2017	444,098	444,098	-	1,626,624	27.3%
2018	422,576	422,576	-	1,531,094	27.6%
Teacher's Retirement System of Louisiana					
2015	\$ 4,354,421	\$ 4,354,421	\$ -	\$ 15,688,153	27.8%
2016	4,021,668	4,021,668	-	15,107,641	26.6%
2017	3,729,044	3,729,044	-	14,613,204	25.5%
2018	3,671,744	3,671,744	-	13,803,547	26.6%

Notes:

The amounts presented were determined as of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Richland Parish School Board

Notes to Required Supplementary Information for Pensions

Louisiana School Employees' Retirement System

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after June 30, 2010.

Changes in Assumptions: For amounts reported in 2016, the valuation investment rate of return was reduced from the 7.25% reported in 2015 to 7.00%. The reduction was made to account for the funding of administrative expenses out of investment earnings. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. In addition, the valuation model was revised. The long-term expected portfolio real rate of return (expected arithmetic nominal return) was increased .77% in 2016 to 8.30% from the rate of 7.53% used in the 2015 valuation.

Changes in Discount Rate: For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.0% used in the June 30, 2015 valuation to 7.125%. For the June 30, 2015 year, the discount rate assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 regular session of the legislature, beginning with the June 30, 2016 actuarial evaluation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contributions for the System. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. With this change, the valuation of plan liabilities based on a valuation interest rate set for .25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016 actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

Teacher's Retirement System of Louisiana

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011.

Change in discount rate: The discount rate was reduced from 7.75% to 7.70% effective July 1, 2017, in accordance with the Board's adopted plan to reduce the discount rate to 7.50% in .05% increments.

Richland Parish School Board

Budgetary Comparison Schedules

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

RICHLAND PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,720,951	\$ 3,923,967	\$ 3,692,160	\$ (231,807)
Sales and use	6,141,475	6,135,592	6,116,276	(19,316)
Interest earnings	7,000	4,015	40,204	36,189
Other	201,016	5,000	289,337	284,337
State sources:				
Equalization	15,913,285	15,913,285	16,248,490	335,205
Other	372,952	372,952	214,924	(158,028)
Federal sources				
	53,595	53,595	55,017	1,422
Total Revenues	26,410,274	26,408,406	26,656,408	248,002
EXPENDITURES				
Current:				
Instruction:				
Regular programs	11,213,738	11,340,969	11,061,876	279,093
Special programs	2,534,868	2,534,868	2,377,946	156,922
Other instructional programs	1,288,743	1,315,303	1,351,212	(35,909)
Support services:				
Student services	1,242,628	1,875,646	1,268,817	606,829
Instructional staff support	373,622	377,610	406,455	(28,845)
General administration	641,740	641,740	566,285	75,455
School administration	2,557,141	2,553,760	2,519,948	33,812
Business services	513,048	513,049	650,687	(137,638)
Plant services	2,830,258	2,844,860	2,906,389	(61,529)
Student transportation services	2,263,621	2,258,129	1,843,045	415,084
Central services	489,848	489,848	486,018	3,830
Food services	101,058	101,058	125,576	(24,518)
Community services	9,745	9,745	9,745	-
Capital Outlay	-	-	608,538	(608,538)
Debt service:				
Principal retirement	-	-	267,411	(267,411)
Interest and bank charges	-	-	7,580	(7,580)
Total Expenditures	26,060,058	26,856,585	26,457,528	399,057
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 350,216	\$ (448,179)	\$ 198,880	\$ 647,059

(Continued)

RICHLAND PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Exhibit 1-4

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (268,466)	\$ (333,335)	\$ (239,022)	\$ 94,313
Lease proceeds	-	-	557,912	557,912
Total Other Financing Sources (Uses)	<u>(268,466)</u>	<u>(333,335)</u>	<u>318,890</u>	<u>652,225</u>
Net Change in Fund Balances	81,750	(781,514)	517,770	1,299,284
FUND BALANCES - BEGINNING	<u>6,663,510</u>	<u>6,663,510</u>	<u>6,757,171</u>	<u>93,661</u>
FUND BALANCES - ENDING	<u>\$ 6,745,260</u>	<u>\$ 5,881,996</u>	<u>\$ 7,274,941</u>	<u>\$ 1,392,945</u>

(Concluded)

Richland Parish School Board
Notes to Budgetary Comparison Schedules

A. 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 15, 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. The general fund budget is controlled at the function level and special revenue budgets are controlled at the fund level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved 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. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

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 budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

SUPPLEMENTARY INFORMATION

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

RICHLAND PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2018

Exhibit 2

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 630,736	\$ 2,373,915	\$ 77,945	\$ 3,082,596
Receivables	974,632	403	-	975,035
Interfund receivables	48,371	-	-	48,371
Inventory	72,958	-	-	72,958
TOTAL ASSETS	1,726,697	2,374,318	77,945	4,178,960
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	402,203	58,579	23,756	484,538
Interfund payables	702,414	-	-	702,414
Unearned revenue	29,894	-	-	29,894
Total Liabilities	1,134,511	58,579	23,756	1,216,846
Fund Balances:				
Nonspendable	43,064	-	-	43,064
Restricted	549,122	2,315,739	54,189	2,919,050
Total Fund Balances	592,186	2,315,739	54,189	2,962,114
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,726,697	\$ 2,374,318	\$ 77,945	\$ 4,178,960

