

East Carroll Parish School Board

Lake Providence, Louisiana



Annual Financial Report

for the year ended June 30, 2017

**East Carroll Parish School Board
Lake Providence, Louisiana**

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

**East Carroll Parish School Board
Annual Financial Report**

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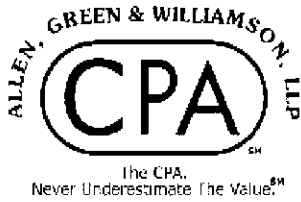
**East Carroll Parish School Board
Annual Financial Report**

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Independent Auditor's Report

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll 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 Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, the Budgetary Comparison Schedules and related notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

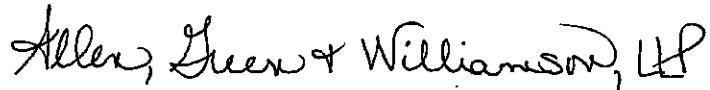
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Carroll Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents and schedule of expenditures of federal 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 the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are 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 March 5, 2018 on our consideration of the East Carroll 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 5, 2018

REQUIRED SUPPLEMENTARY INFORMATION:

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

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

Our discussion and analysis of East Carroll 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 that follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources liabilities at the close of the most recent fiscal by \$12,968 thousand (deficit net position). Of this amount, \$(18,144) thousand represents unrestricted net position, which is the amount the School Board's needs to meet its ongoing obligations.
- The School Board total net position decreased \$909 thousand mainly due to the increase in Other Post Retirement Benefits (OPEB) liability.
- At the close of the current fiscal year, the School Board's governmental funds reported combined fund balances of \$7,496 thousand, an increase of \$816 thousand in comparison with prior year. Approximately 82% of this amount (\$6,143 thousand) is available for spending at the School Board's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$6,143 thousand, or approximately 65% of total general fund expenditures.
- The School Boards total outstanding long-term debt decreased \$145 thousand due to current fiscal year principal payments.

NEW GASB STANDARDS In fiscal year 2017, the School Board adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 77 – Tax Abatement Disclosures:* This Statement 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 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 standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions.

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

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 and Title I. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

**Schedule of Funding Progress for Other Post-Employment Benefit Plan
Schedule of Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Information for Major Funds**

Supplementary Information

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

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

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

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.

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

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, plant services, school administration, 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 child nutrition) 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 found on Statements D and F.

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

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. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL BOARD AS A WHOLE The School Board's net position was a deficit of \$12,968 thousand at June 30, 2017. Of this amount \$(18,144) thousand was unrestricted. The \$1,333 thousand in 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
(in thousands)
June 30

	<u>2017</u>	<u>Governmental Activities</u> <u>2016</u>	<u>Variance</u>
Other assets	\$ 8,280	\$ 7,408	\$ 872
Capital assets	5,494	5,932	(438)
Total assets	13,774	13,340	434
Deferred outflows of resources	3,286	2,537	749
Other liabilities	793	737	56
Long-term liabilities	27,874	25,847	2,027
Total liabilities	28,667	26,584	2,083
Deferred inflows of resources	1,361	1,352	9
Net position			
Net invested in capital assets	3,843	4,136	(293)
Restricted	1,333	1,127	206
Unrestricted	(18,144)	(17,322)	(822)
Total net position	\$ (12,968)	\$ (12,059)	\$ (909)

The \$18,444 thousand deficit 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, OPEB and net pension liability, there would be a shortfall of \$18,444 thousand. The net position of the School Board decreased by \$909 thousand which was mainly due to an increase in the OPEB liability and salary increases.

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

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.

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

	<u>Governmental Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Revenues:			
Program revenues			
Charges for services	\$ 4	\$ 4	\$ -
Federal grants	3,031	2,866	165
State grants	135	162	(27)
General Revenues			
Ad valorem taxes	764	754	10
Sales taxes	1,884	2,191	(307)
State minimum foundation program	6,989	7,094	(105)
Other general revenues	<u>746</u>	<u>665</u>	<u>81</u>
Total revenues	<u>13,553</u>	<u>13,736</u>	<u>(183)</u>
Functions/Program Expenses:			
Instruction			
Regular programs	4,337	3,805	532
Special programs	891	718	173
Other instructional programs	2,417	1,916	501
Support services			
Student services	856	731	125
Instructional staff support	727	761	(34)
General administration	585	545	40
School administration	840	853	(13)
Business services	518	390	128
Plant services	1,461	1,483	(22)
Student transportation services	588	568	20
Food Services	1,214	1,184	30
Community Services	-	3	(3)
Interest and bank charges	28	32	(4)
Total expenses	<u>14,462</u>	<u>12,989</u>	<u>1,473</u>
Changes in net position	(909)	747	(1,656)
Net Position - beginning	<u>(12,059)</u>	<u>(12,806)</u>	<u>747</u>
Net Position - ending	<u>\$ (12,968)</u>	<u>\$ (12,059)</u>	<u>\$ (909)</u>

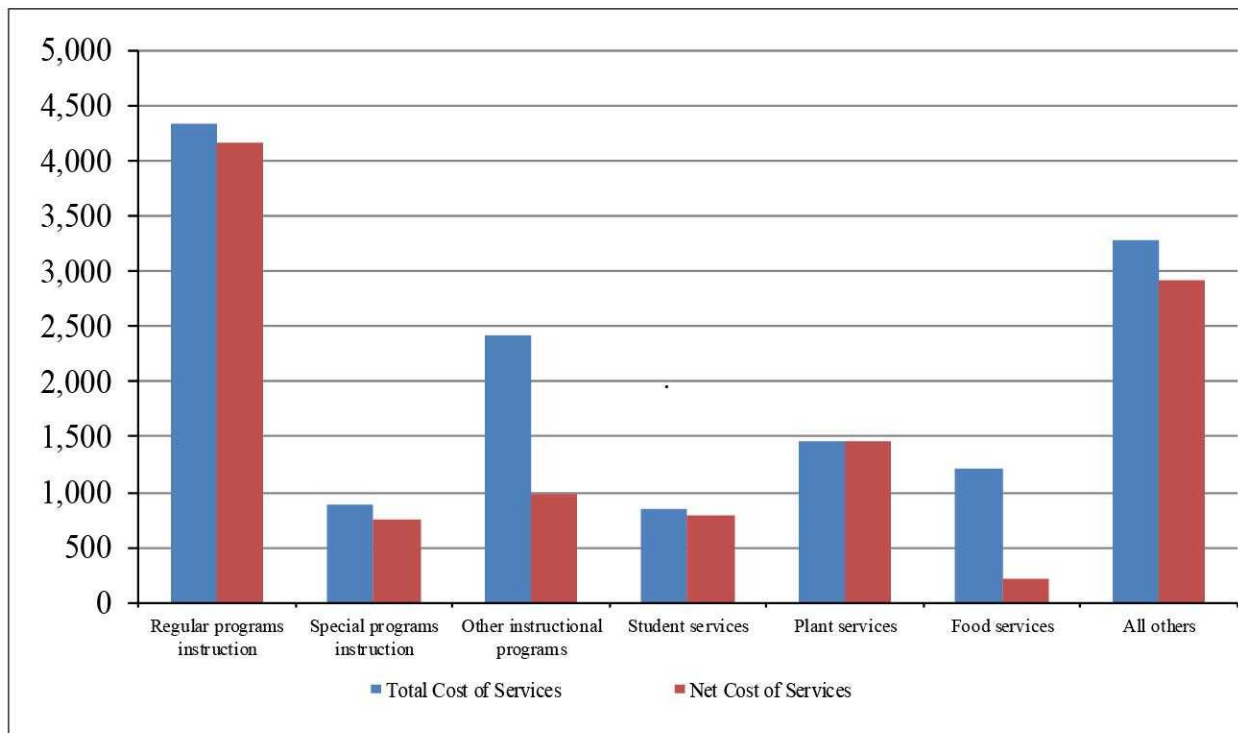
East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, student services, plant 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.

Year Ended June 30,
(in thousands)
Governmental Activities

	<u>2017</u>		<u>2016</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Regular programs	\$ 4,337	\$ 4,166	\$ 3,805	\$ 3,630
Special programs	891	757	718	549
Other instructional programs	2,417	979	1,916	810
Student services	856	794	731	675
Plant services	1,461	1,452	1,483	1,475
Food services	1,214	217	1,184	86
All others	3,286	2,926	3,152	2,732
Totals	<u>\$ 14,462</u>	<u>\$ 11,291</u>	<u>\$ 12,989</u>	<u>\$ 9,957</u>

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



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

THE SCHOOL BOARD'S FUNDS As mentioned 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.

In contrasting current year results with the prior year, the fund balances of all governmental funds increased by \$816 thousand. Total revenues for all governmental funds decreased \$206 thousand, while expenses for all governmental funds increased by \$344 thousand. The fund balance of the general fund increased \$611 thousand. Total revenues in the general fund decreased \$354 thousand mainly due to Minimum Foundation Program (MFP) cuts and reduction in sales tax collections. Total expenditures in the general fund increased \$164 thousand mainly due to salary increases.

