

Jackson Parish School Board

Jonesboro, Louisiana



Annual Financial Report

As of and for the year ended June 30, 2017

**Jackson Parish School Board
Jonesboro, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2017**

Jackson Parish School Board

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Jackson Parish School Board

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INDEPENDENT AUDITOR'S REPORT

Board Members
Jackson Parish School Board
Jonesboro, 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 Jackson Parish School Board, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 School Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress for Other Post-Employment Benefit Plan, Schedule of the Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, the Budgetary Comparison Schedules and the notes to the 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 Jackson 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* and 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 December 29, 2017 on our consideration of the Jackson 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 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

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 29, 2017

REQUIRED SUPPLEMENTARY INFORMATION:

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

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

Our discussion and analysis of Jackson Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis. Amounts are presented in thousands unless otherwise noted.

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 funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Total revenues for all governmental activities increased \$764 due mainly to property taxes and Minimum Foundation funding increased during the year.

Total expenses for all governmental activities increased \$3,289 due mainly to the increase in the net pension liability and OPEB.

FUND FINANCIAL STATEMENTS The fund balances of all governmental funds increased \$550. The fund balance of the general fund increased \$37.

Overall revenues increased \$406 from the 2016 school year in the General Fund. This increase was due to property taxes and Minimum Foundation funding increase during the year.

Expenditures increased \$65 in the General Fund from what was spent in 2016. The increase in expenditures was mainly due to purchasing two additional school buses than we did last year and purchasing the bus barn location, increases in Teacher's Retirement, Louisiana school employee's retirement, and health and life insurance premiums.

The Title 1 fund balances neither increased nor decreased since it is a cost-reimbursement fund.

The Taxable QSCB Series 2009 fund balance increased \$394 from the 2016 school year mainly due to the increase in assets pledge to cover the bond once it is redeemable.

Nonmajor governmental fund balances increased \$119 due mainly to Child Nutrition fund and the prior year we spent out the majority of remaining balances in bond funds.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, Title 1 and the Taxable QSCB Series 09 fund. The remaining statements - the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents and for the trust.

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 Basic Financial Statements

Required Supplementary Information
Schedule of Funding Progress for OPEB
Schedule of the Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Comparison 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
(Superintendent)

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

Our 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.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

These two statements report the School Board's net position - the difference between assets, liabilities, and deferred outflows/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 nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, support services, 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 (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - 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 an accounting method called modified accrual 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. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds 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 and scholarship fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Net Position and the Statement of Changes of Fiduciary Net Position. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

THE SCHOOL BOARD AS A WHOLE The School Board's net position was \$(15,254) at June 30, 2017. Of this amount \$(27,359) was unrestricted. 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 the 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
June 30,
(in thousands)

	<u>Governmental Activities</u>		<u>Variance</u>
	<u>2017</u>	<u>2016</u>	
Other assets	\$ 25,275	\$ 25,403	\$ (128)
Capital assets	13,542	13,897	(355)
Total assets	<u>38,817</u>	<u>39,300</u>	<u>(483)</u>
Deferred Outflow of Resources	<u>7,203</u>	<u>5,464</u>	<u>1,739</u>
Other liabilities	2,906	3,588	(682)
Long-term liabilities	56,596	51,505	5,091
Total liabilities	<u>59,502</u>	<u>55,093</u>	<u>4,409</u>
Deferred Inflow of Resources	<u>1,772</u>	<u>1,257</u>	<u>515</u>
Net Position			
Net investment in capital assets	5,042	5,259	(217)
Restricted	7,063	6,216	847
Unrestricted	(27,359)	(23,061)	(4,298)
Total net position	<u>\$ (15,254)</u>	<u>\$ (11,586)</u>	<u>\$ (3,668)</u>

The \$(27,359) in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its noncapital liabilities such as compensated absences, net pension liability and OEPB liability, there would be a deficit of \$(27,359).

The net position of the School Board decreased by \$3,668 which was mainly due to increases in Teacher's Retirement, Louisiana school employee's retirement, health and life insurance premiums and increases in net pension liability and OPEB liability.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

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

	<u>Governmental Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Revenues:			
Program revenues			
Charges for services	\$ 198	\$ 209	\$ (11)
Operating grants and contributions	3,443	2,646	797
General revenues			
Ad valorem taxes	6,216	6,090	126
Sales taxes	5,828	5,743	85
Minimum Foundation Program	10,472	10,326	146
Other general revenues	506	885	(379)
Total revenues	<u>26,663</u>	<u>25,899</u>	<u>764</u>
Functions/Program Expenses:			
Instruction			
Regular programs	11,493	10,815	678
Special programs	2,674	2,267	407
Other instructional programs	3,258	2,330	928
Support services			
Student services	1,503	1,232	271
Instructional staff support	1,668	1,547	121
General administration	1,213	1,136	77
School administration	1,541	1,313	228
Business services	432	438	(6)
Plant services	2,042	1,949	93
Student transportation services	2,065	1,829	236
Central services	354	185	169
Food services	1,902	1,811	91
Community services	7	7	-
Interest on long-term debt	179	183	(4)
Total expenditures	<u>30,331</u>	<u>27,042</u>	<u>3,289</u>
Increase (decrease) in net position	<u>(3,668)</u>	<u>(1,143)</u>	<u>(2,525)</u>
Net position - beginning	<u>(11,586)</u>	<u>(10,443)</u>	<u>(1,143)</u>
Net position - ending	<u>\$ (15,254)</u>	<u>\$ (11,586)</u>	<u>\$ (3,668)</u>

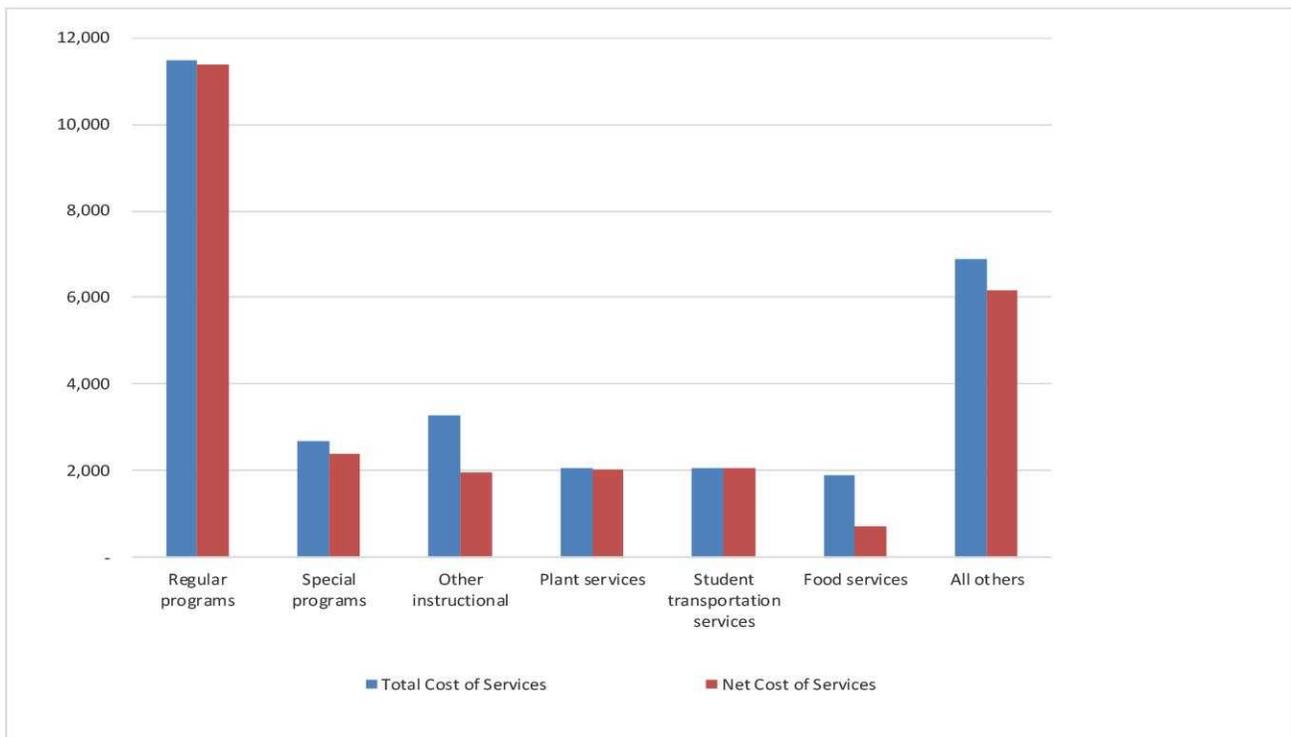
Governmental Activities In Table 3 we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, plant services, student transportation services and food services, as well as each program's net cost (total cost less 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.

**Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017**

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

	<u>Governmental Activities</u>					
	<u>Total Cost of Services</u>			<u>Net Costs of Services</u>		
	2017	2016	Variance	2017	2016	Variance
Regular programs	\$ 11,493	\$ 10,815	\$ 678	\$ 11,393	\$ 10,735	\$ 658
Special programs	2,674	2,267	407	2,385	2,163	222
Other instructional programs	3,258	2,330	928	1,957	1,505	452
Plant services	2,042	1,949	93	2,033	1,943	90
Student transportation services	2,065	1,829	236	2,050	1,823	227
Food services	1,902	1,811	91	703	687	16
All others	6,897	6,041	856	6,170	5,331	839
Totals	\$ 30,331	\$ 27,042	\$ 3,289	\$ 26,691	\$ 24,187	\$ 2,504

**2017
Total Cost of Services
Versus
Net Cost of Services (in thousands)**



Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

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.

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 original amount available for appropriations and the original amount budgeted for charges to appropriations were not revised during the year due to monitoring the budget and seeing that the School Board was not over the state mandated 5% budget law.

The actual amounts available for appropriations exceeded the budget by \$801. This was due to increase in Minimum Foundation Program from the state and sales tax.

The budgeted charges to appropriations was less than the actual by \$93 due to decrease in staff due to vacant positions and/or retirement of personnel.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2017, the School Board had \$13,542 invested in a broad range of capital assets, including land, construction in progress, infrastructure, buildings and improvements, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$355 or approximately 2.6% from last year.

**Capital Assets at
June 30,
(in thousands)**

	<u>Governmental Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Land	\$ 193	\$ 213	\$ (20)
Construction in Progress	-	47	(47)
Infrastructure	415	427	(12)
Buildings and improvements	11,792	12,066	(274)
Furniture and equipment	1,142	1,144	(2)
Totals	<u>\$ 13,542</u>	<u>\$ 13,897</u>	<u>\$ (355)</u>

More information on capital assets is included in Note 7 of the Notes to the Basic Financial Statements.

Debt Administration The School Board's long-term liabilities at June 30, 2017 include Qualified School Construction Bonds (QSCB) of \$6,000 and \$2,500, net pension liability of \$31,582, OPEB liability of \$16,166, compensated absences of \$211, litigation payable of \$75, and claim and judgments payable of \$62.

**Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017**

More information on long-term debt is included in Note 14 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS The Jackson Parish School Board does not anticipate any significant changes to the budgets for fiscal year 2017-2018.

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 James Odom, Business Manager, at Jackson Parish School Board, P. O. 705, Jonesboro, Louisiana 71251-0705, telephone number (318) 259-4456.