RICHLAND PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2018

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ 2,846,201	\$ -	\$ 2,846,201
Interest earnings	3,095	18,539	130	21,764
Food services	53,128	-	-	53,128
Other	5,847	-	-	5,847
State sources:				
Equalization	203,487	-	-	203,487
Other	204,337	-	-	204,337
Federal sources	5,826,439	-	-	5,826,439
Total Revenues	6,296,333	2,864,740	130	9,161,203
EXPENDITURES				
Current:				
Instruction:				
Regular programs	9,468	-	-	9,468
Special programs	294,201	-	-	294,201
Other instructional programs	1,880,489	-	-	1,880,489
Support services:				
Student services	355,490	-	-	355,490
Instructional staff support	900,358	-	-	900,358
General administration	302,816	113,008	-	415,824
School administration	50,007	-	-	50,007
Business services	72,265	-	-	72,265
Plant services	1,372	-	-	1,372
Student transportation services	2,046	-	-	2,046
Central services	93,956	-	-	93,956
Food services	2,479,774	-	-	2,479,774
Capital Outlay	23,867	-	393,415	417,282
Debt service:				
Principal retirement	-	1,795,000	-	1,795,000
Interest and bank charges	-	785,815	-	785,815
Total Expenditures	6,466,109	2,693,823	393,415	9,553,347
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (169,776)	\$ 170,917	\$ (393,285)	\$ (392,144)

(CONTINUED)

RICHLAND PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2018

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 239,022	\$ -	\$ -	\$ 239,022
Total Other Financing Sources (Uses)	239,022	-	-	239,022
Net Change in Fund Balances	69,246	170,917	(393,285)	(153,122)
FUND BALANCES - BEGINNING	522,940	2,144,822	447,474	3,115,236
FUND BALANCES - ENDING	\$ 592,186	\$ 2,315,739	\$ 54,189	\$ 2,962,114

(CONCLUDED)

Richland Parish School Board

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Richland Parish School Board

Nonmajor Special Revenue Funds

SCHOOL FOOD SERVICE To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

TITLE I 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.

SPECIAL EDUCATION

STATE GRANTS To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

PRESCHOOL GRANTS To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

TITLE II & IV To improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

LA4 The purpose for these funds are to assist prekindergarten intervention for targeted children, at-risk unserved four-year-olds.

VOCATIONAL/JAG GRANTS The purpose of these grants are to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

8(g) The 8(g) state funds are programs that provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

REAP To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.

ORCHARD FOUNDATION To account for contributions from a nonprofit organization which works with school districts, businesses, and communities to improve educational opportunities.

NATIONAL FARM TO SCHOOL NETWORK To account for resources for connecting and strengthening the farm to school movement.

RICHLAND PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2018

	SCHOOL FOOD SERVICE	TITLE I	SPECIAL EDUCATION	TITLE II & IV	LA4
ASSETS					
Cash and cash equivalents	\$ 571,129	\$ -	\$ -	\$ -	\$ 10,943
Receivables	13,049	395,848	289,831	120,344	53,084
Interfund receivables	48,371	-	-	-	-
Inventory	72,958	-	-	-	-
TOTAL ASSETS	705,507	395,848	289,831	120,344	64,027
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	124,710	85,767	71,266	26,883	41,322
Interfund payables	-	310,081	218,565	93,461	22,705
Unearned revenue	29,894	-	-	-	-
Total Liabilities	154,604	395,848	289,831	120,344	64,027
Fund Balances:					
Nonspendable	43,064	-	-	-	-
Restricted	507,839	-	-	-	-
Total Fund Balances	550,903	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 705,507	\$ 395,848	\$ 289,831	\$ 120,344	\$ 64,027

Exhibit 4

VOCATIONAL / JAG GRANTS	8(g)	REAP	ORCHARD FOUNDATION	NATIONAL FARM TO SCHOOL NETWORK	TOTAL
\$ 30,063	\$ 7,327	\$ -	\$ 355	\$ 10,919	\$ 630,736
83,900	4,261	14,315	-	-	974,632
-	-	-	-	-	48,371
-	-	-	-	-	72,958
<u>113,963</u>	<u>11,588</u>	<u>14,315</u>	<u>355</u>	<u>10,919</u>	<u>1,726,697</u>
30,909	11,588	9,758	-	-	402,203
53,045	-	4,557	-	-	702,414
-	-	-	-	-	29,894
<u>83,954</u>	<u>11,588</u>	<u>14,315</u>	<u>-</u>	<u>-</u>	<u>1,134,511</u>
-	-	-	-	-	43,064
<u>30,009</u>	<u>-</u>	<u>-</u>	<u>355</u>	<u>10,919</u>	<u>549,122</u>
<u>30,009</u>	<u>-</u>	<u>-</u>	<u>355</u>	<u>10,919</u>	<u>592,186</u>
<u>\$ 113,963</u>	<u>\$ 11,588</u>	<u>\$ 14,315</u>	<u>\$ 355</u>	<u>\$ 10,919</u>	<u>\$ 1,726,697</u>