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

Nonmajor governmental fund balance increased \$205 thousand mainly due to an increase of \$101 thousand in debt service reserve funds and an increase of \$84 thousand from the Child Nutrition program.

General Fund Budgetary Highlights 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 final budgeted revenues were decreased \$306 thousand mainly how E-Rate is paid, MFP decrease and decrease in sales tax collections. The final budgeted expenditures were increased by \$850 thousand due mainly to increases in salaries, benefits and supplement issued.

Actual revenues were \$96 thousand more than budgeted revenues. Actual expenditures were less than budgeted expenditures by \$109 thousand due to close monitoring during school year.

CAPITAL ASSET AND DEBT ADMINISTRATION,

Capital Assets At June 30, 2017, the School Board had \$5,494 thousand invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$438 thousand or 7%, from last year.

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

	Governmental Activities		
	2017	2016	Variance
Land	\$ 318	\$ 318	\$ -
Buildings and improvements	4,973	5,338	(365)
Furniture and equipment	203	276	(73)
Totals	\$ 5,494	\$ 5,932	\$ (438)

More detailed information about our capital assets is presented in Note 6 of the Notes to the Financial Statements.

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

Debt Administration At June 30, 2017, the School Board had \$1,651 thousand of debt outstanding versus \$1,796 thousand last year, a decrease of \$145 thousand or 8%. The outstanding debt consisted of:

**Long-Term Debt at June 30,
(in thousands)**

	<u>Governmental Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Certificate of Indebtedness, Series 2004	\$ 67	\$ 88	\$ (21)
Excess Revenue Refunding Bonds, Series 2012	384	508	(124)
QSCB Revenue Bonds, Series 2011	1,200	1,200	-
Totals	<u>\$ 1,651</u>	<u>\$ 1,796</u>	<u>\$ (145)</u>

Other obligations include compensated absences, other post-employment benefits (OPEB) liability and the net pension liability. We present more detailed information concerning long-term liabilities in Note 13 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The major changes anticipated in the 2017-2018 year are increases in employer retirement contribution rates and decreases in student enrollment resulting in lower in MFP revenue.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide 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 Theresa Thomas, Business Manager, at East Carroll Parish School Board, P. O. Box 972, Lake Providence, Louisiana 71254-0792, telephone number (318) 559-2222.

BASIC FINANCIAL STATEMENTS:

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

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2017

	Statement A
	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 6,791,674
Investments	805,781
Receivables	671,290
Inventories	11,810
Capital assets:	
Land	318,180
Depreciable capital assets, net of depreciation	<u>5,175,685</u>
TOTAL ASSETS	<u>13,774,420</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>3,285,554</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,285,554</u>
LIABILITIES	
Accounts, salaries and other payables	771,688
Interest payable	9,141
Unearned revenues	12,648
Long-term liabilities	
Due within one year	368,728
Due in more than one year	<u>27,505,141</u>
TOTAL LIABILITIES	<u>28,667,346</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>1,360,647</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,360,647</u>
NET POSITION	
Net investment in capital assets	3,842,865
Restricted for:	
Salary enhancements	421,491
Debt service	594,697
School construction	5,873
Grants	310,595
Unrestricted	<u>(18,143,540)</u>
TOTAL NET POSITION	<u>\$ (12,968,019)</u>

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

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			Statement B
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 4,336,834	\$ -	\$ 170,855	\$ (4,165,979)
Special programs	891,112	-	133,640	(757,472)
Other instructional programs	2,417,506	-	1,438,800	(978,706)
Support services:				
Student services	856,055	-	61,815	(794,240)
Instructional staff support	727,318	-	180,479	(546,839)
General administration	584,811	-	154,464	(430,347)
School administration	840,424	-	23,810	(816,614)
Business services	517,566	-	-	(517,566)
Plant services	1,460,793	-	8,872	(1,451,921)
Student transportation services	587,759	-	991	(586,768)
Food services	1,213,898	4,363	992,669	(216,866)
Interest and bank charges	27,996	-	-	(27,996)
Total governmental activities	<u>\$ 14,462,072</u>	<u>\$ 4,363</u>	<u>\$ 3,166,395</u>	<u>\$ (11,291,314)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				763,851
Sales taxes, levied for general purposes				1,883,679
Grants and contributions not restricted to specific programs				
State revenue sharing				15,844
Minimum Foundation Program				6,988,556
Grants and contributions				41,387
Interest and investment earnings				37,573
Miscellaneous				651,162
Total general revenues				<u>10,382,052</u>
Change in net position				(909,262)
Net position - beginning				<u>(12,058,757)</u>
Net position - ending				<u>\$ (12,968,019)</u>

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

East Carroll Parish School Board

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BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

EAST CARROLL PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2017**

Statement C

	<u>GENERAL</u>	<u>TITLE I</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 6,413,509	\$ -	\$ 378,165	\$ 6,791,674
Investments	201,943	-	603,838	805,781
Receivables	233,686	212,527	225,077	671,290
Interfund receivables	271,182	-	-	271,182
Inventories	-	-	11,810	11,810
TOTAL ASSETS	<u>7,120,320</u>	<u>212,527</u>	<u>1,218,890</u>	<u>8,551,737</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	543,569	76,008	152,111	771,688
Interfund payables	-	136,519	134,663	271,182
Unearned revenues	12,648	-	-	12,648
Total liabilities	<u>556,217</u>	<u>212,527</u>	<u>286,774</u>	<u>1,055,518</u>
Fund Balances:				
Nonspendable	-	-	11,810	11,810
Restricted	421,491	-	920,306	1,341,797
Unassigned	6,142,612	-	-	6,142,612
Total fund balances	<u>6,564,103</u>	<u>-</u>	<u>932,116</u>	<u>7,496,219</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,120,320</u>	<u>\$ 212,527</u>	<u>\$ 1,218,890</u>	<u>\$ 8,551,737</u>

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

EAST CARROLL PARISH SCHOOL BOARD

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

Statement D

Fund balances - governmental funds \$ 7,496,219

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets 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	\$ 14,927,446	
Accumulated depreciation	<u>(9,433,581)</u>	5,493,865

Deferred outflows of resources are not available to pay current period expenditures and, therefore are not reported in the governmental funds. 3,285,554

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds. (1,360,647)

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	(9,141)	
Long-term liabilities:		
Revenue bonds	(1,651,000)	
Compensated absences payable	(404,770)	
Net pension liability	(13,790,589)	
OPEB liability	<u>(12,027,510)</u>	<u>(27,883,010)</u>

Net position of governmental activities \$ (12,968,019)

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

EAST CARROLL 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	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 763,851	\$ -	\$ -	\$ 763,851
Sales and use	1,883,679	-	-	1,883,679
Interest earnings	27,364	-	10,209	37,573
Food services	-	-	4,363	4,363
Other	615,817	-	14,345	630,162
State sources:				
Equalization	6,951,556	-	37,000	6,988,556
Other	95,350	-	97,592	192,942
Federal sources	1,696	1,296,541	1,732,447	3,030,684
Total revenues	10,339,313	1,296,541	1,895,956	13,531,810
EXPENDITURES				
Current:				
Instruction:				
Regular programs	3,382,737	-	141,373	3,524,110
Special programs	641,165	-	133,640	774,805
Other instructional programs	750,263	1,056,997	384,264	2,191,524
Support services:				
Student services	686,959	-	61,815	748,774
Instructional staff support	426,218	128,974	49,809	605,001
General administration	384,107	101,698	52,212	538,017
School administration	690,387	-	23,810	714,197
Business services	472,228	-	30	472,258
Plant services	1,373,669	8,872	-	1,382,541
Student transportation services	524,781	-	1,545	526,326
Food services	152,541	-	932,955	1,085,496
Debt Service:				
Principal	-	-	145,000	145,000
Interest and bank charges	-	-	29,030	29,030
Total expenditures	9,485,055	1,296,541	1,955,483	12,737,079
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 854,258	\$ -	\$ (59,527)	\$ 794,731

(Continued)

EAST CARROLL 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	NONMAJOR GOVERNMENTAL	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 264,504	\$ 264,504
Transfers out	(264,504)	-	-	(264,504)
Sale of capital assets	21,000	-	-	21,000
Total other financing sources (uses)	(243,504)	-	264,504	21,000
Net change in fund balances	610,754	-	204,977	815,731
FUND BALANCES - BEGINNING	5,953,349	-	727,139	6,680,488
FUND BALANCES - ENDING	\$ 6,564,103	\$ -	\$ 932,116	\$ 7,496,219

(Concluded)

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

EAST CARROLL 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 change in fund balances - governmental funds	\$ 815,731
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 capital outlays exceeds depreciation expense in the period:	
Depreciation expense	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"><u>\$ (438,242)</u></div> <div style="text-align: right;">(438,242)</div> </div>
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 governmental funds are the amounts actually paid.	(5,592)
In the Statement of Activities, 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 earned (\$235,030) was more than the amounts used (\$221,728) by \$13,302.	(13,302)
In the Statement of Activities, other post-employment benefits 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, the annual OPEB cost exceeded the amounts paid.	(1,413,891)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	145,000
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.	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"><u>1,034</u></div> <div style="text-align: right;"><u>1,034</u></div> </div>
Change in net position - governmental activities	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"><u>\$ (909,262)</u></div> <div style="text-align: right;"><u>\$ (909,262)</u></div> </div>

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

EAST CARROLL PARISH SCHOOL BOARD

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

	Statement G
	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	<u>\$ 162,005</u>
Total assets	<u>162,005</u>
LIABILITIES	
Deposits due others	<u>162,005</u>
Total liabilities	<u>\$ 162,005</u>

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

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

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East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

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

The School Board operates three schools within the parish with a total enrollment of approximately 995 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or vocational education programs. In addition, the School Board provides transportation and school food services for the students.