BASIC FINANCIAL STATEMENTS:

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

JACKSON PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2017

	Statement A
	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 20,999,862
Investments	2,550,987
Receivables	1,713,379
Inventory	10,658
Other assets - deposits	50
Capital assets, not being depreciated	
Land and construction in progress	192,650
Capital assets, net of depreciation	
Buildings, furniture and equipment	<u>13,349,144</u>
TOTAL ASSETS	<u>38,816,730</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>7,203,019</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,203,019</u>
LIABILITIES	
Accounts, salaries and other payables	2,851,383
Interest payable	44,001
Unearned revenue	10,658
Long-term liabilities	
Due within one year	272,979
Due in more than one year	<u>56,323,178</u>
TOTAL LIABILITIES	<u>59,502,199</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>1,772,327</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,772,327</u>
NET POSITION	
Net investment in capital assets	5,041,794
Restricted for:	
Child nutrition program	130,708
Debt service	4,431,100
Capital projects	7,860
Grant contracts	4,061
Salaries and maintenance	2,488,984
Unrestricted	<u>(27,359,284)</u>
TOTAL NET POSITION	<u>\$ (15,254,777)</u>

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

JACKSON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the year ended June 30, 2017

Statement B

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 11,492,879	\$ -	\$ 99,601	\$ (11,393,278)
Special programs	2,674,201	-	288,944	(2,385,257)
Other instructional programs	3,257,588	-	1,301,069	(1,956,519)
Support services:				
Student services	1,502,832	-	118,949	(1,383,883)
Instructional staff support	1,668,236	-	439,309	(1,228,927)
General administration	1,212,985	-	158,482	(1,054,503)
School administration	1,540,771	-	6,887	(1,533,884)
Business services	432,047	-	2,409	(429,638)
Plant services	2,042,229	-	8,996	(2,033,233)
Student transportation services	2,064,776	-	14,071	(2,050,705)
Central services	354,218	-	2,184	(352,034)
Food services	1,902,339	198,040	1,001,564	(702,735)
Community services	7,212	-	49	(7,163)
Interest and bank charges	178,750	-	-	(178,750)
Total Governmental Activities	\$ 30,331,063	\$ 198,040	\$ 3,442,514	\$ (26,690,509)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				6,215,800
Sales taxes, levied for general purposes				5,827,591
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				10,472,419
State revenue sharing				75,485
Interest and investment earnings				75,027
Miscellaneous				355,738
Total general revenues				23,022,060
Changes in net position				(3,668,449)
Net position - beginning				(11,586,328)
Net position - ending				\$ (15,254,777)

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

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

JACKSON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2017

Statement C

	GENERAL	TITLE I	TAXABLE QSCB SERIES 09	NONMAJOR GOVERNMENTAL	TOTAL
ASSETS					
Cash and cash equivalents	\$ 18,934,737	\$ -	\$ 1,237,103	\$ 828,022	\$ 20,999,862
Investments	-	-	2,010,568	540,419	2,550,987
Receivables	1,015,142	361,520	-	336,717	1,713,379
Interfund receivables	469,408	-	-	15,910	485,318
Inventory	-	-	-	10,658	10,658
Other assets - deposits	50	-	-	-	50
TOTAL ASSETS	20,419,337	361,520	3,247,671	1,731,726	25,760,254
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	2,608,262	30,611	-	212,510	2,851,383
Interfund payables	15,910	330,909	-	138,499	485,318
Unearned revenue	-	-	-	10,658	10,658
Total Liabilities	2,624,172	361,520	-	361,667	3,347,359
Fund Balances:					
Restricted	2,488,984	-	3,247,671	1,370,059	7,106,714
Unassigned	15,306,181	-	-	-	15,306,181
Total Fund Balances	17,795,165	-	3,247,671	1,370,059	22,412,895
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,419,337	\$ 361,520	\$ 3,247,671	\$ 1,731,726	\$ 25,760,254

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

JACKSON PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2017**

Statement D

Total fund balances - governmental funds \$ 22,412,895

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs 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	\$ 41,285,358	
Accumulated depreciation	<u>(27,743,564)</u>	13,541,794

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, 2017 are:

Interest payable	(44,001)	
------------------	----------	--

Long-term liabilities:

QSCB series 2009 payable	(6,000,000)	
QSCB series 2011 payable	(2,500,000)	
Net pension liability	(31,581,931)	
OPEB liability	(16,166,247)	
Compensated absences payable	(210,979)	
Litigation payable	(75,000)	
Claims and judgements payable	<u>(62,000)</u>	<u>(56,640,158)</u>

Deferred outflows/inflows related to pensions are not due and payable in the current period and accordingly are not reported in the Fund Financial Statements

Deferred outflows related to pensions	7,203,019	
Deferred inflows related to pensions	<u>(1,772,327)</u>	<u>5,430,692</u>

Total Net Position - governmental activities		<u><u>\$ (15,254,777)</u></u>
--	--	-------------------------------

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

JACKSON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the year ended June 30, 2017

					Statement E
	GENERAL	TITLE I	TAXABLE QSCB SERIES 09	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 6,215,800	\$ -	\$ -	\$ -	\$ 6,215,800
Sales and use	5,827,591	-	-	-	5,827,591
Interest earnings	46,977	-	25,272	2,778	75,027
Food services	-	-	-	198,040	198,040
Other	311,450	-	-	124,288	435,738
State sources:					
Equalization	10,455,495	-	-	16,924	10,472,419
Other	192,730	-	-	197,545	390,275
Federal sources	-	1,091,461	-	2,036,263	3,127,724
Total Revenues	23,050,043	1,091,461	25,272	2,575,838	26,742,614
EXPENDITURES					
Current:					
Instruction:					
Regular programs	9,067,179	440	-	55,360	9,122,979
Special programs	1,969,678	-	-	279,034	2,248,712
Other instructional programs	1,579,782	825,283	-	467,304	2,872,369
Support services:					
Student services	1,138,007	3,153	-	109,905	1,251,065
Instructional staff support	972,114	299,519	-	137,588	1,409,221
General administration	1,011,501	97,134	-	55,172	1,163,807
School administration	1,268,996	-	-	-	1,268,996
Business services	378,587	-	-	-	378,587
Plant services	1,858,169	-	-	15,000	1,873,169
Student transportation services	1,730,815	4,825	-	-	1,735,640
Central services	335,650	-	-	-	335,650
Food services	361,675	-	-	1,300,764	1,662,439
Community services	7,212	-	-	-	7,212
Capital outlay	519,526	-	-	21,750	541,276
Debt service:					
Principal retirement	138,307	-	-	-	138,307
Interest and bank charges	4,342	-	23,875	154,875	183,092
Total Expenditures	22,341,540	1,230,354	23,875	2,596,752	26,192,521
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 708,503	\$ (138,893)	\$ 1,397	\$ (20,914)	\$ 550,093

(CONTINUED)

JACKSON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the year ended June 30, 2017

					Statement E
	GENERAL	TITLE I	TAXABLE QSCB SERIES 09	NONMAJOR GOVERNMENTAL	TOTAL
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 138,893	\$ 392,772	\$ 279,808	\$ 811,473
Transfers out	(671,340)	-	-	(140,133)	(811,473)
Total Other Financing Sources (Uses)	(671,340)	138,893	392,772	139,675	-
Net Change in Fund Balances	37,163	-	394,169	118,761	550,093
FUND BALANCES - BEGINNING	17,758,002	-	2,853,502	1,251,298	21,862,802
FUND BALANCES - ENDING	<u>\$ 17,795,165</u>	<u>\$ -</u>	<u>\$ 3,247,671</u>	<u>\$ 1,370,059</u>	<u>\$ 22,412,895</u>

(CONCLUDED)

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

JACKSON PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the year ended June 30, 2017**

		Statement F
Total net change in fund balances - governmental funds	\$	550,093
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 exceeds capital assets in the period:		
Capital outlays	\$ 541,276	
Depreciation expense	(816,871)	
Disposal of land	<u>(80,000)</u>	
		(355,595)
The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Repayment of capital lease		138,307
Increase in OPEB liability, in which is reported in the Statement of Activities and not reported as expenditures in governmental funds.		
		(3,352,991)
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the Fund Financial Statements are the amount actually paid.		
		(638,961)
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 (\$231,375) was more than the amounts earned (\$222,256) by \$9,119.		
		9,119
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) Reduction of incurred but not reported workers' compensation claims		(22,763)
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.		
		4,342
		<hr/>
Change in net position of governmental activities.	\$	<u><u>(3,668,449)</u></u>

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

JACKSON PARISH SCHOOL BOARD

FIDUCIARY FUNDS
 Statement of Fiduciary Net Position
 June 30, 2017

Statement G

	PRIVATE PURPOSE TRUST	AGENCY FUNDS
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 120,181	\$ 362,425
Investments	125,000	-
	<u>245,181</u>	<u>362,425</u>
Total assets		
<u>LIABILITIES</u>		
Deposits due others	-	362,425
	<u>-</u>	<u>362,425</u>
Total liabilities		
<u>NET POSITION</u>		
Net position held in trust	<u>245,181</u>	<u>-</u>
	<u>\$ 245,181</u>	<u>\$ -</u>
Total net position		

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

JACKSON PARISH SCHOOL BOARD
 FIDUCIARY FUNDS
 Statement of Changes in Fiduciary Net Position
 For the year ended June 30, 2017

	Statement H PRIVATE PURPOSE TRUST <hr/>
<u>ADDITIONS</u>	
Earnings on investments	\$ 1,038
Other revenue	<hr/> 15,000
Total additions	<hr/> 16,038
<u>DEDUCTIONS</u>	
Regular instruction	<hr/> 13,116
Changes in net position	2,922
Net position - beginning	<hr/> 242,259
Net position - ending	<hr/> <hr/> \$ 245,181

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

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

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Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Jackson 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 Jackson Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Jackson 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 seven members who are elected from ten districts for terms of four years.

The School Board operates five schools within the parish with a total enrollment of approximately 2,219 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 School Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. 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 classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The School Board reports the following major governmental funds:

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

Title I This program improves the educational opportunities of socially and economically deprived children by helping them succeed in regular school programs, attain grade level proficiency, and improve achievement in basic and more advanced skills.

Taxable QSCB Series 09 Accounts for the annual interest payments and accumulated assets pledged for the payment of the 2009 taxable Qualified School Construction Bonds in 2025.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

Fiduciary Funds Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Fiduciary funds include:

I. J. Allen Memorial Scholarship Expendable Trust Fund - accounted for essentially in the same manner as governmental funds. The resources, including both principal and earnings, may be expended. This scholarship trust fund was created from contributions and memorials from the family and friends of the late I. J. Allen.

School Activities Agency Fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 Net Position and the Statement of Changes in Fiduciary Net Position 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 No. 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 governments.

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 Fund Types 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

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets, current liabilities and current deferred outflows/inflows of resources 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

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.

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.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

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

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. Fiduciary funds are accounted for using the accrual basis of accounting, and the trust fund is prepared using the economic resources measurement focus.

Trust Funds account for assets held by the government under the terms of a normal 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.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. 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.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less they are classified as cash equivalents and are stated at cost.

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.

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 contracts 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 EXPENSES Inventory items are expensed as purchased except for inventory of the school food service fund. Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when purchased except for any unused commodities at June 30 are reported as unearned revenues. All purchased inventory items are valued at cost using first-in, first-out, (FIFO), and commodities are assigned values based on information provided by the United States Department of Agriculture.

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

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 estimated fair 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:

Infrastructure	30 years
Land improvements	40 years
Buildings	10 - 40 years
Furniture and equipment	3 - 10 years
Intangibles-software	5 years

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 or for commodities in inventory at June 30, as described in Note H. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue from the combined balance sheet is removed and the revenue is recognized.

K. COMPENSATED ABSENCES All 12-month employees earn ten days of vacation leave each year. Vacation leave cannot be accumulated. Upon separation of employment, all unused vacation leave is forfeited.

All School Board employees earn from ten 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 and bases the calculation on employees with a minimum year experience level of twenty 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.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

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.