RICHLAND PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

	SCHOOL FOOD SERVICE	TITLE I	SPECIAL EDUCATION	TITLE II & IV	LA4
REVENUES					
Local sources:					
Interest earnings	\$ 3,095	\$ -	\$ -	\$ -	\$ -
Food services	53,128	-	-	-	-
Other	5,847	-	-	-	-
State sources:					
Equalization	85,915	-	-	-	-
Other	-	-	15,000	-	118,770
Federal sources	2,148,087	1,874,026	1,027,706	290,019	142,290
Total Revenues	2,296,072	1,874,026	1,042,706	290,019	261,060
EXPENDITURES					
Current:					
Instruction:					
Regular programs	-	-	1,203	8,265	-
Special programs	-	-	294,201	-	-
Other instructional programs	-	1,104,039	559	75,093	205,738
Support services:					
Student services	-	-	355,490	-	-
Instructional staff support	-	461,141	215,526	180,099	42,311
General administration	-	171,551	71,555	26,562	13,011
School administration	-	50,007	-	-	-
Business services	-	72,265	-	-	-
Plant services	-	1,372	-	-	-
Student transportation services	304	-	-	-	-
Central services	-	-	93,956	-	-
Food services	2,479,774	-	-	-	-
Capital outlay	-	13,651	10,216	-	-
Total Expenditures	2,480,078	1,874,026	1,042,706	290,019	261,060
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(184,006)	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	239,022	-	-	-	-
Total Other Financing Sources (Uses)	239,022	-	-	-	-
Net Change in Fund Balances	55,016	-	-	-	-
FUND BALANCES - BEGINNING	495,887	-	-	-	-
FUND BALANCES - ENDING	\$ 550,903	\$ -	\$ -	\$ -	\$ -

Exhibit 5

VOCATIONAL / JAG GRANTS	8(g)	REAP	ORCHARD FOUNDATION	NATIONAL FARM TO SCHOOL NETWORK	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,095
-	-	-	-	-	53,128
-	-	-	-	-	5,847
117,572	-	-	-	-	203,487
-	70,567	-	-	-	204,337
276,786	-	67,525	-	-	5,826,439
<u>394,358</u>	<u>70,567</u>	<u>67,525</u>	<u>-</u>	<u>-</u>	<u>6,296,333</u>
-	-	-	-	-	9,468
-	-	-	-	-	294,201
354,192	70,567	61,340	8,961	-	1,880,489
-	-	-	-	-	355,490
-	-	-	1,281	-	900,358
13,952	-	6,185	-	-	302,816
-	-	-	-	-	50,007
-	-	-	-	-	72,265
-	-	-	-	-	1,372
710	-	-	1,032	-	2,046
-	-	-	-	-	93,956
-	-	-	-	-	2,479,774
-	-	-	-	-	23,867
<u>368,854</u>	<u>70,567</u>	<u>67,525</u>	<u>11,274</u>	<u>-</u>	<u>6,466,109</u>
<u>25,504</u>	<u>-</u>	<u>-</u>	<u>(11,274)</u>	<u>-</u>	<u>(169,776)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,022</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,022</u>
25,504	-	-	(11,274)	-	69,246
4,505	-	-	11,629	10,919	522,940
<u>\$ 30,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355</u>	<u>\$ 10,919</u>	<u>\$ 592,186</u>

Richland Parish School Board

Nonmajor Debt Service Funds

- School District No. 1
- School District No. 2
- School District No. 3
- School District No. 4

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective ward.

RICHLAND PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2018

Exhibit 6

	<u>SCHOOL DISTRICT #1</u>	<u>SCHOOL DISTRICT #2</u>	<u>SCHOOL DISTRICT #3</u>	<u>SCHOOL DISTRICT #4</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 592,134	\$ 10,583	\$ 1,233,954	\$ 537,244	\$ 2,373,915
Receivables	-	-	399	4	403
TOTAL ASSETS	<u>592,134</u>	<u>10,583</u>	<u>1,234,353</u>	<u>537,248</u>	<u>2,374,318</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	-	-	21,105	37,474	58,579
Total Liabilities	<u>-</u>	<u>-</u>	<u>21,105</u>	<u>37,474</u>	<u>58,579</u>
Fund Balances:					
Restricted	<u>592,134</u>	<u>10,583</u>	<u>1,213,248</u>	<u>499,774</u>	<u>2,315,739</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 592,134</u>	<u>\$ 10,583</u>	<u>\$ 1,234,353</u>	<u>\$ 537,248</u>	<u>\$ 2,374,318</u>