GASB has issued and amended various statements which establish the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the 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, as defined by GASB as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

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

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 are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general capital assets. The School Board reports the following major governmental funds:

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

Title I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

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.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. They are used to account for assets that the government holds for others in an agency capacity. The School Board reports the following agency fund:

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

Fund Financial Statements (FFS)

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

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

With this measurement focus, only current assets, liabilities and 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

Ad valorem and sales taxes are susceptible to accrual.

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

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

Expenditures

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

Substantially all other expenditures are recognized when the related liability has been incurred.

Other financing sources (uses) Capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, 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, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the School Board's investment policy. The School Board's policy limits investments to direct U.S. Treasury obligations, bond, debentures, notes issued by or guaranteed by federal agencies; bonds, debentures, notes, or other evidence of indebtedness issued by the state of Louisiana or any other state in the United States, or any of the political subdivisions of any state, or by any domestic U.S. corporation, with limited exceptions noted in Louisiana Revised Statute 33:2955, or certificates, or time deposits in any bank domiciled or having a branch office in Louisiana or any other federally insured investment.

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 permitted per GASB Statement No. 31:

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.

**East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017**

Definitions:

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for 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. INVENTORIES Inventories of the governmental fund type financial statements are recorded as expenditures as purchased except for inventory of the child nutrition fund.

Inventories of the child nutrition 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 consumed. Unused commodities at June 30, 2017, are reported as unearned revenues. All purchased inventory items are valued at cost (first in, first out) and commodities are assigned values provided by the United States Department of Agriculture.

H. 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 for all assets except intangibles – software that has a capitalization threshold of \$250,000. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	10 - 40 years
Furniture and equipment	3 - 10 years
Intangibles – software	3 years

I. 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 one item that qualifies for reporting in this category that is related to pensions. Refer to Note 7 for additional information.

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 one item that qualifies for reporting in this category that is related to pensions. Refer to Note 7 for additional information.

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

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

K. COMPENSATED ABSENCES The School Board has the following policies for vacation and sick leave:

All full time 12-month employees earn vacation leave each year as follows: 0 to 3 years of service earn 12 days; 4 to 10 years of service earn 15 days and 11 years or more earn 18 days. Vacations must be taken during the fiscal year or otherwise forfeited. All School Board employees earn 10 days of sick leave each year. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 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 criterion for compensated absences follows:

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees when 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.

The liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

L. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exist:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restriction are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position for salary enhancements reported in the Statement of Net Position is restricted through enabling legislation.

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

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

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

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The Board is the highest level of decision making authority. 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. Committed fund balance is the result of a resolution by the School Board committing the funds.

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

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 is expressed by the Board.

Unassigned: Fund balance that is the residual classification for the general fund. A negative unassigned fund balance may be reported if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. 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.

N. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures, initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. SALES TAXES The East Carroll Parish School Board has three sales tax ordinances as follows:

The School Board has a one-percent parish-wide sales and use tax as authorized in a special election held December 1967. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used exclusively to supplement the payment of salaries for teachers in the public elementary and secondary schools of the parish and/or for the expenses of operating the schools. Such operating expenses include payment of salaries of other personnel employed by the School Board.

The School Board also has an additional one-percent sales and use tax as authorized in a special election held July 17, 1993. In accordance with the proposition approved by voters of the Parish, the net proceeds of the tax are to be used for the purpose of salary enhancement for teachers and other employees of the School Board, to be divided annually on an equal basis among all employees.

In October 1998, voters approved another one-percent sales and use tax. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used for salary enhancements for teachers and other employees of the School Board, to be divided annually on an equal basis among all employees.

P. 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' 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

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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.

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. These revisions were considered insignificant by the Board.

Q. 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.

R. ELIMINATIONS 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.

S. PENSIONS For purposes 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 accrual basis, 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.

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

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

Property Tax Calendar

Millage rates adopted	September 6, 2016
Tax bills mailed	November 18, 2016
Due date	December 31, 2016
Lien date	January 1, 2017

Assessed values are established by the East Carroll 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 for the roll of January 1, 2016. Total assessed value was \$48,381,122 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,289,898 of the assessed value in calendar year 2016.

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

All property taxes are recorded in the general fund. Revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. 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. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in October of each year. The collection of the 2016 property taxes occurs in December, and January and February of the next year.

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

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

	<u>Maximum Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	8.20	8.20	Statutory
Maintenance and operation	8.24	8.24	2018

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NOTE 3 - DEPOSITS As of June 30, 2017, the School Board has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits:	
Statement A - Cash	\$ 6,791,674
Statement A - Investments (Time Deposits)	201,943
Statement G	162,005
Total deposits	7,155,622
Less: Deposits classified as investments	(201,943)
Total cash and cash equivalents	\$ 6,953,679

These deposits are stated at cost, which approximates market. The School Board’s policy requires that these deposits (or the resulting bank balances) be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

Custodial Credit Risk-Deposits: This is the risk that in the event of a bank failure, the government’s deposit may not be returned to it. As of June 30, 2017 the School Board had a bank balance of \$7,783,409 in which \$7,081,466 was exposed to custodial credit risk because it was uninsured and secured by pledged securities held by the School Board’s agent but not in the School Board’s name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 day of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon request.

NOTE 4 - INVESTMENTS As of June 30, 2017, the School Board had the following investments:

	Fair Value	Weighted Average Maturity
Certificate of Deposit	\$ 201,943	< 1 Year
U.S. Treasury SLGS	603,838	5.7 Years
	\$ 805,781	

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the U.S. Treasury securities totaling \$603,838 were determined using quoted market prices (Level 1). The nonnegotiable certificate of deposit is measured at cost. The School Board’s investment in U.S. Treasury SLGS is to be used exclusively for the QSCB 2011 principal payment due on March 1, 2023.

Interest Rate Risk: The School Board’s policy does not address interest 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 of \$603,838 in U.S. Treasuries are registered in the School Board’s name held by the Trust department of a financial institution. The School Board’s policy does not address custodial credit risk.

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NOTE 5 - RECEIVABLES The receivables at June 30, 2017, are as follows:

	<u>General</u>	<u>Title I</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes:				
Sales tax	\$ 206,465	\$ -	\$ -	\$ 206,465
Intergovernmental -				
Federal	-	212,527	212,365	424,892
State	488	-	12,712	13,200
Other	26,733	-	-	26,733
Total	<u>\$ 233,686</u>	<u>\$ 212,527</u>	<u>\$ 225,077</u>	<u>\$ 671,290</u>

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts was established.

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2017 is as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 318,180	\$ -	\$ -	\$ 318,180
Total capital assets not being depreciated	318,180	-	-	318,180
Capital assets, being depreciated:				
Buildings and improvements	11,838,840	-	298,582	11,540,258
Furniture and equipment	3,069,008	-	-	3,069,008
Total capital assets being depreciated	<u>14,907,848</u>	<u>-</u>	<u>298,582</u>	<u>14,609,266</u>
Less accumulated depreciation				
Buildings	6,500,841	364,989	298,582	6,567,248
Furniture and equipment	2,793,080	73,253	-	2,866,333
Total accumulated depreciation	<u>9,293,921</u>	<u>438,242</u>	<u>298,582</u>	<u>9,433,581</u>
Depreciable capital assets, net	<u>5,613,927</u>	<u>(438,242)</u>	<u>-</u>	<u>5,175,685</u>
Governmental activities, capital assets, net	<u>\$ 5,932,107</u>	<u>\$ (438,242)</u>	<u>\$ -</u>	<u>\$ 5,493,865</u>

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Depreciation expense was charged to governmental activities as follows:

	<u>Amount</u>
Regular programs	\$ 334,589
Other instructional programs	150
Instructional staff support	106
School administration	14,750
Plant services	5,449
Student transportation services	43,509
Food services	39,689
Total depreciation expense	\$ 438,242

NOTE 7 - 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.

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

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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 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,

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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.

Employer contributions to LSERS for fiscal year 2017 were \$89,951, 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 \$1,335,142, with active member contributions of 8%, and employer contributions of 25.5%. Non-employer contributions to TRSL, which are comprised of \$55,241 from ad valorem taxes and revenue sharing funds and \$7,647 from the State for PIP salaries, totaled \$62,888 for fiscal year 2017. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2017, the School Board reported liabilities of \$987,297 and \$12,803,292 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 0.130881%, or a decrease of 0.036608% for LSERS and 0.10909% or a decrease of 0.00236% for TRSL.