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 same 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has deferred outflows related to the net pension liability recorded. See Note 8 for additional information related to the net pension liability recorded.

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 has deferred inflows related to the net pension liability recorded. See Note 8 for additional information related to the net pension liability recorded.

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 are 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. Of the \$7,062,713 reported as restricted on the Statement of Net Position, \$2,497,637 is restricted through 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.

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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 resolution prior to the end of the fiscal year, commit fund balance. Committed amounts 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. The School Board has no formal minimum fund balance policy; however, the informal amount for minimum balance has been an amount equal to three months of expenditures.

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 TAX On April 22, 1969, the voters of Jackson Parish approved a one percent sales and use tax within the parish. The proceeds from the tax are to be used for the payment of salaries and for expenses of operating schools.

On April 3, 1982, the voters of Jackson Parish approved an additional one percent sales and use tax within the parish (outside the corporate limits of the town of Jonesboro). The proceeds from the tax are to be used fifty percent for constructing or improving schools and the remaining for any lawful purposes of the Board.

On March 20, 2000, a six-tenth of one percent sales and use tax was approved within the parish. The proceeds from the tax are to be used for salaries and benefits for teachers and other employees.

On August 7, 1995 the voters of Jackson Parish approved an additional four-tenth of one percent sales and use tax on sales within the parish. The proceeds from the tax are to be used for the payment of salaries and benefits of teachers in the public elementary and secondary schools and other School Board employees.

These taxes are collected by the Jackson Parish Sales Tax Collection Agency.

R. BUDGET

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

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

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Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

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

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Board. 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.

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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Actual Expenditures over Budget Expenditures

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 22,919,592	\$ 23,012,880	\$ (93,288)

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Jackson Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Jackson Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

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

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Property Tax Calendar

Levy date	October 12, 2016
Tax bills mailed	October 17, 2016
Due date	December 31, 2016
Lien date	May 17, 2017
Tax sale – 2016 delinquent property	May 17, 2017

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

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service 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 in 2016. Total assessed value was \$246,583,870 for calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$20,296,190 of the assessed value for calendar year 2016.

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

All property taxes are recorded in the general fund, on the basis explained in Note 1. Revenues 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 tax roll is prepared by the parish tax assessor in October of each year. The collection of the 2016 property taxes occurred in December 2016, and January and February of 2017. The School Board considers the levy date as the legally enforceable date. Accordingly, the 2016 property taxes are recorded in the 2016-2017 fiscal year.

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

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The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	Adjusted Maximum <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parish-wide taxes:			
Constitutional	5.62	4.98	Statutory
Parish-wide additional support	8.24	8.24	2023
Parish-wide maintenance and operations	8.80	7.35	2019
Parish-wide additional maintenance and operations	5.84	5.84	2026

NOTE 4 - DEPOSITS

Deposits are stated at cost which approximates 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 bank agent. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

Credit Risk: The School Board invests 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 \$21,607,468 (including \$125,000 in certificate of deposits classified as investments) and the bank balance was \$21,838,311. These deposits are reported as follows: Statement A - cash and cash equivalents, \$20,999,862, Statement G - cash and cash equivalents, \$482,606 and Statement G - certificate of deposits classified as investments of \$125,000.

Of the bank balance, \$1,727,400 was covered by federal depository insurance (GASB Category 1). The remaining balance of \$20,110,911 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. 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. The School Board's policy does not address custodial credit risk.

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NOTE 5 - INVESTMENTS

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The School Board's investments have the following fair value measurement as of June 30, 2017:

Type of Investment	Fair Value	Matures in Greater than 5 Years	Fair Market Value Hierarchy	Percentage of Investment	Credit Rating
State and Local Government Bond Series	\$ 1,954,713	\$ 1,954,713	Level 1	76.6%	Unrated
United States Treasury Notes	596,274	596,274	Level 1	23.4%	AAA
Total investments	<u>\$ 2,550,987</u>	<u>\$ 2,550,987</u>			

Interest Rate Risk: The School Board's policy does not address interest rate risk. The School Board's investments mature in fiscal years 2023, 2024 and 2025. These investments are for the QSCB 2009 series and the QSCB 2011 series maturity payments, which are payable in fiscal years 2025 and 2026.

Credit Rate Risk: State law limits investments to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies. New regulations also include investments in investment grade commercial paper of domestic U.S. corporations. Even though the School Board adheres to the state regulations, the School Board's policy does not address credit rate risk.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments. The School Board's investment accounts are maintained at a trust department of a financial institution. The School Board's policy does not address custodial credit risk.

NOTE 6 - RECEIVABLES

The balance of receivables at June 30, 2017 is as follows:

	General	Title 1	Nonmajor Governmental	Total
Intergovernmental - grants:				
Federal	\$ -	\$ 361,520	\$ 292,181	\$ 653,701
State	14,078	-	44,536	58,614
Local sources:				
Sales tax	948,274	-	-	948,274
Other	52,790	-	-	52,790
Total	<u>\$ 1,015,142</u>	<u>\$ 361,520</u>	<u>\$ 336,717</u>	<u>\$ 1,713,379</u>

No allowance for doubtful accounts has been recorded as these receivables are expected to be collected in full.

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NOTE 7 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 is as follows:

	Balance, Beginning	Additions	Deletions	Balance, Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 212,650	\$ 60,000	\$ 80,000	\$ 192,650
Construction in Progress	46,829	42,946	89,775	-
Total nondepreciable capital assets	<u>259,479</u>	<u>102,946</u>	<u>169,775</u>	<u>192,650</u>
Depreciable capital assets				
Infrastructure	497,004	-	-	497,004
Buildings and improvements	35,669,782	279,775	-	35,949,557
Furniture and equipment	4,399,948	248,330	2,131	4,646,147
Total depreciable capital assets	<u>40,566,734</u>	<u>528,105</u>	<u>2,131</u>	<u>41,092,708</u>
Less accumulated depreciation				
Infrastructure	69,718	12,425	-	82,143
Buildings and improvements	23,603,469	553,510	-	24,156,979
Furniture and equipment	3,255,637	250,936	2,131	3,504,442
Total accumulated depreciation	<u>26,928,824</u>	<u>816,871</u>	<u>2,131</u>	<u>27,743,564</u>
Depreciable capital assets, net	<u>13,637,910</u>	<u>(288,766)</u>	<u>-</u>	<u>13,349,144</u>
Governmental activities				
Capital assets, net	<u>\$13,897,389</u>	<u>\$ (185,820)</u>	<u>\$ 169,775</u>	<u>\$ 13,541,794</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 720,967
Special Instruction	20,339
Other Instructional	8,077
School Administration	19,338
Food Services	48,150
Total depreciation expense	<u>\$ 816,871</u>

NOTE 8 - 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.

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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.

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 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

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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 in state service 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 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.

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Employer contributions to LSERS for fiscal year 2017 were \$345,267, with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.3%. Employer defined benefit plan contributions to TRSL for fiscal year 2017 were \$2,805,659, with active member contributions ranging from 5% to 8%, and employer contributions of 25.5% to 28.2%. Non-employer contributions to TRSL, which comprised of \$247,616 from ad valorem taxes and revenue sharing and \$3,201 from the State for PIP salaries, totaled \$250,817 for fiscal year 2017. These non-employer contributions are recognized 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, 2017, the School Board reported liabilities of \$3,090,161 and \$28,491,770 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, 2016, 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, 2016, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were .4096%, or an increase of .0185% for LSERS and .2428% or a decrease of .0106% for TRSL.

For the year ended June 30, 2017, the School Board recognized a total pension expense of \$3,789,887, or \$511,424 and \$3,278,463 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	\$ -	\$ -	\$ -	\$ 84,328	\$ 562,507	\$ 646,835
Changes of assumptions	73,206	-	73,206	81,676	-	81,676
Net difference between projected and actual earnings on pension plan investments	391,472	2,074,135	2,465,607	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	170,450	1,342,830	1,513,280	9,856	1,033,960	1,043,816
Employer contributions subsequent to the measurement date	345,267	2,805,659	3,150,926	-	-	-
Total	<u>\$ 980,395</u>	<u>\$ 6,222,624</u>	<u>\$ 7,203,019</u>	<u>\$ 175,860</u>	<u>\$ 1,596,467</u>	<u>\$ 1,772,327</u>

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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, 2017. 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
2018	\$ 121,622	\$ 286,524	\$ 408,146
2019	48,074	286,524	334,598
2020	176,915	959,767	1,136,682
2021	112,657	287,683	400,340

Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LSERS	TRSL
Valuation Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	5 years
Investment Rate of Return	7.125%, net of investment expense, including inflation	7.75%, net of investment expense
Inflation Rate	2.625% per annum	2.5% per annum
Projected salary increases	2008 - 2012 experience study ranging from 3.075% to 5.375%	3.5% to 10.0% varies depending on duration of service
Cost-of-living adjustments	Not substantively automatic	Not substantively automatic
Mortality	RP-2000 Sex Distinct Mortality Table	RP-2000 Mortality Table with projection to 2025 using Scale AA
Termination, Disability, Retirement	Projected based on a five year (2008- 2012) experience study	Projected based on a five year (2008-2012) experience study

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.

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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	Long-Term Expected Real Rate of Return
TRSL (arithmetic)		
Domestic equity	31.00%	4.50%
International equity	19.00%	5.31%
Domestic fixed income	14.00%	2.45%
International fixed income	7.00%	3.28%
Alternatives	29.00%	11.62%
Total	<u>100.00%</u>	
LSERS (geometric)		
Fixed income	30.00%	1.82%
Equity	51.00%	3.10%
Alternative investments	13.00%	0.79%
Real assets	6.00%	0.36%
Total	<u>100.00%</u>	<u>6.07%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>8.07%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.00% 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.

For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.00% used in the June 30, 2015 valuation to 7.125%. The rate used in the June 30, 2015 valuation 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 valuation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contribution for the System. With this change, the valuation of plan liabilities based on a valuation interest rate set for 0.25% 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.

Jackson Parish School Board
Notes to the Basic Financial Statements
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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	\$ 4,056,520	\$ 3,090,161	\$ 2,262,241
TRSL	35,537,958	28,491,770	22,495,941

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, 2017, the School Board had \$99,743 and \$847,616 in payables to LSERS and TRSL, respectively, for the June 2017 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. Employer ORP contributions to TRSL for fiscal year 2017 totaled \$42,175, which represents pension expense for the School Board. Employee contributions totaled \$12,249. The Active member and employer contribution rates were 8% and 5.4%, respectively, with an additional employer contribution of 21.2% made to the TRSL defined benefit plan described above.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

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 for the School Board. These benefits and similar benefits for active employees are provided through the Louisiana Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

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 27% retiree/73% employer of the stated costs of healthcare

Jackson Parish School Board
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coverage.

The plan is currently financed on a “pay as you go basis”, with the School Board contributing \$1,085,330 for 208 retirees for the year ended June 30, 2017.

Annual Other Post Employment Benefit Cost and Liability - The School Board’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year closed amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The level dollar amortization method was used. The total ARC for fiscal year 2017 is \$4,812,451 as set forth below:

Normal Cost		\$	1,632,202
30-year UAL amortization amount			3,180,249
Annual required contribution (ARC)		\$	4,812,451

The following table presents the School Board’s OPEB Obligation for fiscal years 2017, 2016, and 2015:

	2017	2016	2015
Beginning Net OPEB Obligation July 1	\$ 12,813,256	\$ 10,943,935	\$ 8,956,077
Annual required contribution	4,812,451	3,375,990	3,375,990
Interest on prior year Net OPEB Obligation	512,530	437,757	358,243
Adjustment to ARC	(886,660)	(717,780)	(587,402)
Annual OPEB Cost	4,438,321	3,095,967	3,146,831
Less current year retiree premiums	(1,085,330)	(1,226,646)	(1,158,973)
Increase in Net OPEB Obligation	3,352,991	1,869,321	1,987,858
Ending Net OPEB Obligation at June 30	\$ 16,166,247	\$ 12,813,256	\$ 10,943,935

Utilizing the pay as you go method, the School Board contributed 24.45% of the annual post-employment benefits cost during 2017, 39.62% during 2016, and 36.83% during 2015.