RICHLAND PARISH SCHOOL BOARD

**NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

Exhibit 7

	<u>SCHOOL DISTRICT #1</u>	<u>SCHOOL DISTRICT #2</u>	<u>SCHOOL DISTRICT #3</u>	<u>SCHOOL DISTRICT #4</u>	<u>TOTAL</u>
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 631,883	\$ 76	\$ 1,285,314	\$ 928,928	\$ 2,846,201
Interest earnings	4,969	12	9,963	3,595	18,539
Total Revenues	<u>636,852</u>	<u>88</u>	<u>1,295,277</u>	<u>932,523</u>	<u>2,864,740</u>
EXPENDITURES					
Current:					
Support services:					
General administration	28,697	-	48,297	36,014	113,008
Debt service:					
Principal retirement	480,000	-	890,000	425,000	1,795,000
Interest and bank charges	105,422	-	266,443	413,950	785,815
Total Expenditures	<u>614,119</u>	<u>-</u>	<u>1,204,740</u>	<u>874,964</u>	<u>2,693,823</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	22,733	88	90,537	57,559	170,917
FUND BALANCES - BEGINNING	<u>569,401</u>	<u>10,495</u>	<u>1,122,711</u>	<u>442,215</u>	<u>2,144,822</u>
FUND BALANCES - ENDING	<u>\$ 592,134</u>	<u>\$ 10,583</u>	<u>\$ 1,213,248</u>	<u>\$ 499,774</u>	<u>\$ 2,315,739</u>

Richland Parish School Board

Agency Fund

SCHOOL ACTIVITIES AGENCY FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

RICHLAND PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
 Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 2018

Exhibit 8

<u>School</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Delhi Elementary	\$ 29,233	\$ 70,306	\$ 71,421	\$ 28,118
Delhi Junior High	33,813	54,985	52,754	36,044
Delhi High	(2,404)	199,614	180,418	16,792
Holly Ridge Elementary	21,452	109,982	122,223	9,211
Mangham Elementary	54,074	195,781	208,028	41,827
Mangham Junior High	72,175	179,181	181,365	69,991
Mangham High	61,758	319,596	327,103	54,251
Rayville Elementary	127,274	133,987	132,834	128,427
Rayville Junior High	12,552	131,189	135,415	8,326
Rayville High	50,893	380,055	391,638	39,310
Start Elementary	58,178	186,032	201,255	42,955
Total	<u>\$ 518,998</u>	<u>\$ 1,960,708</u>	<u>\$ 2,004,454</u>	<u>\$ 475,252</u>

Richland Parish School Board

Exhibit 9

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2018

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month, and the president receives \$650 per month for performing the duties of their office.

Marie Lewis, President	\$ 7,800
James Hough, Vice President	7,200
William Calvert	7,200
Eugene Young, Jr.	7,200
Moses Wilkins	7,200
Alece Copeland	7,200
Joe Chapman	7,200
Chris Pruitt	7,200
Kevin Eppinette	<u>7,800</u>
TOTAL	<u>\$66,000</u>

Richland Parish School Board

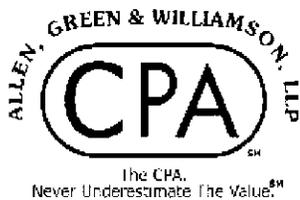
Exhibit 10

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018

Agency Head Name: Sheldon Jones, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$133,590
Benefits-insurance	6,971
Benefits-retirement	35,547
Benefits-medicare	2,006
Per diem	922
Reimbursements	109
Travel	8,000
Other	45

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Nicia Bamburg, CPA, CFE
Principal: Cindy Thomason, CPA

Sandra Harper, CPA
Jennie Henry, CPA
Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board Members
Richland Parish School Board
Rayville, 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 Richland Parish School Board as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated January 31, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2018-001, that we consider to be a significant deficiency.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as 2018-001.

The School Board's Response to Findings

The School Board's response to the findings identified in our audit are described in the accompanying corrective action plan for current year findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

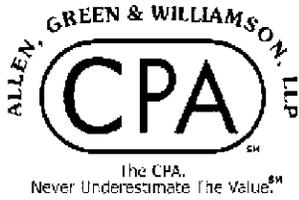
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 31, 2019



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

Independent Auditor's Report

Board Members
Richland Parish School Board
Rayville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Richland Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

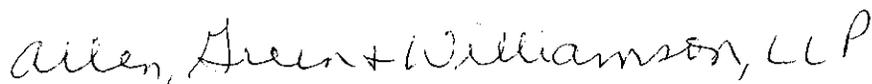
Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 31, 2019