For the year ended June 30, 2017, the School Board recognized a total pension expense of \$1,430,685, or \$37,441 and \$1,393,244 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:

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	Deferred Outflows			Deferred Inflows		
	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 26,943	\$ 252,773	\$ 279,716
Changes of assumptions	23,389	-	23,389	26,095	-	26,095
Net difference between projected and actual earnings on pension plan investments	125,074	932,050	1,057,124	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,503	767,445	779,948	174,452	880,384	1,054,836
Employer contributions subsequent to the measurement date	89,951	1,335,142	1,425,093	-	-	-
Total	<u>\$ 250,917</u>	<u>\$ 3,034,637</u>	<u>\$ 3,285,554</u>	<u>\$ 227,490</u>	<u>\$ 1,133,157</u>	<u>\$ 1,360,647</u>

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:

	<u>LSERS</u>	<u>TRSL</u>	Total
2018	\$ (79,533)	\$ 80,018	\$ 485
2019	(79,508)	80,018	510
2020	56,524	211,667	268,191
2021	35,993	194,635	230,628

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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:

	<u>LSERS</u>	<u>TRSL</u>
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% per annum (increased from 7.0% in 2015)	7.75%, net of investment expense
Inflation Rate	2.625% per annum (decreased from 2.75% in 2015)	2.5% per annum
Projected salary increases	2008-2012 experience study, ranging from 3.075% to 5.375% (decreased from a range of 3.2% to 5.5% in 2015)	3.5% - 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.

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 resulting expected long-term rate of return was 8.23% for 2016.

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Best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</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>
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>	

* Alternatives include private equity and debt, venture capital, infrastructure, commodities, and real estate.

Discount Rate. The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.75% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at actuarially determined rates approved by the Public Employees' Retirement Systems Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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 7.0% used in the June 30, 2015 valuation to 7.125%. For the June 30, 2015 year, the discount rate assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 Regular Session of the Legislature, beginning with the June 30, 2016 valuation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contribution for the retirement plans. With this change, the valuation of plan liabilities based on valuation interest rate set for 0.25% below 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.

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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	\$ 1,296,046	\$ 987,297	\$ 722,779
TRSL	15,969,624	12,803,292	10,108,958

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 \$12,070 and \$4,322 in payables to LSERS and TRSL, respectively, for the June 2017 employee and employer legally required contributions.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board 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 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 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 25% retiree/75% employer of the stated costs of healthcare coverage.

The plan is currently financed on a "pay as you go basis", with the School Board contributing \$530,023 for 101 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. 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. The level dollar amortization method is used. A 30 year closed amortization period (the maximum amortization period allowed by GASB 45) was used for post-employment benefits. The total ARC for fiscal year 2017 is \$2,253,817 as set forth below:

Normal Cost	\$ 677,148
30-year UAL amortization amount	1,576,669
Annual required contribution (ARC)	<u><u>\$ 2,253,817</u></u>

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

The following table presents the School Board's OPEB Obligation for the current year and each of the two preceding years were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Beginning Net OPEB Obligation July 1,	\$ 10,613,619	\$ 9,673,726	\$ 8,786,215
Annual required contribution	2,253,817	1,841,092	1,841,092
Interest on prior year Net OPEB Obligation	424,545	386,949	351,449
Adjustment to ARC	<u>(734,448)</u>	<u>(634,471)</u>	<u>(576,262)</u>
Annual OPEB Cost	1,943,914	1,593,570	1,616,279
Less current year retiree premiums	<u>(530,023)</u>	<u>(653,677)</u>	<u>(728,768)</u>
Increase in Net OPEB Obligation	<u>1,413,891</u>	<u>939,893</u>	<u>887,511</u>
Ending Net OPEB Obligation at June 30,	<u>\$ 12,027,510</u>	<u>\$ 10,613,619</u>	<u>\$ 9,673,726</u>

Utilizing the pay as you go method, the School Board contributed 27% of the annual post-employment benefits cost during 2017, 41% during 2016, and 45% during 2015.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$22,784,683 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)	\$ 22,784,683
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 22,784,683
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 6,138,773
UAAL as a percentage of covered payroll	371%

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 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 actuarial valuation for the East Carroll Parish School Board, the projected unit credit actuarial cost method and level dollar amortization method was used. The actuarial assumptions included a discount rate of 4% per annum, compounded annually for valuing liabilities. Trend was calculated assuming an implied inflation rate of 2.5% per year, and actual premiums. Trend with Cadillac Tax has been provided. The short-term trend rate starts off at 4.9% (no Medicare) and 5.9% (Medicare), and reflects the ACA Excise Tax effective 2020. The ACA Excise tax is assumed to be applied to single/family implied equivalent rates based on the total premium equivalent rates. The Sex Distinct RP 2000 Combined Healthy Mortality Table for non-annuitants projected to 2017 using

**East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017**

Scale AA was used in making actuarial assumptions in regards to mortality rates. The withdrawal rates for employees ranged from 4.0% to 9.0% dependent upon the participants age. The disability rates ranged from 0.01% at age 25 up to 0.47% for participants the age of 55 and older. The retirement rates range from 4.0% at age 39 to 100% for participates the age of 73 and older. Participation assumption used is 90% of all employees who are eligible for retiree medical benefits and Medicare are assumed to elect medical coverage in retirement and they will continue to be covered by the same plan as retirees that they were while active. 70% of all employees who are eligible for retiree life insurance are assumed to elect coverage in retirement and are assumed to have \$40,000 in life insurance. For actives it is assumed that husbands are three years older than their wives. 40% of active participants making it to retirement are assumed to be married and elect spouse medical coverage.

The remaining amortization period at June 30, 2017 for other post-employment benefits (OPEB) was twenty-one years. The Schedule of Funding Progress, presented as required supplementary information immediately follows the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability for benefits.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2017 are as follows:

	General	Title I	Nonmajor Governmental	Total
Salaries and benefits	\$ 422,157	\$ 73,278	\$ 136,597	\$ 632,032
Accounts	121,412	2,730	15,514	139,656
Total	<u>\$ 543,569</u>	<u>\$ 76,008</u>	<u>\$ 152,111</u>	<u>\$ 771,688</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2017, employees of the School Board have accumulated and vested \$404,770 of employee leave benefits, including \$5,785 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 11 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Title I	\$ 136,519
General	Nonmajor governmental	134,663
Total		<u>\$ 271,182</u>

The purpose of interfund receivable/payables between the general fund, Title I, and nonmajor governmental funds is to cover expenditures on cost reimbursement programs until reimbursements are received.

Interfund transfers:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Nonmajor governmental	General Fund	<u>\$ 264,504</u>

The general fund transferred money to the debt service funds to account for current year debt transactions.

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

NOTE 12 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, Ending</u>
Agency fund:				
School activities fund	\$ 167,625	\$ 199,065	\$ 204,685	\$ 162,005

NOTE 13 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Revenue bonds:					
Certificate of Indebtedness, Series 2004	\$ 88,000	\$ -	\$ 21,000	\$ 67,000	\$ 22,000
Excess Revenue Refunding Bonds, Series 2012	508,000	-	124,000	384,000	125,000
QSCB Revenue Bonds, Series 2011	1,200,000	-	-	1,200,000	-
Other liabilities:					
Compensated absences	391,468	235,030	221,728	404,770	221,728
Net pension liability	13,045,409	2,258,012	1,512,832	13,790,589	-
OPEB liability	10,613,619	1,943,914	530,023	12,027,510	-
Governmental Activities					
Long-term liabilities	<u>\$ 25,846,496</u>	<u>\$ 4,436,956</u>	<u>\$ 2,409,583</u>	<u>\$ 27,873,869</u>	<u>\$ 368,728</u>

The compensated absences and OPEB liabilities attributable to the governmental activities will be liquidated 100% by the General Fund. The net pension liability will be liquidated through contributions to the pension plans from the governmental fund in which the related salary was paid.

The School Board issues debt to construct, acquire and improve energy facilities and equipment as part of an energy retrofit project. Payments on debt are made from the General Fund through transfers to the debt service fund.

The individual bond issues are as follows:

Bond Issue	Original Issue	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding
Certificate of Indebtedness, Series 2004	\$ 267,000	0.000%	2020	\$ -	\$ 67,000
Excess Revenue Refunding Bonds, Series 2012	874,000	2.0-2.9%	2020	15,894	384,000
QSCB Revenue Bonds, Series 2011	1,200,000	1.250%	2023	90,000	1,200,000
				<u>\$ 105,894</u>	<u>\$ 1,651,000</u>

**East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017**

All principal and interest requirements are funded from general operating funds of the General Fund. The School Board's debt service requirements are due as follows:

Year ending June 30,	Principal Payments	Interest Payments	Total
2018	\$ 147,000	\$ 23,533	\$ 170,533
2019	150,000	20,462	170,462
2020	154,000	16,899	170,899
2021	-	15,000	15,000
2022	-	15,000	15,000
2023	1,200,000	15,000	1,215,000
Total	<u>\$ 1,651,000</u>	<u>\$ 105,894</u>	<u>\$ 1,756,894</u>

In accordance with the Louisiana Revised Statutes 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2017, the statutory limit was \$16,933,392 and the outstanding net bonded debt totaled \$0.