Funded Status and Funding Progress - Since the plan is not funded, the School Board’s entire actuarial accrued liability of \$45,958,270 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2016, was as follows:

Actuarial accrued liability (AAL)		\$	45,958,270
Actuarial value of plan assets			-
Unfunded actuarial accrued liability (UAAL)		\$	45,958,270
Funded ratio (actuarial value of plan assets/AAL)			0%
Covered payroll		\$	13,208,087
UAAL as a percentage of covered payroll			347.96%

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the

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Notes to the Basic Financial Statements
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funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2016 Jackson Parish School Board actuarial valuation report, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and initial actual healthcare cost trend of 4.9% (Non-Medicare) scaling down to ultimate rates of 4.4% per year and 5.9% (Medicare) scaling down to 4.5%. The inflation rate is a subset of the healthcare cost trend rate, which is assuming a long-term rate of 2.5%. The Sex-distinct RP-2000 Combined Healthy Mortality Table projected to 2019 for non-annuitants with Scale AA were used in making actuarial assumptions. Withdrawal rates for employees ranged from 9% at age 25 to 4% at age 50. Disability rates ranged from .01% at age 25 to .47% at age 55. Retirement rates ranged from 4% at age 39 to 100% at age 73.

The remaining amortization period at June 30, 2017 for other post employment benefits (OPEB) was twenty-one years. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability.

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES The payables at June 30, 2017, are as follows:

	General	Title I	Nonmajor Governmental	Total
Salaries	\$ 2,516,883	\$ 30,611	\$ 180,375	\$ 2,727,869
Accounts	91,379	-	32,135	123,514
Total	<u>\$ 2,608,262</u>	<u>\$ 30,611</u>	<u>\$ 212,510</u>	<u>\$ 2,851,383</u>

NOTE 11 - COMPENSATED ABSENCES At June 30, 2017, employees of the School Board have accumulated and vested \$210,979, of employee leave benefits, including \$3,015 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 12 - CAPITAL LEASE During 2013 fiscal year, the School Board purchased nine school buses under a capital lease agreement for \$671,121, in which the current year depreciation was \$74,569 and accumulated depreciation at June 30, 2017 fiscal year end was \$372,845. The capital lease was fully paid as of June 30, 2017.

NOTE 13 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year ended June 30, 2017, follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
School activities agency fund	<u>\$ 397,710</u>	<u>\$1,090,190</u>	<u>\$ 1,125,475</u>	<u>\$ 362,425</u>

Jackson Parish School Board
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NOTE 14 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	Beginning, Balance	Additions	Deletions	Ending, Balance	Amounts Due Within One Year
Governmental Activities					
Revenue Bonds:					
QSCB Series 2009	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000	\$ -
QSCB Limited Tax Series 2011	2,500,000	-	-	2,500,000	-
Other liabilities:					
Net Pension Liability	29,719,102	5,013,755	3,150,926	31,581,931	-
OPEB Liability	12,813,256	4,438,321	1,085,330	16,166,247	-
Compensated absences	220,098	222,256	231,375	210,979	210,979
Capital lease payable	138,307	-	138,307	-	-
Litigation payable	75,000	-	-	75,000	-
Claims and judgments payable	39,237	161,412	138,649	62,000	62,000
Governmental Activities					
Long-term liabilities	<u>\$ 51,505,000</u>	<u>\$ 9,835,744</u>	<u>\$ 4,744,587</u>	<u>\$ 56,596,157</u>	<u>\$ 272,979</u>

The compensated absences, capital lease payable, litigation payable, net pension liability, claims and judgments payable and OPEB liability attributable to the governmental activities will be liquidated primarily by the School Board's general fund.

Pledged Revenues:

In December 2009, the School Board issued \$6,000,000 and in April 2011, the School Board issued \$2,500,000 in taxable Qualified School Construction Bonds (QSCB) to finance construction, rehabilitation, and renovation or repair of public school facilities, including equipping of school facilities. The School Board has pledged, as security for both bonds, a portion of the 4.98 mills Constitutional ad valorem tax. The bonds are payable solely from the constitutional tax collected and are payable through fiscal year end 2025 for the QSCB Series 2009 and through fiscal year end 2026 for the QSCB Series 2011. For the QSCB Series 2009, the required annual deposit to investment and interest payments are estimated to be 47.5% of the tax revenues over the next 8 years. For the QSCB Series 2011, the required annual deposit to investment and interest payments are estimated to be 28.6% of the tax revenues over the next 9 years. Total deposits to investment accounts and interest remaining to be paid on the QSCB Series 2009 and QSCB Series 2011 is \$4,158,182 and \$3,264,331 respectively. For the year ended June 30, 2017 the School Board transferred \$563,264 from its constitutional tax to pay \$176,000 in interest charges and to make the required annual payments of \$556,070 into the QSCB investment accounts.

The individual issues are as follows:

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Revenue Bonds:						
QSCB Series 2009	12/15/09	\$ 6,000,000	0.375%	10/01/24	\$ 168,750	\$ 6,000,000
QSCB Limited Tax Series 2011	04/26/11	2,500,000	6.140%	10/01/25	1,304,750	2,500,000
Grand Total					<u>\$ 1,473,500</u>	<u>\$ 8,500,000</u>

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June 30, 2017

The QSCB Revenue Bonds are due as follows:

Year Ending	QSCB Series		Total
	Principal Payments	Interest Payments	
2018	\$ -	\$ 176,000	\$ 176,000
2019	-	176,000	176,000
2020	-	176,000	176,000
2021	-	176,000	176,000
2022	-	176,000	176,000
2023-2026	8,500,000	593,500	9,093,500
Total	\$ 8,500,000	\$ 1,473,500	\$ 9,973,500

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, 2017, the statutory limit was \$86,304,355 and outstanding net bonded debt was \$0.

NOTE 15 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payable:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 15,910
Nonmajor governmental	General	138,499
Title I	General	330,909
	Total	\$ 485,318

The primary purpose of interfund receivable/payable is to cover expenditures on cost reimbursement programs until reimbursements are received. The amounts owed by the general fund to other funds is primarily related to amounts to be covered by the general fund related to budget shortfalls.

Interfund Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Taxable QSCB Series 09	General fund	\$ 392,772
Title I	Nonmajor governmental	138,893
Nonmajor governmental	Nonmajor governmental	1,240
Nonmajor governmental	General fund	278,568
	Total	\$ 811,473

The purpose of interfund transfers was to cover the required annual payment per the debt covenant and interest payments of debt service funds.

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Notes to the Basic Financial Statements
June 30, 2017

NOTE 16 - LITIGATION AND CONTINGENCIES

Litigation At June 30, 2017, the School Board was involved in various litigations. The 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. The School Board has accrued \$75,000 in the Statement of Net Position for litigation payable. See Note 14 for long-term liabilities.

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. The School Board's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Federal Arbitrage Regulations The School Board's bonded indebtedness is subject to the Internal Revenue Code's provisions applicable to arbitrage earnings. In government finance, these earnings result from the temporary investment of the proceeds of the government entity's tax exempt securities in materially higher yielding taxable securities.

NOTE 17 - RISK MANAGEMENT The School Board initiated a risk management program for workers' compensation in 1998. The School Board’s excess coverage insurance policy covers individual claims in excess of \$350,000. The maximum retention exposure of aggregate claims amounts to \$1,000,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. The liability at June 30, 2017, was \$62,000.

Changes in the claims amount for the year ended June 30, 2017, is as follows:

<u>Years Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payment and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2014-2015	\$ 41,718	\$ 105,943	\$ 104,027	\$ 43,634
2015-2016	43,634	113,898	102,532	55,000
2016-2017	55,000	145,649	138,649	62,000

The \$62,000 balance is reflected in the governmental activities as long term debt in Statement A; however, the full \$62,000 is considered amounts due within one year.

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years.

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

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contribute to property/casualty losses. The pool is responsible for handling any and all claims after notice of loss has been received.

NOTE 18 - 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 No. 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 \$3,201. 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 pension contributions to the Teacher's Retirement System of Louisiana on behalf of the School Board. 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 revenues and expenditures is the actual contributions made by the Tax Collector's office. For the 2017 fiscal year, the Tax Collector paid the Teacher's Retirement System of Louisiana \$247,616 on behalf of the School Board. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution.

NOTE 19 - 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 \$10,472,419 to the School Board, which represents 39.2% of the School Board's total revenue for the year.

NOTE 20 - SUBSEQUENT EVENTS In September 2017, the School Board received a local donation of \$110,000 to be used for the purchase of Chromebooks for the classrooms. Also, following year-end, the School Board reached a settlement with a taxpayer concerning sales tax paid (not under protest). As a term of the settlement, the School Board agreed to repay \$265,500 of sales tax that was collected by the sales tax agency and paid to the School Board.

NOTE 21 - FUND BALANCE CLASSIFICATION DETAILS The following are details of the fund balance classifications as of June 30, 2017:

	<u>General Fund</u>	<u>Taxable QSCB Series 2009</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Restricted for:				
Child nutrition program	\$ -	\$ -	\$ 130,708	\$ 130,708
Capital projects	-	-	7,860	7,860
Debt service	-	3,247,671	1,227,430	4,475,101
Grant contracts	-	-	4,061	4,061
Salaries and maintenance	2,488,984	-	-	2,488,984
Unassigned	15,306,181	-	-	15,306,181
Total	<u>\$ 17,795,165</u>	<u>\$ 3,247,671</u>	<u>\$ 1,370,059</u>	<u>\$ 22,412,895</u>

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

NOTE 22 - NEW GASB STANDARDS In fiscal year 2017, the School Board adopted:

Statement 77 - Abatement Disclosures establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Statement No. 82 - Pension Issues: This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of these Statements did not impact the School Board's government wide financial statements or the fund balance of government funds.

NOTE 23 - CHANGE IN PRESENTATION For fiscal year ended June 30, 2016, the General Fund and Taxable QSCB Series 09 were reported as major funds. For fiscal year ended June 30, 2017, the General Fund, Title 1 and Taxable QSCB Series 09 are reported as major funds. Title 1 was required to be reported as a major fund due to the size of its liabilities.

REQUIRED SUPPLEMENTARY INFORMATION

Jackson Parish School Board
June 30, 2017

Exhibit 1

Schedule of Funding Progress for Other Post-Employment Benefit Plan

Year Ended June 30	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	(b-a/c) UAAL as a Percentage of Covered Payroll
2009	July 1, 2008	\$ -	\$ 26,307,549	\$26,307,549	0%	\$ 14,636,198	179.74%
2010	July 1, 2008	-	26,307,549	26,307,549	0%	14,693,134	179.03%
2011	July 1, 2010	-	27,503,330	27,503,330	0%	14,693,684	187.18%
2012	July 1, 2010	-	27,503,330	27,503,330	0%	13,042,624	210.87%
2013	July 1, 2012	-	26,715,785	26,715,785	0%	12,856,910	207.79%
2014	July 1, 2012	-	26,715,785	26,715,785	0%	11,716,607	228.02%
2015	July 1, 2014	-	28,789,176	28,789,176	0%	13,771,984	209.04%
2016	July 1, 2014	-	28,789,176	28,789,176	0%	13,360,302	215.48%
2017	July 1, 2016	-	45,958,270	45,958,270	0%	13,208,087	347.96%

**Jackson Parish School Board
June 30, 2017**

Exhibit 2-1

Schedule of the Employer's Proportionate Share of the Net Pension Liability

<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>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.3583%	\$ 2,080,196	\$ 1,003,092	207%	76.18%
2016	0.3912%	2,480,525	1,128,468	220%	74.49%
2017	0.4096%	3,090,161	1,146,091	270%	70.09%
Teacher's Retirement System of Louisiana					
2015	0.2412%	\$ 24,649,249	\$ 10,719,114	230%	63.7%
2016	0.2533%	27,238,577	11,365,932	240%	62.5%
2017	0.2428%	28,491,770	11,314,115	252%	59.9%

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.