Richland Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 504,899
National School Lunch Program	10.555	N/A	1,235,494
Food Distribution (Commodities Noncash)	10.555	N/A	<u>165,572</u>
Total Child Nutrition Cluster			\$ 1,905,965
Fresh Fruit and Vegetable Program	10.582	N/A	145,965
Supper Program (CACFP)	10.558	N/A	<u>96,157</u>
Total United States Department of Agriculture			<u>2,148,087</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	84.010A	28-18-T1-42	1,874,026
Special Education Cluster:			
Grants to States (IDEA Part B)	84.027A	28-18-B1-42	745,655
Rural Implementation - IDEA	84.027A	28-18-BPR1-42	1,324
Formula Transition IDEA	84.027A	28-18-BPT6-42	7,500
Preschool Grants (IDEA Preschool)	84.173A	28-18-P1-42	<u>34,110</u>
Total Special Education Cluster			788,589
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126A	28-18-JSPT-42	114,484
Title IV - Student Support and Academic Enrichment Program			
	84.424A	28-18-71-42	11,115
Career and Technical Education - Basic Grants to States	84.048A	28-18-02-42	45,444
Title II - Supporting Effective Instruction State Grants	84.367A	28-18-50-42	278,904
Teacher and School Leader Incentive Grants	84.374A	28-18-TP-42	214,702
PBCS Teacher Incentive Funds	84.374A	28-18-PBCS-42	16,915
Rural Implementation - TIF	84.374A	28-18-BP-42	<u>7,500</u>
Total Teacher Incentive Fund			239,117
Rural Education Achievement Program (REAP)	84.358B	28-18-RE-42	<u>67,525</u>
Total United States Department of Education			<u>3,419,204</u>
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Temporary Assistance to Needy Families			
LA 4 Federal (TANF cluster)	93.558	28-18-36-42	142,290
Jobs for Americas Graduates (TANF cluster)	93.558	28-18-JS-42	<u>116,858</u>
Total Temporary Assistance to Needy Families			259,148
United States Department of Defense			
Direct Programs:			
Department of the Army			
ROTC	12.609	LA21126	<u>55,017</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 5,881,456</u></u>

Richland Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

NOTE 1 - BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Richland Parish School Board under programs of the federal government for the year ended June 30, 2018. The Richland Parish School Board (the School Board) reporting entity is defined in Note 1 to the School Board's basic financial statements. 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). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule. Because the schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position and changes in net assets of the Richland Parish School Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

	Federal Sources
Major:	
General	\$ 55,017
Nonmajor Special Revenue:	
School Food Service	2,148,087
Title I	1,874,026
Special Education	1,027,706
Title II & IV	290,019
LA 4	142,290
Vocational/JAG Grants	276,786
REAP	67,525
Total	\$ 5,881,456

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 6 - INDIRECT COST RATE The School Board has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Richland Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

PART I - Summary of the auditor's results

Financial statement audit

- i. The type of audit report issued was unmodified.
- ii. There was a significant deficiency identified that is required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency was not considered to be a material weakness.
- iii. There was one instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies identified that are required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance (2 CFR 200).
- vii. The major federal awards are:
 - Special Education Cluster:
 - Grants to States (IDEA Part B) CFDA #84.027A
 - Preschool CFDA #84.173A
 - Title I – Grants to Local Educational Agencies CFDA# 84.010A
 - Title II – Supporting Effective Instruction State Grants CFDA# 84.367A
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

**Richland Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

Part II-Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2018-001** **Late Submission of Audit Report to Legislative Auditor**

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: According to Louisiana R.S. 24:513A(5)(a)(i) the audit report should be filed with the Louisiana Legislative Auditor (LLA) within six months after year end.

Condition found: The audit report was filed with the Legislative Auditor after the deadline. An extension was requested and approved for the report to be filed by January 31, 2019.

Context: This finding appears to be systemic.

Possible asserted effect (cause and effect):

Cause: The business department has experienced turnover in the prior two years due to retirements and resignations. The business department also had a software conversion in the current year.

Effect: Information needed for the audit of the financial statements was not provided in time to file the report with the Legislative Auditor within the six month required time line.

Recommendation to prevent future occurrences: The business department should continue their efforts in training staff on new duties and new software with an emphasis on timely reporting.

Origination date and prior year reference (if applicable): This finding originated in the 2017 fiscal year.

View of Responsive Official: The School Board filed a request for an extension for the late submission of the audit report for the year ended June 30, 2018. Due to the size of the district, recent turnover in staff and software conversions, it was considered unavoidable to delay the filing of the report to ensure all funds were reported properly.

Other Information

OFFICE OF
RICHLAND PARISH SCHOOL BOARD
SHELDON JONES, Superintendent
P. O. BOX 599
RAYVILLE, LOUISIANA 71269

Marie Lewis
District 6
President

James Hough
District 4
Vice President

Chris Pruitt
District 9

Eugene Young, Jr.
District 2

Moses Wilkins
District 3

Kevin Eppinette
District 8

Alece Copeland
District 5

Joe Chapman
District 7

Billy Calvert
District 1

Status of Prior Year Findings and Questioned Costs for Year Ended June 30, 2018

Reference # and title: **2017-001** **Late Submission of Audit Report to Legislative Auditor**

Federal program and specific federal award identification: This finding is entity-wide.