Pledged Revenue

In February 2011, the School Board issued \$1,200,000 in taxable Qualified School Construction Bonds (QSCB) to finance the renovation and repair of public school facilities. The School Board has pledged, as security for the bonds, a portion of the 8.2 mills constitutional ad valorem tax. The bonds are payable solely from constitutional tax collected and are payable through 2023. Annual sinking fund and interest payments are expected to require approximately 32% of the tax revenues over the next 6 years. Total sinking fund contributions and interest remaining to be paid on the QSCB bonds is \$596,162 in sinking fund contributions and \$90,000 in interest. For the year ended June 30, 2017, the School Board received \$355,159 from the collection of the 8.2 mills and paid \$15,000 in debt service interest payments and made the required annual contribution of \$100,000 into the QSCB sinking fund investment account.

NOTE 14 - RISK MANAGEMENT The School Board is at risk for property damage, liability and theft which are covered by insurance policies. The School Board is also fully insured for workers' compensation. Settled claims have not exceeded commercial insurance in any of the past three years.

NOTE 15 - LITIGATION AND CLAIMS

Litigation The School Board is a defendant in lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. These programs are subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Energy Performance Contract The School Board entered into an energy performance contract with TAC Americas, Inc. in November 2004. The contract includes a stipulated operational savings. The Louisiana Attorney

**East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017**

General recently issued an opinion (A.G. Opinion No. 07-0002) regarding a similar contract with another School Board and concluded that some of these contracts may not meet the statutory definition of a performance based energy contract.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The Parish Tax Collector makes retirement remittances to the teacher’s retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher’s retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector’s office. For 2017, the Tax Collector paid the Teacher’s Retirement System of Louisiana \$55,241. These amounts are recognized as ad valorem revenue and as employer contributions to the TRSL pension plan.

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 \$7,647. This amount was recognized as state revenue and as employer contributions to the TRSL pension plan.

NOTE 17 - FUND BALANCE CLASSIFICATION DETAILS The following are details of the fund balance classifications.

	General	Nonmajor Governmental	Total
Nonspendable	\$ -	\$ 11,810	\$ 11,810
Restricted for:			
Grants	-	310,595	310,595
School construction	-	5,873	5,873
Debt service	-	603,838	603,838
Salary enhancements	421,491	-	421,491
Unassigned	6,142,612	-	6,142,612
Total	<u>\$ 6,564,103</u>	<u>\$ 932,116</u>	<u>\$ 7,496,219</u>

NOTE 18 - TAX ABATEMENTS The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2017 by authorized millage is as follows:

East Carroll Parish School Board
Notes to the Financial Statements
June 30, 2017

Tax Code	Millage	Assessed Valuate Lost to ITFP	Estimated Tax Dollar Lost to ITFP
Constitutional	8.20	\$ 7,370,732	\$ 60,440
Maintenance and operations	8.24	7,370,732	60,735
			\$ 121,175

NOTE 19 - NEW GASB STANDARDS In fiscal year 2017, the School Board adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 77 – Tax Abatement Disclosures:* This Statement 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 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 standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions.

REQUIRED SUPPLEMENTARY INFORMATION

**East Carroll Parish School Board
June 30, 2017**

EXHIBIT 1

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN

Fiscal Year End	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	7/1/2008	\$ -	\$22,614,371	\$22,614,371	0%	\$9,458,586	239%
2010	7/1/2008	-	22,614,371	22,614,371	0%	9,164,453	247%
2011	7/1/2010	-	17,499,960	17,499,960	0%	7,993,299	219%
2012	7/1/2010	-	17,499,960	17,499,960	0%	6,971,391	251%
2013	7/1/2012	-	16,359,413	16,359,413	0%	7,081,983	231%
2014	7/1/2013	-	16,359,413	16,359,413	0%	6,189,222	264%
2015	7/1/2014	-	17,772,804	17,772,804	0%	6,641,640	268%
2016	7/1/2014	-	17,772,804	17,772,804	0%	6,808,468	261%
2017	7/1/2016	-	22,784,683	22,784,683	0%	6,138,773	371%

**East Carroll Parish School Board
June 30, 2017**

Exhibit 2-1

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last Three Fiscal Years**

<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	0.162521%	\$ 943,669	\$ 456,069	207%	76.18%
2016	0.167489%	1,062,096	407,986	260%	74.49%
2017	0.130881%	987,297	371,871	265%	70.09%
Teacher's Retirement System of Louisiana					
2015	0.12106%	\$ 12,373,974	\$ 6,142,496	201%	63.7%
2016	0.11145%	11,983,313	5,789,766	207%	62.5%
2017	0.10909%	12,803,292	5,325,200	240%	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.

**East Carroll Parish School Board
June 30, 2017**

Exhibit 2-2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLANS
Last Three Fiscal Years**

<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	\$ 126,822	\$ 126,822	\$ -	\$ 407,986	31.1%
2016	112,305	112,305	-	371,871	30.2%
2017	89,951	89,951	-	329,491	27.3%
Teacher's Retirement System of Louisiana					
2015	\$ 1,616,916	\$ 1,616,916	\$ -	\$ 5,789,766	27.9%
2016	1,400,527	1,400,527	-	5,325,200	26.3%
2017	1,335,142	1,335,142	-	5,235,850	25.5%

Notes:

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

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

East Carroll Parish School Board
June 30, 2017

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR PENSIONS

Louisiana School Employees' Retirement System

Changes in Benefit Terms: Amounts reported after 2015 include a change in benefit terms for members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015. These employees 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. For amounts reported in 2017, based on Act 94 of the 2016 Regular Session of the Legislature, the explicit cost of projected noninvestment related administrative expense were included in the calculation of the actuarially required contribution for the plan. With this change, the valuation of plan liabilities based on valuation interest rate set for 0.25% below 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: Amounts reported after 2015 include a change in benefit terms for members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015. These employees 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.

**East Carroll 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 is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

EAST CARROLL 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	\$ 5,970,617	\$ 5,953,349	\$ 5,953,349	\$ -
Resources (inflows)				
Local sources:				
Ad valorem taxes	738,193	756,241	763,851	7,610
Sales and use taxes	2,200,000	1,836,450	1,883,679	47,229
Interest earnings	2,400	1,500	27,364	25,864
Other	487,373	608,686	615,817	7,131
State sources:				
Equalization	7,050,394	6,962,871	6,951,556	(11,315)
Other	74,997	78,475	95,350	16,875
Federal sources	-	-	1,696	1,696
Sale of capital assets	-	20,500	21,000	500
Amounts available for appropriations	<u>16,523,974</u>	<u>16,218,072</u>	<u>16,313,662</u>	<u>95,590</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	3,151,611	3,373,186	3,382,737	(9,551)
Special programs	519,767	637,149	641,165	(4,016)
Other instructional programs	659,850	791,216	750,263	40,953
Support services:				
Student services	820,087	854,561	686,959	167,602
Instructional staff support	368,099	426,120	426,218	(98)
General administration	355,086	380,277	384,107	(3,830)
School administration	656,418	690,515	690,387	128
Business services	448,593	478,067	472,228	5,839
Plant services	1,123,154	1,142,115	1,373,669	(231,554)
Student transportation services	459,801	503,391	524,781	(21,390)
Food services	-	154,559	152,541	2,018
Community service programs	2,700	3,300	-	3,300
Capital Outlay	180,000	160,000	-	160,000
Transfers to other funds	264,100	264,510	264,504	6
Total charges to appropriations	<u>9,009,266</u>	<u>9,858,966</u>	<u>9,749,559</u>	<u>109,407</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 7,514,708</u>	<u>\$ 6,359,106</u>	<u>\$ 6,564,103</u>	<u>\$ 204,997</u>

EAST CARROLL 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
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	1,134,110	1,592,442	1,296,541	(295,901)
Amounts available for appropriations	1,134,110	1,592,442	1,296,541	(295,901)
Charges to appropriations (outflows)				
Instruction:				
Other instructional programs	868,739	1,244,961	1,056,997	187,964
Support services:				
Instructional staff support	160,107	203,275	128,974	74,301
General administration	96,360	135,302	101,698	33,604
Plant services	8,904	8,904	8,872	32
Total charges to appropriations	1,134,110	1,592,442	1,296,541	295,901
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

**East Carroll Parish School Board
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

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' 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 insignificant 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 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.