**Jackson Parish School Board
June 30, 2017**

Exhibit 2-2

Schedule of Employer Contributions to Pension Plans

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 372,394	\$ 372,394	\$ -	\$ 1,128,468	33.0%
2016	344,754	344,754	-	1,146,091	30.1%
2017	345,267	345,267	-	1,259,272	27.4%
Teacher's Retirement System of Louisiana					
2015	\$ 3,186,370	\$ 3,186,370	\$ -	\$ 11,365,932	28.0%
2016	3,224,889	3,224,889	-	11,314,115	28.5%
2017	2,805,659	2,805,659	-	11,013,112	25.5%

Notes:

The amounts presented were determined as of the end 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.

Jackson Parish School Board

Notes to Required Supplementary Information for Pensions

Louisiana State 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.

Change in discount rate: For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.00% used in the June 30, 2015 valuation to 7.125%. The rate used in the June 30, 2015 valuation 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 valuation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contribution for the System. With this change, the valuation of plan liabilities based on a valuation interest rate set for 0.25% 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.

Jackson Parish School Board

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

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

TITLE I This program improves the educational opportunities of socially and economically deprived children by helping them succeed in regular school programs, attain grade level proficiency, and improve achievement in basic and more advanced skills.

JACKSON PARISH SCHOOL BOARD

GENERAL FUND
 Budgetary Comparison Schedule
 For the year ended June 30, 2017

Exhibit 3 - 1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 17,758,002	\$ 17,758,002	\$ 17,758,002	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	6,093,986	6,093,986	6,215,800	121,814
Sales tax	5,242,603	5,242,603	5,827,591	584,988
Interest earnings	78,000	78,000	46,977	(31,023)
Other	180,560	180,560	311,450	130,890
State sources:				
Equalization	10,166,634	10,166,634	10,455,495	288,861
Other	143,771	143,771	192,730	48,959
Federal sources	8,000	8,000	-	(8,000)
Transfers from other funds	335,149	335,149	-	(335,149)
Amounts available for appropriations	<u>40,006,705</u>	<u>40,006,705</u>	<u>40,808,045</u>	<u>801,340</u>
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	9,166,091	9,166,091	9,067,179	98,912
Special programs	1,739,897	1,739,897	1,969,678	(229,781)
Other instructional programs	1,668,888	1,668,888	1,579,782	89,106
Support services:				
Student services	1,067,818	1,067,818	1,138,007	(70,189)
Instructional staff support	989,118	989,118	972,114	17,004
General administration	999,918	999,918	1,011,501	(11,583)
School administration	1,322,051	1,322,051	1,268,996	53,055
Business services	413,047	413,047	378,587	34,460
Plant services	1,955,113	1,955,113	1,858,169	96,944
Student transportation services	1,876,668	1,876,668	1,730,815	145,853
Central services	198,984	198,984	335,650	(136,666)
Food services	378,288	378,288	361,675	16,613
Community services	7,211	7,211	7,212	(1)
Capital Outlay	252,500	252,500	519,526	(267,026)
Debt service:				
Principal payment	126,055	126,055	138,307	(12,252)
Interest and bank charges	16,945	16,945	4,342	12,603
Transfers to other funds	741,000	741,000	671,340	69,660
Total charges to appropriations	<u>22,919,592</u>	<u>22,919,592</u>	<u>23,012,880</u>	<u>(93,288)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 17,087,113</u>	<u>\$ 17,087,113</u>	<u>\$ 17,795,165</u>	<u>\$ 708,052</u>

JACKSON PARISH SCHOOL BOARD

TITLE I
 Budgetary Comparison Schedule
 For the year ended June 30, 2017

Exhibit 3 - 2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	1,220,000	1,266,425	1,091,461	(174,964)
Transfers from other funds	-	-	138,893	138,893
Amounts available for appropriations	1,220,000	1,266,425	1,230,354	(36,071)
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	-	440	440	-
Other instructional programs	940,000	875,283	825,283	50,000
Support services:				
Student services	-	3,153	3,153	-
Instructional staff support	200,000	282,695	299,519	(16,824)
General administration	80,000	100,029	97,134	2,895
Student transportation services	-	4,825	4,825	-
Total charges to appropriations	1,220,000	1,266,425	1,230,354	36,071
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

Jackson Parish School Board

Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2017

Note A. BUDGETS

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

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

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

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

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Board. 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 The General Fund's budget is prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP) except for transfers in and out. 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.

Excess of Actual Expenditures over Budget Expenditures

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 22,919,592	\$ 23,012,880	\$ (93,288)

JACKSON PARISH SCHOOL BOARD

Notes to the Budgetary Comparison Schedules
For the year ended June 30, 2017

Note B - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>	<u>TITLE 1</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 40,808,045	\$ 1,230,354
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(17,758,002)	-
Transfers from other funds are inflows for budgetary resources but are not revenues for financial reporting purposes	-	(138,893)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>23,050,043</u>	<u>1,091,461</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	23,012,880	1,230,354
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(671,340)	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 22,341,540</u>	<u>\$ 1,230,354</u>

SUPPLEMENTARY INFORMATION

JACKSON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2017

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 133,151	\$ 687,011	\$ 7,860	\$ 828,022
Investments	-	540,419	-	540,419
Receivables	336,717	-	-	336,717
Interfund receivables	15,910	-	-	15,910
Inventory	10,658	-	-	10,658
TOTAL ASSETS	496,436	1,227,430	7,860	1,731,726
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	212,510	-	-	212,510
Interfund payables	138,499	-	-	138,499
Unearned revenue	10,658	-	-	10,658
Total Liabilities	361,667	-	-	361,667
Fund Balances:				
Restricted	134,769	1,227,430	7,860	1,370,059
Total Fund Balances	134,769	1,227,430	7,860	1,370,059
TOTAL LIABILITIES AND FUND BALANCES	\$ 496,436	\$ 1,227,430	\$ 7,860	\$ 1,731,726

JACKSON 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, 2017

Exhibit 5

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources:				
Interest earnings	\$ 379	\$ 2,345	\$ 54	\$ 2,778
Food services	198,040	-	-	198,040
Other	-	124,288	-	124,288
State sources:				
Equalization	16,924	-	-	16,924
Other	197,545	-	-	197,545
Federal sources	2,036,263	-	-	2,036,263
Total Revenues	2,449,151	126,633	54	2,575,838
EXPENDITURES				
Current:				
Instruction:				
Regular programs	48,437	5,541	1,382	55,360
Special programs	279,034	-	-	279,034
Other instructional programs	467,304	-	-	467,304
Support services:				
Student services	109,905	-	-	109,905
Instructional staff support	137,588	-	-	137,588
General administration	55,172	-	-	55,172
Plant services	-	15,000	-	15,000
Food services	1,300,764	-	-	1,300,764
Capital outlay	-	-	21,750	21,750
Debt service:				
Interest and bank charges	-	154,875	-	154,875
Total Expenditures	2,398,204	175,416	23,132	2,596,752
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	50,947	(48,783)	(23,078)	(20,914)
OTHER FINANCING SOURCES (USES)				
Transfers in	108,076	170,492	1,240	279,808
Transfers out	(138,893)	(1,240)	-	(140,133)
Total Other Financing Sources (Uses)	(30,817)	169,252	1,240	139,675
Net Change in Fund Balances	20,130	120,469	(21,838)	118,761
FUND BALANCES - BEGINNING	114,639	1,106,961	29,698	1,251,298
FUND BALANCES - ENDING	\$ 134,769	\$ 1,227,430	\$ 7,860	\$ 1,370,059

Jackson Parish School Board

Nonmajor Special Revenue Funds

CHILD NUTRITION Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

TITLE II This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, and to increase the accessibility of such instruction to all students.

SPECIAL EDUCATION

Special Education - Preschool Grants - These grants to states assist them in providing a free, appropriate public education to preschool disabled children aged three through five years.

Special Education - State Grants - These grants to states assist them in providing a free appropriate public education to all children with disabilities.

LA-4 This program is to provide financial assistance to develop educational programs for preschool children that are socially and economically deprived.

PRESCHOOL (8g) This program is to provide financial assistance to develop education programs for preschool children with 8(g) funds.

REAP (RURAL EDUCATION ACHIEVEMENT PROGRAM) This program was designed to provide high-poverty, rural local educational agencies with teacher professional development and educational technology.

VOCATIONAL EDUCATION This program was designed 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.

MISCELLANEOUS GRANTS

Summer Literacy Program This program is designed to improve students' reading over the summer.

National Writing Project This program is designed to improve writing and learning in the schools.

Extended School Year Services This program is designed to provide additional services to students over the summer.

JACKSON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2017

	CHILD NUTRITION	TITLE II	SPECIAL EDUCATION	LA-4
ASSETS				
Cash and cash equivalents	\$ 133,151	\$ -	\$ -	\$ -
Receivables	90,334	26,533	82,964	70,329
Interfund receivables	2,114	-	4,665	1
Inventory	10,658	-	-	-
TOTAL ASSETS	236,257	26,533	87,629	70,330
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	94,891	4,188	25,315	42,321
Interfund payables	-	22,345	62,314	28,009
Unearned revenue	10,658	-	-	-
Total Liabilities	105,549	26,533	87,629	70,330
Fund Balances:				
Restricted	130,708	-	-	-
Total Fund Balances	130,708	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 236,257	\$ 26,533	\$ 87,629	\$ 70,330

Exhibit 6

<u>PRESCHOOL (8g)</u>	<u>REAP</u>	<u>VOCATIONAL EDUCATION</u>	<u>MISCELLANEOUS GRANTS</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 133,151
15,993	5,588	-	44,976	336,717
729	1,155	-	7,246	15,910
-	-	-	-	10,658
<u>16,722</u>	<u>6,743</u>	<u>-</u>	<u>52,222</u>	<u>496,436</u>
9,203	4,457	-	32,135	212,510
7,519	2,286	-	16,026	138,499
-	-	-	-	10,658
<u>16,722</u>	<u>6,743</u>	<u>-</u>	<u>48,161</u>	<u>361,667</u>
-	-	-	4,061	134,769
-	-	-	4,061	134,769
<u>\$ 16,722</u>	<u>\$ 6,743</u>	<u>\$ -</u>	<u>\$ 52,222</u>	<u>\$ 496,436</u>

JACKSON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the year ended June 30, 2017