Condition: According to Louisiana R.S. 24:513A(5)(a)(i) the audit report should be filed with the Louisiana Legislative Auditor (LLA) within six months after year end. The audit report was filed with the Legislative Auditor after the deadline. An extension was requested and approved for the report to be filed by May 31, 2018.

Corrective action planned: See management's corrective action for current year finding 2018-001.

Reference # and title: **2017-002** **Monitoring of Special Tests in the JAG Program**

Federal program and specific federal award identification: This finding relates to the Temporary Assistance for Needy Families Jobs for Americas Graduates (JAG) program CFDA #93.558 for Federal Award Year 2017 received from the U.S. Department of Health and Human Services, passed through the Louisiana Department of Education.

Condition: Special tests included number of competencies acquired, graduation rate for high school students, educational field trips, and guest speakers. Multi-year model program students are required to obtain 37 competencies and middle school model programs are required to obtain 27 competencies. Graduation rates should average a minimum of 90% for multi-year programs and transition rates to high school should average 90% for middle school model programs. Each class should have at least three educational field trips (one being a post-secondary institution) and eight guest speakers during the year.

There does not appear to be monitoring controls in place to ensure that the required number of competencies are attained, graduation rates meet the minimum requirement, or that field trips and guest speakers planned actually occur. A sample of three students was selected from each school (six schools) providing JAG to test for achievement of required competencies. For seven of the eighteen students selected the minimum required competencies were not met according to the student's file.

Corrective action taken: The responsible official has access to the JAG database so that checks of the information contained in the database can be sampled. Mid year and end of year check of the field trips taken and guest speakers hosted have been put in place. The responsible official randomly selects a small population of the JAG students at each school and monitors the number of competencies acquired. Each JAG specialist is required to turn in a copy of the end of year checklist/self-assessment survey to the responsible official. The graduation rate is reported to the responsible official by each high school JAG specialist prior to graduation.

OFFICE OF
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District 8

Alece Copeland
District 5

Joe Chapman
District 7

Billy Calvert
District 1

**Corrective Action Plan for Current Year Audit Findings and Questioned Cost
For the Year Ended June 30, 2018**

Reference # and title: 2018-001 Late Submission of Audit Report to the Legislative Auditor

Corrective Action Planned:

Management has taken the opportunity provided by this process to assess the duties related to each position in the business department and to assess duties of administrative staff at the district and school levels. Coupled with the upgrading of software, this process will help to facilitate the streamlining of operations resulting in a more efficient environment with stronger internal controls. Management considers it of the utmost importance to prioritize and provide uninterrupted service to employees and fiscal management to programs involving services to students. Management also realizes that timely review and reporting of public funds is an important step to maintain transparency in the duties that have been entrusted to us.

Person responsible for corrective action plan:

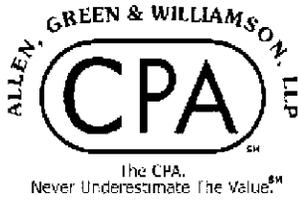
Business Manager Telephone: (318)728-5964
P. O. Box 599 Fax: (318)728-3091
Rayville, LA 71269

Anticipated Completion Date: January 31, 2019

Respectfully Submitted,



Regina R. Mekus, CPA
Business Manager



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Richland Parish School Board
Rayville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Richland Parish School Board, Rayville, Louisiana, and the Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2017 through March 31, 2018. The School Board's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures.

This agreed-upon procedures engagement was performed 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 the reports. 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.

Our procedures and findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment: Procedures to address prior year comments on Payroll/Personnel, Contracting, Credit Cards, and Ethics were written after March 31, 2018. The written procedures address all required elements.

Bank Reconciliations

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

Comment: Bank reconciliations for the central office are reviewed by the Business Manager who is also involved in the transactions.

Management's Response: Limited staffing due to the size of the district is not conducive to separation of duties to the extent noted above. Management has alternative controls in place and will continue to monitor in order to improve separation of duties whenever possible.

Collections

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

Comment: Personnel and process for collections – for one central office location selected the person that enters collection information also takes the deposit to the bank.

Management's Response: Limited staffing due to the size of the district is not conducive to separation of duties to the extent noted above. Management has alternative controls in place and will continue to monitor in order to improve separation of duties whenever possible.

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

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

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

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

Comment: One deposit for the central office was not made within 1 day of receipt. One deposit could not be tested for timeliness because the date of receipt was not documented.

Management's Response: Management will take steps to ensure all deposits are made in a timely manner. Deposit in question was written by vendor on April 30, 2017 and hand delivered. It is unclear when check was delivered to School Board, deposit was made within three days of the date check was written.

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

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

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

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

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

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

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

Comment: One exception was caused by not being able to verify the process. For 3 schools tested, the secretary processes the checks, is the second signature on the check, and mails the checks.

Management's Response: Limited staffing due to the size of the district is not conducive to separation of duties to the extent noted above. Management has alternative controls in place and will continue to monitor in order to improve separation of duties whenever possible.