East Carroll Parish School Board

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

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

	GENERAL	TITLE I
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 16,313,662	\$ 1,296,541
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(5,953,349)	-
Sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(21,000)	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 10,339,313	\$ 1,296,541
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 9,749,559	\$ 1,296,541
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(264,504)	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances -Governmental Funds	\$ 9,485,055	\$ 1,296,541

**SUPPLEMENTARY INFORMATION:
COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

EAST CARROLL 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	\$ 372,292	\$ -	\$ 5,873	\$ 378,165
Investments	-	603,838	-	603,838
Receivables	225,077	-	-	225,077
Inventories	11,810	-	-	11,810
TOTAL ASSETS	609,179	603,838	5,873	1,218,890
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	152,111	-	-	152,111
Interfund payables	134,663	-	-	134,663
Total liabilities	286,774	-	-	286,774
Fund Balances:				
Nonspendable	11,810	-	-	11,810
Restricted	310,595	603,838	5,873	920,306
Total fund balances	322,405	603,838	5,873	932,116
TOTAL LIABILITIES AND FUND BALANCES	\$ 609,179	\$ 603,838	\$ 5,873	\$ 1,218,890

EAST CARROLL 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	\$ 8	\$ 10,191	\$ 10	\$ 10,209
Food services	4,363	-	-	4,363
Other	14,345	-	-	14,345
State sources:				
Equalization	37,000	-	-	37,000
Other	97,592	-	-	97,592
Federal sources	1,732,447	-	-	1,732,447
 Total revenues	 1,885,755	 10,191	 10	 1,895,956
EXPENDITURES				
Current:				
Instruction:				
Regular programs	141,373	-	-	141,373
Special programs	133,640	-	-	133,640
Other instructional programs	384,264	-	-	384,264
Support services:				
Student services	61,815	-	-	61,815
Instructional staff support	49,809	-	-	49,809
General administration	52,212	-	-	52,212
School administration	23,810	-	-	23,810
Business services	-	-	30	30
Student transportation services	1,545	-	-	1,545
Food services	932,955	-	-	932,955
Debt service:				
Principal	-	145,000	-	145,000
Interest and bank charges	-	29,030	-	29,030
 Total expenditures	 1,781,423	 174,030	 30	 1,955,483
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ 104,332	 \$ (163,839)	 \$ (20)	 \$ (59,527)

(Continued)

EAST CARROLL 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

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 264,504	\$ -	\$ 264,504
Total other financing sources (uses)	-	264,504	-	264,504
Net change in fund balances	104,332	100,665	(20)	204,977
FUND BALANCES - BEGINNING	218,073	503,173	5,893	727,139
FUND BALANCES - ENDING	<u>\$ 322,405</u>	<u>\$ 603,838</u>	<u>\$ 5,873</u>	<u>\$ 932,116</u>

(Concluded)

East Carroll Parish School Board

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**East Carroll Parish School Board
Nonmajor Special Revenue Funds**

CHILD NUTRITION The basic goals of the Child Nutrition Programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influence to homes of school children, and to provide learning experiences that will improve the children's food habits with the ultimate goal of becoming physically fit adults.

SPECIAL EDUCATION These grants are to assist in providing free appropriate public education to all children with disabilities.

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

JAG This is a division of the TANF grant which delivers services to at-risk and disadvantaged youth to aid them in pursuing a post secondary education and ensure participants an opportunity to enter the workforce in a quality job.

8 (g) The purpose of this fund is to account for various state programs designed to provide enhancement to elementary, secondary, and vocational programs.

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

EDUCATION EXCELLENCE This grant is to enhance instructional programs approved by the legislature for students of pre-kindergarten through twelfth grade with proceeds received from tobacco settlement monies.

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.

TEACHER INCENTIVE This program was designed to develop, implement, improve, or expand human capital management systems or performance-based compensation systems for teachers, principal, or other school leaders in schools (and especially those in high-need schools).

MISCELLANEOUS GRANTS This fund accounts for various small state and private grants for which the expenditures are legally restricted to specified purposes.

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2017

	CHILD NUTRITION	SPECIAL EDUCATION	TITLE II	JAG	8 (g)
ASSETS					
Cash and cash equivalents	\$ 318,845	\$ -	\$ -	\$ 5,797	\$ -
Receivables	34,199	42,373	56,667	48,489	13,612
Inventories	11,810	-	-	-	-
TOTAL ASSETS	364,854	42,373	56,667	54,286	13,612
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	88,576	2,221	9,446	22,274	12,712
Interfund payables	-	40,152	47,221	32,012	900
Total liabilities	88,576	42,373	56,667	54,286	13,612
Fund Balances:					
Nonspendable	11,810	-	-	-	-
Restricted	264,468	-	-	-	-
Total fund balances	276,278	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 364,854	\$ 42,373	\$ 56,667	\$ 54,286	\$ 13,612

Exhibit 6

RURAL EDUCATION ACHIEVEMENT	EDUCATION EXCELLENCE	VOCATIONAL EDUCATION	TEACHER INCENTIVE	MISCELLANEOUS GRANTS	TOTAL
\$ -	\$ 1,038	\$ -	\$ -	\$ 46,612	\$ 372,292
7,752	-	5,280	15,855	850	225,077
-	-	-	-	-	11,810
<u>7,752</u>	<u>1,038</u>	<u>5,280</u>	<u>15,855</u>	<u>47,462</u>	<u>609,179</u>
61	1,038	157	15,626	-	152,111
7,691	-	5,123	229	1,335	134,663
<u>7,752</u>	<u>1,038</u>	<u>5,280</u>	<u>15,855</u>	<u>1,335</u>	<u>286,774</u>
-	-	-	-	-	11,810
-	-	-	-	46,127	310,595
-	-	-	-	46,127	322,405
<u>\$ 7,752</u>	<u>\$ 1,038</u>	<u>\$ 5,280</u>	<u>\$ 15,855</u>	<u>\$ 47,462</u>	<u>\$ 609,179</u>

EAST CARROLL 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	SPECIAL EDUCATION	TITLE II	JAG	8 (g)
REVENUES					
Local sources:					
Interest earnings	\$ 8	\$ -	\$ -	\$ -	\$ -
Food services	4,363	-	-	-	-
Other	7,946	-	-	-	-
State sources:					
Equalization	12,000	-	-	-	-
Other	-	-	-	-	79,229
Federal sources	993,373	268,664	274,627	99,997	2,449
Total revenues	1,017,690	268,664	274,627	99,997	81,678
EXPENDITURES					
Current:					
Instruction:					
Regular programs	-	-	-	83,164	-
Special programs	-	133,640	-	-	-
Other instructional programs	-	630	251,294	12,216	81,678
Support services:					
Student services	-	61,815	-	-	-
Instructional staff support	-	49,809	-	-	-
General administration	-	22,770	23,333	4,330	-
School administration	-	-	-	-	-
Student transportation services	704	-	-	287	-
Food services	932,955	-	-	-	-
Total expenditures	933,659	268,664	274,627	99,997	81,678
Net change in fund balances	84,031	-	-	-	-
FUND BALANCES - BEGINNING	192,247	-	-	-	-
FUND BALANCES - ENDING	\$ 276,278	\$ -	\$ -	\$ -	\$ -

Exhibit 7

<u>RURAL</u>	<u>EDUCATION</u>	<u>EDUCATION</u>	<u>VOCATIONAL</u>	<u>TEACHER</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
<u>ACHIEVEMENT</u>	<u>EXCELLENCE</u>	<u>EDUCATION</u>	<u>EDUCATION</u>	<u>INCENTIVE</u>	<u>GRANTS</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8
-	-	-	-	-	-	4,363
-	-	-	-	-	6,399	14,345
-	-	-	-	-	25,000	37,000
-	16,833	-	-	-	1,530	97,592
20,982	-	15,318	57,037	-	-	1,732,447
<u>20,982</u>	<u>16,833</u>	<u>15,318</u>	<u>57,037</u>	<u>32,929</u>		<u>1,885,755</u>
-	17,341	-	33,227	7,641		141,373
-	-	-	-	-		133,640
19,203	-	14,764	-	4,479		384,264
-	-	-	-	-		61,815
-	-	-	-	-		49,809
1,779	-	-	-	-		52,212
-	-	-	23,810	-		23,810
-	-	554	-	-		1,545
-	-	-	-	-		932,955
<u>20,982</u>	<u>17,341</u>	<u>15,318</u>	<u>57,037</u>	<u>12,120</u>		<u>1,781,423</u>
-	(508)	-	-	20,809		104,332
-	508	-	-	25,318		218,073
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,127</u>		<u>\$ 322,405</u>

East Carroll Parish School Board

Agency Funds

SCHOOL ACTIVITIES FUND The activities of the various individual school accounts are accounted for in the school activities fund. Although 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.

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS

Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2017

Exhibit 8

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 167,625	\$ 199,065	\$ 204,685	\$ 162,005
	<u>167,625</u>	<u>199,065</u>	<u>204,685</u>	<u>162,005</u>
LIABILITIES				
Deposits due others	167,625	199,065	204,685	162,005
	<u>\$ 167,625</u>	<u>\$ 199,065</u>	<u>\$ 204,685</u>	<u>\$ 162,005</u>

EAST CARROLL PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2017

Exhibit 9

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
General Trass High	\$ 61,931	\$ 124,619	\$ 119,474	\$ 67,076
Griffin Middle Academy	89,192	33,680	39,513	83,359
Southside Elementary	<u>16,502</u>	<u>40,766</u>	<u>45,698</u>	<u>11,570</u>
Total	<u>\$ 167,625</u>	<u>\$ 199,065</u>	<u>\$ 204,685</u>	<u>\$ 162,005</u>

East Carroll Parish School Board

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

Exhibit 10

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 \$650 per month and the president receives an additional \$50 per month for performing the duties of his/her office. Members received an additional \$50 for extra meetings held during the year.