	CHILD NUTRITION	TITLE II	SPECIAL EDUCATION	LA-4
REVENUES				
Local sources:				
Interest earnings	\$ 379	\$ -	\$ -	\$ -
Food service	198,040	-	-	-
State sources:				
Equalization	16,924	-	-	-
Other	4,989	-	-	119,312
Federal sources	995,594	213,664	543,048	141,748
Total Revenues	1,215,926	213,664	543,048	261,060
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	-	44,023	-
Special programs	-	-	279,034	-
Other instructional programs	-	41,247	1,041	261,060
Support services:				
Student services	-	-	109,905	-
Instructional staff support	-	27,524	65,465	-
General administration	-	6,000	43,580	-
Food services	1,300,764	-	-	-
Total Expenditures	1,300,764	74,771	543,048	261,060
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(84,838)	138,893	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	108,076	-	-	-
Transfers out	-	(138,893)	-	-
Total Other Financing Sources (Uses)	108,076	(138,893)	-	-
Net Change in Fund Balances	23,238	-	-	-
FUND BALANCES, AT BEGINNING OF YEAR	107,470	-	-	-
FUND BALANCES, AT END OF YEAR	\$ 130,708	\$ -	\$ -	\$ -

Exhibit 7

<u>PRESCHOOL (8g)</u>	<u>REAP</u>	<u>VOCATIONAL EDUCATION</u>	<u>MISCELLANEOUS GRANTS</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 379
-	-	-	-	198,040
-	-	-	-	16,924
73,244	-	-	-	197,545
-	69,690	27,543	44,976	2,036,263
<u>73,244</u>	<u>69,690</u>	<u>27,543</u>	<u>44,976</u>	<u>2,449,151</u>
-	-	-	4,414	48,437
-	-	-	-	279,034
73,244	64,098	26,614	-	467,304
-	-	-	-	109,905
-	-	929	43,670	137,588
-	5,592	-	-	55,172
-	-	-	-	1,300,764
<u>73,244</u>	<u>69,690</u>	<u>27,543</u>	<u>48,084</u>	<u>2,398,204</u>
-	-	-	(3,108)	50,947
-	-	-	-	108,076
-	-	-	-	(138,893)
-	-	-	-	(30,817)
-	-	-	(3,108)	20,130
-	-	-	7,169	114,639
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,061</u>	<u>\$ 134,769</u>

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Jackson Parish School Board
Nonmajor Debt Service Funds

QUITMAN BOND

WESTON BOND

WESTON-QUITMAN CERTIFICATE OF INDEBTEDNESS 2004

TAXABLE QSCB SERIES 11

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 land 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 legal boundaries of the respective school districts.

JACKSON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
 Combining Balance Sheet
 June 30, 2017

	<u>QUITMAN BOND</u>	<u>WESTON BOND</u>	<u>WESTON - QUITMAN CERTIFICATE OF INDEBTEDNESS 2004</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 8,653	\$ -
Investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>-</u>	<u>8,653</u>	<u>-</u>
FUND BALANCES			
Restricted	-	8,653	-
	<u>-</u>	<u>8,653</u>	<u>-</u>
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 8,653</u>	<u>\$ -</u>

Exhibit 8

TAXABLE QSCB SERIES 11	TOTAL
\$ 678,358	\$ 687,011
<u>540,419</u>	<u>540,419</u>
<u>1,218,777</u>	<u>1,227,430</u>
<u>1,218,777</u>	<u>1,227,430</u>
<u>\$ 1,218,777</u>	<u>\$ 1,227,430</u>

JACKSON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 For the year ended June 30, 2017

	QUITMAN BOND	WESTON BOND	WESTON - QUITMAN CERTIFICATE OF INDEBTEDNESS 2004
REVENUES			
Local sources:			
Interest earnings	\$ -	\$ -	\$ -
Other	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	5,541	-	-
Support services:			
Plant services	15,000	-	-
Debt service:			
Interest and bank charges	-	-	-
Total Expenditures	20,541	-	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(20,541)	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	(1,240)
Total Other Financing Sources (Uses)	-	-	(1,240)
Net Change in Fund Balances	(20,541)	-	(1,240)
FUND BALANCES, AT BEGINNING OF YEAR	20,541	8,653	1,240
FUND BALANCES, AT END OF YEAR	\$ -	\$ 8,653	\$ -

Exhibit 9

TAXABLE QSCB SERIES 11	TOTAL
\$ 2,345	\$ 2,345
124,288	124,288
<u>126,633</u>	<u>126,633</u>
-	5,541
-	15,000
<u>154,875</u>	<u>154,875</u>
<u>154,875</u>	<u>175,416</u>
<u>(28,242)</u>	<u>(48,783)</u>
170,492	170,492
-	(1,240)
<u>170,492</u>	<u>169,252</u>
142,250	120,469
<u>1,076,527</u>	<u>1,106,961</u>
<u>\$ 1,218,777</u>	<u>\$ 1,227,430</u>

Jackson Parish School Board

Nonmajor Capital Project Funds

WESTON QUITMAN CONSTRUCTION

QSCB 2011 SERIES CONSTRUCTION

The capital project funds are used to account for the acquisition and/or construction of major capital facilities by the School Board. Proceeds from general obligation bond sales and revenue bond sales are accounted for in these funds until the capital projects are completed.

JACKSON PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 2017

Exhibit 10

	WESTON QUITMAN CONSTRUCTION	QSCB 2011 SERIES CONSTRUCTION	TOTAL
ASSETS			
Cash and cash equivalents	\$ 7,860	\$ -	\$ 7,860
TOTAL ASSETS	7,860	-	7,860
FUND BALANCES			
Restricted	7,860	-	7,860
TOTAL FUND BALANCES	\$ 7,860	\$ -	\$ 7,860

JACKSON PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 For the year ended June 30, 2017

Exhibit 11

	WESTON QUITMAN CONSTRUCTION	QSCB 2011 SERIES CONSTRUCTION	TOTAL
REVENUES			
Local sources:			
Interest earnings	\$ 38	\$ 16	\$ 54
Total Revenues	<u>38</u>	<u>16</u>	<u>54</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	-	1,382	1,382
Capital outlay	10,076	11,674	21,750
Total Expenditures	<u>10,076</u>	<u>13,056</u>	<u>23,132</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(10,038)</u>	<u>(13,040)</u>	<u>(23,078)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,240	1,240
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,240</u>	<u>1,240</u>
Net Change in Fund Balances	<u>(10,038)</u>	<u>(11,800)</u>	<u>(21,838)</u>
FUND BALANCES, AT BEGINNING OF YEAR	<u>17,898</u>	<u>11,800</u>	<u>29,698</u>
FUND BALANCES, AT END OF YEAR	<u>\$ 7,860</u>	<u>\$ -</u>	<u>\$ 7,860</u>

Jackson Parish School Board

Agency Funds

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.

JACKSON PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2017

Exhibit 12

SCHOOL
ACTIVITIES
AGENCY
FUND

ASSETS

Cash and cash equivalents

\$ 362,425

Total assets

362,425

LIABILITIES:

Deposits due others

362,425

Total liabilities

\$ 362,425

JACKSON PARISH SCHOOL BOARD
SCHOOL ACTIVITES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the year ended June 30, 2017

Exhibit 13

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Jonesboro-Hodge Middle School	\$ 18,879	\$ 65,869	\$ 70,051	\$ 14,697
Jonesboro-Hodge High School	68,565	261,950	269,911	60,604
Quitman High	168,929	363,561	374,075	158,415
Southside Elementary	12,700	49,055	53,532	8,223
Weston High	128,637	349,755	357,906	120,486
Total	<u>\$ 397,710</u>	<u>\$ 1,090,190</u>	<u>\$ 1,125,475</u>	<u>\$ 362,425</u>

Jackson Parish School Board

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2017**

Exhibit 14

The schedule of compensation paid School Board members is 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 \$700 per month. Additionally, School Board members, who serve on the Executive Finance Board, receive \$50 per committee meeting when meetings are held on days other than the date of a scheduled board meeting.

<u>Board Member</u>	<u>Amount</u>
Calvin Waggoner, President	\$ 7,850
Mary Saulters, Vice President	7,550
Wade McBride	7,200
Gerry Mims	7,200
Gloria Davis	7,200
Melissa Perry	7,900
Dennis Clary	<u>7,450</u>
TOTAL	<u>\$ 52,350</u>

Jackson Parish School Board

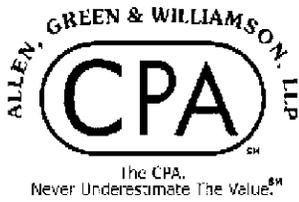
**Schedule Of Compensation, Benefits And Other Payments To Agency Head (Superintendent)
For The Year Ended June 30, 2017**

Exhibit 15

Agency Head Name: David Claxton, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$120,973
Benefits-insurance	4,961
Benefits-retirement	30,848
Benefits- Other- Annual leave payout	10,519
Travel	<u>6,961</u>
TOTAL	<u>\$174,262</u>

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

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Romie Jacola, 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
Jackson Parish School Board
Jonesboro, 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 Jackson Parish School Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 29, 2017

Internal Control Over Financial Reporting

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

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

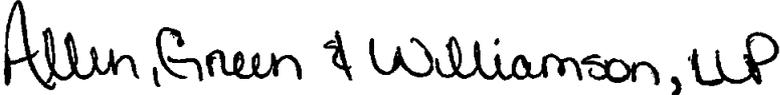
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

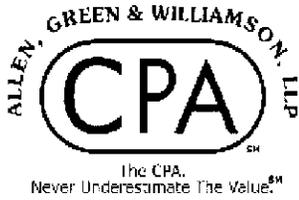
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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
December 29, 2017



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

Independent Auditor's Report

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Jackson 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, 2017. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

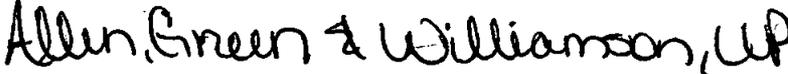
Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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
December 29, 2017

Jackson Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Non Cash Assistance (Commodities):			
National School Lunch Program	10.555	N/A	\$ 106,156
Cash Assistance:			
School Breakfast Program	10.553	N/A	249,249
National School Lunch Program	10.555	N/A	<u>640,189</u>
Total Child Nutrition Cluster			<u>\$ 995,594</u>
Total United States Department of Agriculture			<u>995,594</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	84.010A	28-17-T1-25	1,091,461
Special Education Cluster:			
Grants to States (Part B)	84.027A	28-17-B1-25	533,286
Preschool Grants	84.173A	28-17-P1-25	<u>9,762</u>
Total Special Education Cluster			543,048
Title II - Improving Teacher Quality	84.367A	28-17-50-25	213,664
Career and Technical Education - Basic Grants to States	84.048	28-17-02-25	27,543
Rural Education Achievement Program (REAP)	84.358B	28-17-RE-25	69,690
Teacher Incentive Fund	84.374	28-17-TP-25	<u>44,976</u>
Total United States Department of Education			<u>1,990,382</u>
United States Department of Health & Human Services			
Passed Through Louisiana Department of Education:			
TANF - The Cecil J. Picard LA4 Early Childhood Program	93.558	28-17-36-25	<u>141,748</u>
Total United States Department of Health & Human Services			<u>141,748</u>
TOTAL FEDERAL AWARDS			<u>\$ 3,127,724</u>

Jackson Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Jackson Parish School Board. 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). The School Board reporting entity is defined in Note 1 of the notes to the basic financial statement to the School Board's annual financial report. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule. Because the Schedule of Expenditures of Federal Awards presents only a selected portion of operations of the School Board, it is not intended to and does not present the financial position or changes in net position of the School Board.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the notes to the basic financial statement to the School Board's annual financial report. 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 BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

	Federal Sources
Major funds:	
Title I	\$ 1,091,461
Nonmajor governmental:	
Child Nutrition	995,594
Title II	213,664
Special Education	543,048
LA-4	141,748
REAP	69,690
Vocational Education	27,543
Miscellaneous Grants	44,976
Total	\$ 3,127,724

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 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 7 - INDIRECT COST RATE The School Board has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER INFORMATION



"Building Tomorrow's Future"

JACKSON PARISH SCHOOL BOARD

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David Claxton, Superintendent

Status of Prior Year Audit Findings and Questioned Costs for year ended June 30, 2017

Reference # and title: **2016-001** **Financial Close and Reporting**

Origination Date: This finding originated fiscal year ended June 30, 2016.