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

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

- b) Observe that the disbursement documentation included evidence that at least two employees were involved in initiating the purchase request, approving the purchase and placing the order/making the purchase.
- c) Observe that the disbursement documentation includes evidence that at least two employees were involved in processing and approving payment to vendor.

Comment: One check tested lacked documentation of receipt for the purchase and for 11 of the checks tested there was no documentation to verify that two employees were involved in the purchase. All of these exceptions were at schools.

Management's Response: All disbursement require two signatures thus preventing one person from being able to disburse funds without approval of another. Limited staffing due to the size of the district is not conducive in all cases to provide separation of duties to the extent noted above. Management has alternative controls in place and will continue to monitor in order to improve separation of duties whenever possible.

Payroll and Personnel

11. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
12. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Comment: For one employee tested, attendance sheets were not provided. For three employees the attendance record did not include a supervisor's approval.

Management's Response: Management will take steps to ensure attendance records are signed by supervisor.

13. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
14. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Comment: Management's representation was provided.

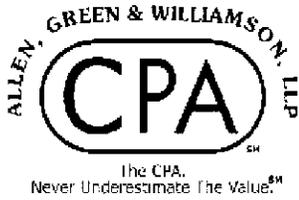
We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance area identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional 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 control and compliance area 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 Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 31, 2019



ALLEN, GREEN & WILLIAMSON, LLP

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES

Board Members

Richland Parish School Board
Rayville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Richland Parish School Board, Rayville, Louisiana, the Louisiana Department of Education, and the Legislative Auditor, State of Louisiana (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School Board, for fiscal year ended June 30, 2018, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) in compliance with Louisiana Revised Statute 24:514(I). Richland Parish School Board's management is responsible for the performance and statistical data.

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*, issued by the United States Comptroller General. 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 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)

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

Comment: No exceptions were noted in applying the agreed upon procedures.

Class Size Characteristics (Schedule 2)

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

Comment: There was 1 exception due to the SIS report showing 21 students per the student roll count and the actual roll book count showing 18 students.

Management's Response: Management has provided training and will continue to emphasize the importance of maintaining accurate records.

Education Levels/Experience of Public School Staff (No Schedule)

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

Comment: There was 1 exception noted. One employee's actual level of experience was 2 years lower than the schedule reported.

Management's Response: It appears that the employee in question was a retiree return to work who received credit for years worked as a substitute after retirement due to the hire date in the employees record. The rate of pay was not affected. Management will review similar situations to ensure they are being reported correctly.

Public School Staff Data: Average Salaries (No Schedule)

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

Comment: No exceptions were noted as a result of applying agreed upon procedures.

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 Richland Parish School Board, as required by Louisiana Revised Statute 24:514(I) and the results of that testing, and not to provide an opinion on control or compliance. Accordingly this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 31, 2019

**RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana**

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

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$8,105,555	
Other Instructional Staff Activities	\$749,433	
Instructional Staff Employee Benefits	\$5,072,510	
Purchased Professional and Technical Services	\$29,715	
Instructional Materials and Supplies	\$540,417	
Instructional Equipment	\$26,785	
Total Teacher and Student Interaction Activities		\$14,524,415
Other Instructional Activities		\$254,502
Pupil Support Services	\$1,259,967	
Less: Equipment for Pupil Support Services	\$0	
Net Pupil Support Services		\$1,259,967
Instructional Staff Services	\$415,308	
Less: Equipment for Instructional Staff Services	\$0	
Net Instructional Staff Services		\$415,308
School Administration	\$2,519,949	
Less: Equipment for School Administration	\$0	
Net School Administration		\$2,519,949
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$18,974,141</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$529,620</u>
 <u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Advalorem Taxes		
Constitutional Ad Valorem Taxes		\$1,769,028
Renewable Ad Valorem Tax		\$1,744,611
Debt Service Ad Valorem Tax		\$2,846,201
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		\$178,521
Sales and Use Taxes - Gross		\$6,116,304
Total Local Taxation Revenue		<u>\$12,654,665</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$40,840
Earnings from Other Real Property		\$0
Total Local Earnings on Investment in Real Property		<u>\$40,840</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$93,193
Revenue Sharing - Other Taxes		\$91,909
Revenue Sharing - Excess Portion		\$0
Other Revenue in Lieu of Taxes		\$0
Total State Revenue in Lieu of Taxes		<u>\$185,102</u>
Nonpublic Textbook Revenue		<u>\$11,019</u>
Nonpublic Transportation Revenue		<u>\$0</u>

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

Class Size Characteristics
As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	11.25	128	11.42	130	1.14	13	0.00	0
Elementary Activity Classes	1.49	17	1.76	20	0.26	3	0.00	0
Middle/Jr. High	7.12	81	4.83	55	2.81	32	0.44	5
Middle/Jr. High Activity Classes	1.49	17	0.26	3	0.35	4	0.62	7
High	29.35	334	7.12	81	3.25	37	0.26	3
High Activity Classes	3.16	36	0.26	3	0.26	3	0.26	3
Combination	0.00	0	0.00	0	0.00	0	0.00	0
Combination Activity Classes	0.00	0	0.00	0	0.00	0	0.00	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.