<u>Board Member</u>	<u>Actual Salary</u>
Jacqueline Folks, President	\$ 8,550
Gene Edmondson, Vice President	7,950
Pamela Harvey	7,950
Shirley Fairchild	7,950
Wanda Jackson	<u>7,950</u>
Total	<u>\$ 40,350</u>

East Carroll Parish School Board

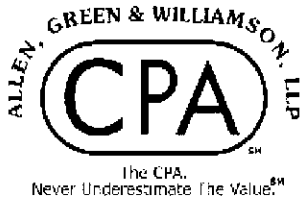
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2017

Exhibit 11

Agency Head Name: Dr. Volaria Millikin, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 125,905
Benefits - Insurance	544
Benefits - Retirement	33,242
Benefits - Other	791
Car allowance	6,000
Cell phone	926
Dues	475
Travel	1,204
Registration fees	910
Conference travel	748

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

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Eddi Hernandez, CPA
Jennie Henry, CPA
Ronnie 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
East Carroll Parish School Board
Lake Providence, 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 East Carroll 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 March 5, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001, 2017-002, 2017-003, 2017-004 and 2017-005 that we consider to be significant deficiencies.

Compliance and Other Matters

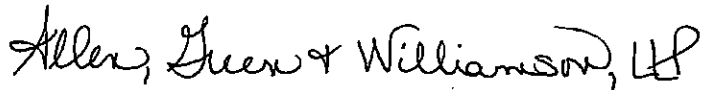
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002 and 2017-005.

The School Board's Response to Findings

The School Board's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

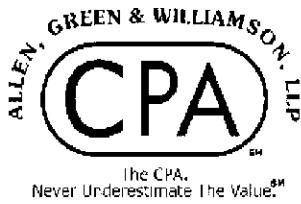
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 5, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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Audit Manager: Margie Williamson, CPA

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

Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

Report on Compliance for Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2017-006. Our opinion on each major federal program is not modified with respect to these matters.

The School Board's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

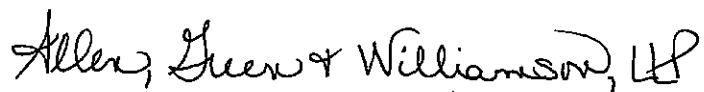
Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-006 that we consider to be a significant deficiency.

The School Board's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of these reports 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
March 5, 2018

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

Exhibit 12

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster (non cash-commodities):			
National School Lunch Program	10.555		\$ 66,745
Child Nutrition Cluster (cash):			
National School Lunch Program	10.555		515,403
School Breakfast Program	10.553		224,259
Summer Feeding Program for Children	10.559		<u>34,161</u>
CACFP At Risk After School Meals	10.558		94,493
Fresh Fruit and Vegetable Program:	10.582		<u>58,312</u>
Total United States Department of Agriculture			<u>993,373</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010A	28-17-T1-18 28-16-TA-18	1,296,541
Special Education Cluster:			
Grants to States (IDEA Part B)	84.027A	28-17-B1-18	232,813
Preschool Grants	84.173A	28-17-P1-18 28-17-CY-18	<u>3,363</u>
Total Special Education Cluster			236,176
Title IIA Supporting Effective Instruction State Grants	84.367A	28-17-50-18	274,627
Teacher Incentive Funds	84.374	28-17-TP-18	57,037
Career and Technical Education: Basic Grants to States	84.048	28-16-02-18 28-17-02-18	15,318
Rural Education Achievement Program (REAP)	84.358B	28-17-RE-18	20,982
Special Education State Personnel Development	84.323A	28-12-P6-18	32,488
Advanced Placement Test Fee Program	84.330B	CFDA#84.330B	1,216
Race to the Top	84.413A	CFDA#84.413A	480
Total United States Department of Education			<u>1,934,865</u>
Department of Health and Human Services			
Passed Through the Louisiana Department of Education			
Temporary Assistance for Needy Families	93.558	28-17-JS-18	99,997
Child Care and Development Block Grant	93.575	28-16-CO-18	<u>2,449</u>
Total United States Department of Health and Human Services			<u>102,446</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 3,030,684</u></u>

THE ACCOMPANYING NOTES ARE AN INTERGRAL PART OF THIS SCHEDULE.

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

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal awards activity of the East Carroll Parish School Board (the “School Board”) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position or changes in fund balances of the School Board.

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

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

	Federal Sources
General Fund	\$ 1,696
Title I	1,296,541
Nonmajor governmental:	
Child Nutrition	993,373
Special Education	268,664
Title II	274,627
JAG	99,997
8(g)	2,449
Rural Education Achievement	20,982
Vocational Education	15,318
Teacher Incentive	57,037
Total	\$ 3,030,684

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 - MAJOR FEDERAL AWARDS PROGRAMS The dollar threshold of \$750,000 was used to distinguish between Type A and Type B federal programs. 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 - DE MINIMIS INDIRECT COST RATE The School Board did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

PART I - Summary of the auditor's results

Financial statement audit

- i. The type of audit report issued was unmodified.
- ii. There were five significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States. The significant deficiencies were not considered to be material weaknesses.
- iii. There were two instance of noncompliance considered material, as defined by the *Government Auditing Standards*, to the financial statement.

Audit of federal awards

- iv. There was one significant deficiency required to be disclosed by the Uniform Guidance (2 CFR 200). The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified for all federal programs.
- vi. The audit disclosed one audit finding which the auditor is required to report in accordance with 2 CFR 200.516(a).
- vii. The major federal program is:

Title I Grants to Local Educational Agencies	CFDA #84.010A
--	---------------
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

Reference # and title: 2017-001 General Accounting

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

Criteria or specific requirement: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to ensure that transactions are properly recorded and classified in the appropriate accounting period. Balance sheet accounts should be reconciled on regular and timely basis.

Condition found: In testing eight June 30, 2017 bank reconciliations, three of the reconciled balances did not agree to the general ledger balance and two reconciliations had total of \$30,062 in checks that have been outstanding for more than one year. Of this balance, \$12,748 has been outstanding for over 10 years. One bank reconciliation was not performed timely.

The payroll withholdings and benefits payable were not reconciled at year-end.

Context: All June bank reconciliations with individually significant book and/or bank balances were selected for testing, 8 out of 14 bank accounts. The payroll withholdings and benefits payable were not reconciled at year-end. This finding appears to be systemic.

Possible asserted effect (cause and effect):

Cause: Long-outstanding checks were not investigated and resolved appropriately. Bank reconciliation differences were not resolved. Payroll withholding and benefits payable are not being reconciled.

Effect: The internal controls over accounting were weakened.

Recommendations to prevent future occurrences: Proper procedures should be established to ensure old outstanding items are being investigated and resolved appropriately, and any unclaimed amounts have been properly handled in accordance with state unclaimed property laws. Procedures should also be established to ensure that payroll withholdings and benefits payable are reconciled throughout the year and any reconciling items are resolved timely and appropriately.

Origination date and prior year reference (if applicable): Outstanding checks greater than one year originated June 30, 2012. Payroll withholdings and benefits not reconciled originated June 30, 2016. Both had a prior year reference of 2016-001. Reconciled balances not agreeing to the general ledger balance originated June 30, 2017.

View of responsible official: Outstanding checks are constantly being researched and as research is complete, appropriate actions are taken. We are a very small district with limited resources resulting in a business department of five.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

Reference # and title: **2017-002** **Bid Law**

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

Criteria or specific requirement: In accordance with LA Revised Statute 38:2212.1, all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to lowest bidder who has bid according to the specifications as advertised. Furthermore, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations.

Condition found: When testing a sample of six purchases above the quote threshold completed during the year, there was one exception noted where a bid was not obtained for a purchase of over thirty thousand dollars. In addition, there was one exception noted where only one quote was obtained and one exception where no quotes were obtained for purchases between ten thousand and thirty thousand dollars.

Context: When testing the purchases of materials and supplies over the quote threshold during the year for the School Board as a whole, a sample of six purchases over the \$10,000 threshold were randomly selected for testing. Three expenditures were purchased off of a State contract, one expenditure was required to be purchased through the bid process, and quotes were needed to be obtained for the remaining two. This appears to be a systemic issue.

Possible asserted effect (cause and effect):

Cause: The School Board did not always follow its purchasing policy and the State procurement laws before purchasing materials or supplies.

Effect: The School Board appears to have not complied with State statutes.

Recommendations to prevent future occurrences: The School Board should establish procedures to ensure State public bid and quote requirements are met. Also, the School Board should establish procedures to ensure all individuals making purchases on behalf of the School Board are aware of the School Board's purchasing policies and the State procurement requirements.

Origination date and prior year reference (if applicable): This finding originated June 30, 2016 and the prior year reference was 2016-002.