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

Condition: Sound internal control over financial reporting requires that accounting records contain accurate and complete information to ensure that financial accruals are accurate at year-end. Additionally, the financial closing process should ensure accounting records are properly reviewed subsequent to fiscal year end to ensure that all accruals are accounted for in the appropriate period.

When performing substantive audit work on the School Board's financial records multiple adjustments were made to the trial balances originally provided for audit. The auditor proposed an entry to adjust year-end balances to actual for commodities revenues and related inventory balances. Additionally, at the request of the auditor, the School Board provided journal entries related to the following corrections:

- To correct posting of accounts receivable related to a cost reimbursement grant, and related entries to balance the fund at year-end.
- To record current year interest earnings and adjust investment balances to actual at year-end related to the QSCB investment accounts.
- To accrue an amount in accounts payable that was not correctly accrued at year-end.
- To accrue an amount in accounts receivable that was not properly accrued at year-end.

Also, when testing a sample of 13 journal entries prepared and posted during the year, there were four exceptions noted where the journal entry documentation did not include the journal entry voucher form for preparer and reviewer to sign and approve prior to posting. It was noted that these entries primarily related to year-end activity.

Corrective action taken: This finding is considered to be cleared as of 6/30/17. The Jackson Parish School Board will provide binders and all closed reports to the auditors by the end of September of each year.

Reference # and title: **2016-002** **School Activity Funds Receipts**

Origination Date: This finding originated fiscal year ended June 30, 2014.

Entity-Wide or program /department specific: This finding is specific to School Activity Funds.

Status of Prior Year Audit Findings and Questioned Costs continued

Condition: Schools should follow practices stated in the School Board's approved policy.

When performing various tests of cash receipts at Jonesboro Hodge High School, the following exceptions were noted:

- When testing a sample of 15 cash receipts, there were four exceptions noted where the amount received was not deposited on a timely basis. Also, there were four exceptions noted related to insufficient documentation in accordance with School Board policy.
- When testing a sample of 9 ticket reconciliations related to athletic admissions, there were six exceptions noted where the ticket reconciliation was not properly completed in accordance with School Board policy.
- When testing a sample of 2 fundraisers completed during the year, there was one exception noted where the support for the fundraiser deposit was not properly retained in accordance with School Board policy.

Corrective action taken: This finding is considered to be cleared as of 6/30/17. We had two professional development seminars for school secretaries and receptionist. We provided student activity fund guidance and we offer daily support to the schools.

Reference # and title: **2016-003** **Title I Targeting**

Origination Date: This finding originated fiscal year ended June 30, 2012.

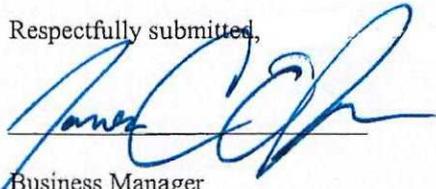
Entity-Wide or program /department specific: This finding relates to Title I CFDA #84.010A for Federal Award Year 2015, received from Federal Agency: U.S. Department of Education passed through Louisiana Department of Education.

Condition: Federal guidelines require that the School Board determine which schools are eligible to participate in Title I Part A based on poverty measures for children between the ages of 5 to 17. Additionally, the schools that meet the selected criteria by the School Board should be served using Title I allocated funds.

When tracing the enrollment numbers reported in the targeting calculation to proper support, it was noted that preschool students were included in the targeting calculation in error. It was also noted that Jonesboro Hodge High School qualified as a Title I school and should have been served; however, this school was not offered Title I funding during the year. Although the application noted this school was funded through local sources, the School Board could not provide proof that the High School was served an equitable amount of funding through local sources.

Corrective action taken: This finding is considered to be cleared as of 6/30/17. Under the new Superintendent, the Jackson Parish School Board went school-wide in Title 1 instead of targeted. This finding was resolved through leadership from the new Superintendent.

Respectfully submitted,



Business Manager



ALLEN, GREEN & WILLIAMSON, LLP

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

Management Letter

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish School Board, for the year ended June 30, 2017, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated December 29, 2017, on the financial statements of the Jackson Parish School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which has been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments and management's response are summarized as follows:

2017-M1 **Supervisory Approval of Attendance and Leave**

Comment: Proper internal controls require that attendance and absences from an assigned position be properly documented and reflected in the payroll records for each employee. Furthermore, proper supervisory approval should be obtained for daily attendance and leave. When testing a sample of one month's attendance and/or leave for 25 employees, there were 21 instances noted where there was no written documentation noted supporting supervisory approval of attendance and/or leave forms for the dates selected for testing. Furthermore, there was one exception noted where the employee selected for testing did not appear to have properly maintained leave records and did not appear to be docked for all times they were out during the month.

Recommendation: The School Board should establish policies and procedures requiring written documentation of supervisory approval of attendance and/or leave records for all employees. Furthermore, the School Board should ensure that all employee leave time is supported by proper documentation and properly posted to the payroll system.

Management's response: Upon review of the Statewide Agreed-Upon Procedures, Management had a meeting with all Supervisors at all locations. The Superintendent and Business Manager directed Supervisors that they must be reviewing sign in and out sheets (attendance records) of all employees at their location and then they must sign off on the sign in and out sheets of each employee to ensure accuracy, then these reports must be submitted to the Central Office. These procedures have been in place since 07/01/2017. Management will also look into the cost of moving the district to an electronic form of attendance for all employees to present to the Board for approval.

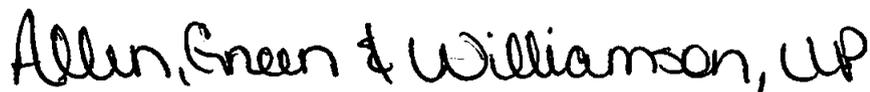
* * * * *

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish School Board, as of and for the year ended June 30, 2017, which collectively comprise the School Board's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Immediately following this letter is a Status of Prior Year Management Letter Items. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior year management letter items and performed procedures to assess the reasonableness of the status of prior management letter item prepared by Management, and we would report as a current year management letter item when Allen, Green & Williamson, LLP, concludes that the status of prior management letter item materially misrepresents the status of any prior management letter item.

Also included is management's response to our current year management letter item. We have performed no audit work to verify the content of the response.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 29, 2017

Jackson Parish School Board
Status of Prior Year Management Letter Items
June 30, 2017

2016-M1 **Parental Involvement Funding**

Comment: When testing disbursements related to parental involvement activities for the School Board, it was noted that the School Board appears to be spending an excessive amount of Title I funding on parental involvement related activities. When comparing the amount the School Board spent per pupil for parental involvement related activities to an average of five other school districts of similar size, it was noted that the School Board is spending approximately \$59 per student on expenditures charged for parental activities while the average for the other school districts reviewed is approximately \$11 per student.

While performing audit procedures, it was also noted that the Title I program was not financially supporting one school that they were required to support during the year. Although the expenditures discussed above are allowable expenditures for Title I, it appears this funding could be better used to address the needs of the School Board and the individual schools within the District.

Management's response: Under the new Superintendent, Jackson Parish School Board is providing Title 1 funds directly to the classroom, and parental involvement funds will be within the scope of other districts due to removing staff from the parent center. This item is considered to be cleared.

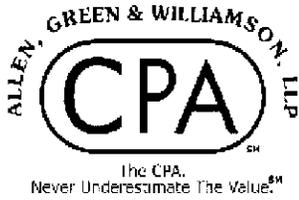
2016-M2 **Capital Assets**

Comment: When testing capital asset reports at year-end, there were multiple errors noted on the depreciation schedule and the listing of capital asset additions provided for audit. It was noted that two assets were included on the capital asset reports at an incorrect amount. It was also noted that two items were added to the schedules that were determined to be construction in progress at fiscal year end. Additionally, one of the amounts identified as construction in progress was not accrued by the client as accounts payable until the client was notified. The auditor had to return the capital asset records to the School Board to correct, prior to the completion of the audit.

Recommendation: The School Board should establish policies and procedures to ensure that capital asset information added to the system is correct and complete. Also, the School Board should establish a process for reviewing capital asset reports prior to submitting these reports for audit.

Management's response: The Accountant reached out to other districts that had the same fixed asset software and was sent to our software provider for further professional development. This process was reviewed by the Business Manager to ensure that the Accountant took the necessary steps to provide the accurate capital asset reports in a timely manner. This item is considered to be cleared.

AGREED-UPON PROCEDURES



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(Retired) 1963 - 2000

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

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Jackson Parish School Board, Jonesboro, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2016 through March 31, 2017. 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - 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**, including receiving, recording, and preparing deposits
 - 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, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Comment: When reviewing the applicable written policies and procedures for the required elements, the following exceptions were noted:

- **Purchasing-** Written policy and procedure did not discuss required elements of how vendors are added to the vendor list.
- **Contracting-** There was not a written policy or procedure noted for contracting.
- **Ethics-** There was not a written procedure noted for ethics. The policy does not discuss required elements of requiring employees to attest annually through signature verification that they have read the entity's ethics policy and establishing a system to monitor violations.
- **Debt Service-** There was not a written procedure noted for debt service. Policy does not discuss the required elements.

Management's Response: The Business Department shall review the policies of purchasing, contracting, ethics, and debt service. The Business Department shall submit to the Superintendent for approval updated procedures to address adding vendors to the vendor list for purchasing procedures and procedures for contracting, ethics, and debt services as soon as possible.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Comment: Four exceptions noted where reference was not made in the board minutes of budget to actual comparisons for the general fund and any major funds identified.

Management's Response: Every month the General Fund budget to actual was provided to the Board. These exemptions occurred before January 2017, and was caused by a QSCB fund not being reported to the Board on a monthly basis. This fund was reported on a quarterly basis to the Board. Due to the new state wide procedures, all funds were beginning February 2017 to be in compliance with the new state wide procedures. Each month the Board receives the financials of all funds and each fund is compared to budget and to prior period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: Nine bank account reconciliations for a total of 108 reconciliations were tested. One bank account was noted that did not prepare bank reconciliations. Seven bank accounts were noted that were not reviewed by someone who was not involved in handling transactions in the bank account for 11 of the 12 months reviewed. One bank account for a school was not reviewed by someone who was not involved in the transaction process. Two bank accounts were noted that did not have documentation that outstanding items over 60 days had been investigated. One bank reconciliation was noted that did not have an outstanding items list included with the reconciliation.

Management's Response: Bank reconciliations shall be performed by the 15th of each month. All bank reconciliations shall be reviewed to assure that checks are not over 60 days. The one bank account that was reported that did not prepare bank reconciliations were at a school cafeteria and new procedures have effectively been put into place for the school cafeterias to submit bank reconciliations to the Child Nutrition Department by the 10th of the following month and then submitted to the Business Department by the 15th of the following month to ensure accuracy. The 8 bank reconciliations with no review of someone that is not in the process was updated as soon as we found out about the state wide procedures. Before this, the procedures were the Business Manager prepared the bank reconciliations and then submitted to the Superintendent for review. New procedures are now that the Business Manager prepares the bank reconciliation and submits to the personnel director (who is not involved with paying of any bills or submitting purchase orders) for review, then the bank reconciliation is provided to the Superintendent for review.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: Five locations were selected for testing. When reviewing the collection process/procedures for the selected location, four locations had exceptions where the person responsible for collecting cash is also responsible for making deposits, recording transactions, and/or reconciling the account. Four locations also had an exception where there was not a formal written process to reconcile cash collections to accounting records by someone not responsible for collections. Also, when testing a sample of 37 receipts at the applicable locations, 12 receipts were noted that were not deposited timely (within one business day) and 10 receipts were noted that were not completely supported by proper documentation.