**RICHLAND PARISH SCHOOL BOARD
RAYVILLE, LOUISIANA**

**STATEWIDE PROCEDURES REPORT
FOR THE PERIOD ENDED JUNE 30, 2018**

**RICHLAND PARISH SCHOOL BOARD
RAYVILLE, LOUISIANA**

**STATEWIDE PROCEDURES REPORT
FOR THE PERIOD ENDED JUNE 30, 2018**

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**INTERNAL AUDIT REPORT
ON APPLYING STATEWIDE PROCEDURES**

To the Richland Parish School Board:

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

The procedures and associated findings are as follows:

Bank Reconciliations

1. We obtained a listing of client bank accounts for school activity funds for the fiscal period from management and management's representation that the listing is complete.

Comment: No exceptions were noted.

2. We asked management to identify the entity's main operating account. We selected 4 school activity fund accounts. We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Comment: No exceptions were noted.

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

Comment: We noted one exception. Evidence of approval was not present on one bank reconciliation.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: We noted four exceptions where items greater than 12 months were not investigated.

**RICHLAND PARISH SCHOOL BOARD
RAYVILLE, LOUISIANA**

**STATEWIDE PROCEDURES REPORT
FOR THE PERIOD ENDED JUNE 30, 2018**

Collections

1. We obtained a listing of deposit sites of the school activity funds for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 4 deposit sites.

Comment: No exceptions were noted.

2. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 4 collection locations for 4 deposit sites), we obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, we inquired of employees about their job duties) at each collection location, and we observed that job duties are properly segregated at each collection location such that:

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

Comment: No exceptions were noted.

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

Comment: We noted for each of the 4 deposit sites the same person is responsible for preparing/making bank deposits and is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit. We did note an independent person reviews the bank reconciliations.

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

Comment: We noted for each of the 4 deposit sites the same person is responsible for posting collection entries to the general ledger or subsidiary ledgers and is responsible for reconciling ledger postings to each other and to the deposit.

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

Comment: We noted for each of the 4 deposit sites the same person is responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions and is responsible for collecting cash.

**RICHLAND PARISH SCHOOL BOARD
RAYVILLE, LOUISIANA**

**STATEWIDE PROCEDURES REPORT
FOR THE PERIOD ENDED JUNE 30, 2018**

Collections (Continued)

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

Comment: No exceptions were noted.

4. We randomly selected two deposit dates for each of the 4 bank accounts selected for procedure #2 under “Collections” above (we selected the next deposit date chronologically if no deposits were made on the dates randomly selected and we randomly selected a deposit if multiple deposits are made on the same day). We obtained supporting documentation for each of the 10 deposits and:

- a) We observed that receipts are sequentially pre-numbered.

Comment: No exceptions were noted.

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

Comment: No exceptions were noted.

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

Comment: No exceptions were noted.

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

Comment: No exceptions were noted.

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

Comment: No exceptions were noted.

Non-payroll Disbursements

1. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected 4 locations (or all locations if less than 5).

Comment: No exceptions were noted.

**RICHLAND PARISH SCHOOL BOARD
RAYVILLE, LOUISIANA**

**STATEWIDE PROCEDURES REPORT
FOR THE PERIOD ENDED JUNE 30, 2018**

Non-payroll Disbursements

2. For each location selected under #1 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, we inquired of employees about their job duties), and we observed that job duties are properly segregate such that:

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

Comment: No exceptions were noted.

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

Comment: No exceptions were noted.

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

Comment: Four exceptions were noted. The employee responsible for processing payments can modify vendor files, but are instructed not to.

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

Comment: Four exceptions were noted. We determined at each location the person responsible for signing checks does not mail the payments. The individual responsible for payments currently does this.

3. For each location selected above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location and obtained supporting documentation for each transaction:

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

Comment: No exceptions were noted.

- b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #2 as applicable.

Comment: No exceptions were noted.

**RICHLAND PARISH SCHOOL BOARD
RAYVILLE, LOUISIANA**

**STATEWIDE PROCEDURES REPORT
FOR THE PERIOD ENDED JUNE 30, 2018**

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.

The Robinette Firm, APAC

The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
December 14, 2018

**RICHLAND PARISH SCHOOL BOARD
RAYVILLE, LOUISIANA**

**STATEWIDE PROCEDURES REPORT
FOR THE PERIOD ENDED JUNE 30, 2018**

MANAGEMENTS RESPONSE:

Richland Parish School Board's management has reviewed the Internal Audit Report on Applying Statewide Procedures. Management is in agreement with the report as provided by The Robinette Firm, APAC. In addition, the Richland Parish School Board will implement changes/additions to policies and/or procedures where necessary to meet the expectations in the report.

Contact Person: Regina Mekus