Management's Response: Management will review and update procedures for the collection of cash at each school location. The timely exception is something that we cannot change. Jackson Parish School Board follows better business practices in which deposits are made within three business days. Jackson Parish School Board is a rural community. Our two outlining schools are 15 miles away from a bank. If we follow the state-wide procedures in depositing daily, then we could potentially reimburse travel to an employee more to make the deposit than the actual deposit.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Comment: When reviewing a random sample of 25 disbursements, there was one transaction noted that did not have a purchase order or equivalent, four transactions noted that did not have purchase order approval by a person who did not initiate the purchase, and three transactions noted where the transaction was processed without a receiving report. When reviewing disbursement process/procedures across a sample of 11 accounts, there were six exceptions noted where the person responsible for processing payments was not prohibited from adding vendors to the purchasing system and four exceptions noted where personnel with signatory authority were able to initiate and/or record purchases.

Management's Response: These exemptions are being reviewed and procedures will be corrected. The 1 account that had exceptions where personnel with signatory authority initiated the purchase and 4 transactions did not have purchase order approval by a person who did not initiate the purchase is due to a principal issuing a PO to the bookkeeper. Jackson Parish is a rural community, this principal does not have an assistant principal at the school. We have internal controls to where the check requires two signatures, cash balances are monitored at the Central Office of this location, and all bank reconciliations are reviewed at the Central Office. Management shall review and reach out to other school districts to see what their procedures are concerning the new state wide agreed upon procedures to address this. Purchase order shall be used within the procedures setup, and audited to assure compliance.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction’s detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity’s written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

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

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management’s representation that the listing or general ledger is complete.
18. Obtain the entity’s written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds,

credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

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

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

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

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

Payroll and Personnel

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Comment: When reviewing attendance and leave records for a sample of 25 employees for a one month period, there were 21 exceptions noted where written documentation could not be provided to verify supervisory approval of attendance and/or leave. Also, there was one exception noted where the employee reviewed did not maintain adequate leave records for an employee earning leave.

Management's Response: Procedures have been put in place to where all supervisors at every location reviews and approves sign in and out sheets of employees. The Jackson Parish School Board has in policy that a doctor's excuse (approval) is due when an employee has missed more than 5 days. Thus, our policy states that approval of using sick days is not required until the 5th day missed from work. Thus, the procedure put in place will show approval for the state agreed upon procedures when the employee is using personnel or sick leave

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged

ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

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

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

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

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Comment: No exceptions were noted as a result of applying the 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 those control and compliance 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 control and compliance 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.

Allen, Green & Williamson, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana
December 29, 2017



ALLEN, GREEN & WILLIAMSON, LLP

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

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Jackson Parish School Board, Jonesboro, Louisiana, the Louisiana Department of Education, and the Legislative Auditor, State of Louisiana, on the performance and statistical data accompanying the annual financial statements of the School Board, for fiscal year ended June 30, 2017, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) in compliance with Louisiana Revised Statute 24:514(I). Jackson Parish School Board’s management is responsible for the Performance and Statistical data. 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 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 noted as a result of applying agreed upon procedures.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st

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

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

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

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

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

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

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

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

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

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

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule. We recalculated the average salaries and full-time equivalents reported in the schedule.

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

Class Size Characteristics (Schedule 6)

8. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. 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: No exceptions noted as a result of applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st century (Schedule 7)

- 9 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

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

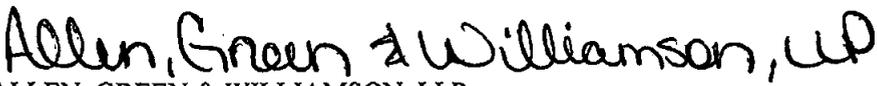
The Iowa Tests (Schedule 9)

- 10 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions 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 Jackson Parish School Board, as required by Louisiana Revised Statute 24:514(I) and the results of the testing, and not to provide an opinion on the sufficiency of the procedures. 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

Monroe, Louisiana
December 29, 2017

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

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

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 7,424,243	
Other Instructional Staff Activities	607,619	
Instructional Staff Employee Benefits	3,936,610	
Purchased Professional and Technical Services	22,001	
Instructional Materials and Supplies	521,256	
Instructional Equipment	84,438	
Total Teacher and Student Interaction Activities		\$ 12,596,167
Other Instructional Activities	167,554	
Pupil Support Activities	1,138,011	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,138,011
Instructional Staff Services	976,414	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		976,414
School Administration		
Less: Equipment for School Administration	1,271,088	
Net School Administration	-	1,271,088
Total General Fund Instructional Expenditures (Total of Column B)		<u>15,981,680</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>213,180</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		1,124,726
Renewable Ad Valorem Tax		4,839,888
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		251,186
Sales and Use Taxes		5,827,592
Total Local Taxation Revenue		<u>12,043,392</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		<u>-</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		57,277
Revenue Sharing - Other Taxes		18,208
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		14,078
Total State Revenue in Lieu of Taxes		<u>89,563</u>
Nonpublic Textbook Revenue		-
Nonpublic Transportation Revenue		<u>\$ -</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Education Levels of Public School Staff
As of October 1, 2016

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0.00	0.0000	1.02	0.7036	0.00	0.0000	0.00	0.0000
Bachelor's Degree	79.57	54.8910	6.00	4.1391	0.00	0.0000	0.00	0.0000
Master's Degree	38.03	26.2348	0.00	0.0000	3.00	2.0695	0.00	0.0000
Master's Degree + 30	11.89	8.2023	0.00	0.0000	2.45	1.6901	0.00	0.0000
Specialist in Education	0.00	0.0000	0.00	0.0000	1.00	0.6898	0.00	0.0000
Ph. D. or Ed. D.	1.00	0.6898	0.00	0.0000	1.00	0.6898	0.00	0.0000
Total	130.49	90.01790	7.02	4.84270	7.45	5.13920	0.00	0.00000

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2017

Type	Number
Elementary	1
Middle/Jr. High	1
Secondary	1
Combination	2
Total	5

Note: Schools opened or closed during the fiscal year are included in this schedule.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0.00	0.00	0.00	1.00	1.45	0.00	0.00	2.45
Principals	0.00	0.00	0.00	0.00	1.00	1.00	3.00	5.00
Classroom Teachers	8.02	9.99	28.00	18.49	24.02	25.01	23.98	137.51
Total	8.02	9.99	28.00	19.49	26.47	26.01	26.98	144.96

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	48,891	48,933
Average Classroom Teachers' Salary Excluding Extra Compensation	48,218	48,239
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	154.03095	149.03095

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Class Size Characteristics
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	15.30%	88	0.56%	1	0.00%	0	0.00%	0
Elementary Activity Classes	3.48%	20	0.00%	0	0.00%	0	0.00%	0
Middle/Jr. High	9.04%	52	9.60%	17	1.18%	1	6.67%	1
Middle/Jr. High Activity Classes	2.26%	13	1.13%	2	4.71%	4	13.33%	2
High	17.91%	103	9.60%	17	10.59%	9	0.00%	0
High Activity Classes	3.30%	19	1.13%	2	0.00%	0	0.00%	0
Combination	43.13%	248	67.80%	120	67.06%	57	20.00%	3
Combination Activity Classes	5.57%	32	10.17%	18	16.47%	14	60.00%	9

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.

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	2%	4%	2%	8%	2%
Mastery	39%	24%	24%	37%	29%	17%
Basic	24%	28%	22%	28%	33%	29%
Approaching Basic	16%	21%	30%	24%	21%	38%
Unsatisfactory	17%	25%	20%	9%	9%	14%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	9%	9%	2%	2%	2%	1%
Mastery	31%	29%	36%	38%	27%	15%
Basic	32%	26%	27%	38%	27%	38%
Approaching Basic	18%	23%	25%	19%	31%	33%
Unsatisfactory	11%	14%	10%	4%	12%	13%
Total	101%	101%	100%	101%	99%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	0%	1%	2%	2%	1%
Mastery	33%	28%	29%	26%	18%	7%
Basic	29%	31%	35%	24%	29%	40%
Approaching Basic	24%	26%	26%	26%	34%	38%
Unsatisfactory	11%	15%	9%	22%	18%	14%
Total	101%	100%	100%	100%	101%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	2%	1%	≤1	1%	1%
Mastery	21%	32%	19%	10%	12%	4%
Basic	23%	39%	37%	26%	32%	25%
Approaching Basic	38%	18%	33%	36%	40%	52%
Unsatisfactory	17%	10%	10%	28%	16%	18%
Total	99%	101%	100%	100%	101%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	2%	3%	≤1	0%	1%
Mastery	32%	21%	21%	15%	6%	15%
Basic	34%	41%	34%	38%	29%	34%
Approaching Basic	19%	19%	26%	36%	51%	30%
Unsatisfactory	12%	16%	16%	10%	15%	20%
Total	100%	99%	100%	99%	101%	100%

Louisiana Educational Assessment Program (LEAP) (continued)
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	7%	1%	≤1	1%	2%
Mastery	24%	33%	21%	11%	11%	16%
Basic	40%	39%	35%	29%	27%	17%
Approaching Basic	18%	18%	30%	36%	38%	26%
Unsatisfactory	13%	4%	13%	24%	24%	39%
Total	98%	101%	100%	100%	101%	100%

Schedule 8

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2017

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

iLEAP Tests
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	4%	3%	4%	N/A	1%
Mastery	19%	20%	15%	19%	N/A	15%
Basic	39%	41%	40%	18%	N/A	36%
Approaching Basic	25%	19%	26%	29%	N/A	27%
Unsatisfactory	16%	17%	16%	29%	N/A	22%
Total	99%	101%	100%	99%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	2%	1%	≤1	N/A	1%
Mastery	11%	11%	11%	19%	N/A	4%
Basic	45%	46%	37%	23%	N/A	51%
Approaching Basic	29%	31%	36%	28%	N/A	25%
Unsatisfactory	12%	11%	15%	30%	N/A	19%
Total	100%	101%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	2%	3%	≤1	N/A	7%
Mastery	9%	10%	14%	11%	N/A	14%
Basic	45%	37%	44%	21%	N/A	45%
Approaching Basic	27%	31%	29%	37%	N/A	22%
Unsatisfactory	19%	19%	10%	31%	N/A	11%
Total	100%	99%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	7%	2%	2%	N/A	3%
Mastery	18%	17%	13%	12%	N/A	11%
Basic	44%	43%	43%	16%	N/A	45%
Approaching Basic	26%	25%	26%	37%	N/A	29%
Unsatisfactory	9%	8%	16%	34%	N/A	12%
Total	100%	100%	100%	101%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2%	2%	6%	5%	N/A	4%
Mastery	22%	11%	16%	21%	N/A	10%
Basic	44%	43%	36%	30%	N/A	48%
Approaching Basic	18%	27%	26%	16%	N/A	27%
Unsatisfactory	15%	17%	16%	29%	N/A	10%
Total	101%	100%	100%	101%	N/A	100%

iLEAP Tests
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	2%	1%	7%	N/A	1%
Mastery	15%	17%	14%	22%	N/A	7%
Basic	41%	44%	41%	24%	N/A	47%
Approaching Basic	25%	25%	31%	20%	N/A	25%
Unsatisfactory	18%	12%	13%	27%	N/A	20%
Total	99%	100%	100%	100%	N/A	100%