View of responsible official: Meeting the requirement of public bid law is an issue that is discussed with personnel each year prior to any purchases being made.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

Reference # and title: 2017-003 Controls over Compensated Absences

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

Criteria or specific requirement: Proper internal controls over compensated absences required that all staff document when entering and leaving their place of employment and that accurate records be maintained regarding employee information and the available balances for each employee. Leave should only be paid when leave balances are available.

Condition found: In testing 15 School Board employees for controls over compensated absences, the following exceptions were noted:

- Eight instances where ending balance per the employee’s leave history did not agree to the compensated absences report.
- One employee was given unpaid leave when sick leave was approved and available.
- One employee was given two sick leave days with no leave balance available.
- One employee’s approved leave was not entered into the payroll system (two sick days).
- One employee had four sick leave days with leave documentation that was not appropriately approved.

In testing ten employees’ salaries used to calculate the compensated absences liability, there were two exceptions where the salary per the compensated absence report did not agree with the employee’s salary per their payroll history.

In testing twenty-five employees’ attendance and leave records for one pay period to ensure employees documented their daily attendance and leave and written documentation was appropriately approved and maintained, it was noted that thirteen employees did not keep records for attendance and nineteen employees had leave documentation that was not appropriately approved.

Context: The population consisted of all the School Employees with sick and annual leave. Fifteen employees of the 130 employees with leave balances and twenty-five employee leave attendance records for one payroll period were randomly selected to test. This finding appears to be systemic.

Possible asserted effect (cause and effect):

Cause: The School Board is not maintaining accurate attendance and/or leave records or approving leave time taken consistently.

Effect: The accuracy of the annual and sick day balances available to the School Board employees could not be determined.

Recommendations to prevent future occurrences: Procedures should be established to accurately account for employee attendance, leave time taken, and sick and vacation leave balances. Vacation and sick leave should be appropriately approved and maintained. The School Board should research and correct leave balances so that both reports are accurate and in agreement.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

Origination date and prior year reference (if applicable): This finding originated June 30, 2014 and the prior year reference was 2016-003.

View of responsible official: Procedures have been established to account for employee attendance, leave, sick and vacation leave balances.

Reference # and title: **2017-004** **Controls over Vendor and Payroll Disbursements**

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

Criteria or specific requirement: Proper internal controls over disbursements require that the proper supporting documentation be maintained, expenses be coded to the correct account, remitted to vendor timely and that School Board policy is followed.

Condition found: In testing 49 vendor disbursements to ensure a purchase order was used and approved by appropriate personnel, invoice payment was properly approved, charges appear to be necessary and reasonable, charges were properly recorded in the general ledger, supported by proper documentation and in compliance with grant agreements and applicable laws and regulations, the following exceptions were noted:

- One instance where sales tax was paid on an invoice
- One instance where the School Board overpaid the vendor
- Two instances where there were late fees paid on the invoice
- One instance where the invoice was paid without proper approval

In testing 10 credit card statements to ensure the statements were appropriately reviewed and approved, finance charges and/or late fees were not paid, charges were supported by itemized receipt, documentation of business purpose was included, and charges were in accordance with the School Board’s purchasing policies and procedures, the following exceptions were noted:

- Two instances where the School Board incurred and paid finance charges and late fees
- Two instances where the credit card statement was not properly approved.

In testing thirteen travel disbursements to ensure the reimbursements were made in accordance with the School Board’s travel policy, the following exceptions were noted:

- Two instances where prior approval was not obtained before traveling out the parish
- One invoice tested was incorrectly recorded to the ledger as travel when the check was for a computer based service license

In testing twenty-five vendor disbursements to ensure the purchases were initiated by a purchase order, approved by someone who did not initiate the purchase, payments were not processed without an approved purchase order, a receiving report and an approved invoice, the following exceptions were noted:

- Four instances where there was no purchase order issued or the purchase order was issued after the purchase
- Four instances where the purchase was initiated and approved by the same person
- One instance where the packing slip was not retained

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

In testing forty-five payroll disbursements to ensure the rate of pay agrees with personnel documentation, supported by a time card, time sheet, leave slip or other acceptable documentation, time records are appropriately approved, appear to be necessary and reasonable, correctly posted and in compliance with grant agreements and applicable laws and regulations, the following exceptions were noted:

- One instance where the employee’s salary was being paid one step below the approved salary schedule based on the employee’s personnel file
- Two instances where the support for substitute pay was not appropriately approved
- Two instances where the salary was coded to the wrong object code in the general ledger per the Louisiana LAUGH Guide

Context: The population consisted of all checks and payroll direct deposits issued during the fiscal year, all card credit card statements and all expenses recorded as travel in the general ledger. This finding appears to be systemic.

Possible asserted effect (cause and effect):

Cause: The School Board is not adhering to its policies and procedures for vendor and payroll disbursements.

Effect: The internal controls over disbursements were weakened.

Recommendations to prevent future occurrences: The School Board should have proper controls over vendor and payroll disbursements to ensure proper documentation is available and appropriately approved prior to payment, all charges are made in accordance with School Board policies and procedures, and all charges are necessary, reasonable, and properly recorded.

Origination date and prior year reference (if applicable): This finding originated June 30, 2017.

View of responsible official: Management is in agreement with finding.

Reference # and title: **2017-005** **Late Submission of Audit Report to the Legislative Auditor**

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

Criteria or specific requirement: R.S. 24:513 A (5)(a)(i) requires that “...audits shall be completed within six months of the close of the entity’s fiscal year.” The School Board’s audit report should be submitted to the Louisiana Legislative Auditor by December 31st each year.

Condition found: The School Board’s audit report for the fiscal year ending June 30, 2017 was not completed within the six month deadline as per R.S. 24:513 A (5)(a)(i).

Context: This finding is an isolated incident.

Possible asserted effect (cause and effect):

Cause: The School Board did not received their OPEB Actuarial Valuation Report until January 16, 2018;

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

therefore the auditor was unable to complete the audit before December 31st deadline.

Effect: Management did not comply with requirements of R.S. 24:513 A (5)(a)(i).

Recommendations to prevent future occurrences: The School Board should request their OPEB actuarial valuation at the beginning of the fiscal year to ensure the report will be issued before the fiscal year end.

Origination date and prior year reference (if applicable): This finding originated June 30, 2017.

View of responsible official: Management was late in requesting OPEB actuarial census information due to the fact that a new payroll clerk was hired and was not made aware in a timely manner of her responsibility to request this information.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

Part III – Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:

Reference # and title: **2017-006** **Suspension and Debarment**

Federal program and specific federal award identification: This finding relates to Title I CFDA #84.010A for Federal Award Year 2016, received from Federal Agency: U.S. Department of Education passed through Louisiana Department of Education.

Criteria or specific requirement: Federal regulation 2 CFR part 180.220 requires that entities receiving federal funds must verify that the entity with which it expects to spend an amount equal to or greater than \$25,000 for goods and services has not been suspended or debarred or otherwise excluded from receiving federal funds.

Condition found: The School Board did not verify that vendors were not suspended nor debarred by performing a search on the SAM.gov website before spending an amount equal to or greater than \$25,000 for goods and services with the vendor as required by federal regulation.

Context: The population consisted of all vendors in which the Title I Department spent amount equal to or greater than \$25,000 during the fiscal year. This finding appears to be systemic.

Possible asserted effect (cause and effect):

Cause: Controls are not implemented to ensure that the School Board complies with the federal regulation for verifying that all entities paid \$25,000 or more with federal funds have not been suspended or debarred.

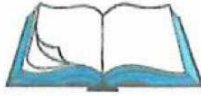
Effect: The School Board did not comply with the requirements of suspension and debarment.

Recommendation to prevent future occurrences: The School Board should implement controls to verify that any entity in which it intends to expend federal funds is not suspended or debarred or otherwise excluded from receiving federal funds for services. This verification may be accomplished by (1) checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA) and available on the internet, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Origination date and prior year reference (if applicable): June 30, 2017

View of responsible official: The employee responsible for verifying suspension and debarment retired and replacement employee was not made aware that this was their responsibility.

OTHER INFORMATION



Jacqueline Folks
President
District 4

Status Of Prior Year Audit Findings and Questioned Costs June 30, 2017

Reference # and title: 2016-001 General Accounting

Gene Edmondson
Vice President
District 5

Date Originated: June 30, 2012

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

Shirley Fairchild
District 1

Condition: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to ensure that transactions are properly recorded and classified in the appropriate accounting period. Balance sheet accounts should be reconciled on regular and timely basis.

Pamela Harvey
District 2

In testing the June 30, 2017 bank reconciliations, an outstanding check written from the Master Bank to the Payroll fund did not have the corresponding deposit recorded in the appropriate accounting period. An audit adjustment was made to correct. Three out of the nine bank reconciliations tested had total of \$31,522 in checks that have been outstanding for more than one year. Of this balance, \$12,748 has been outstanding for over 10 years.

Wanda Jackson
District 3

In testing salaries and benefits payable account balances, the following was noted:

- Multiple account balances had not changed from the prior year.
- Six accounts were noted that were set up as expense accounts instead of liability accounts in the accounting system, which rolled forward into fund balance after the year was closed out.
- Significant balances for retirement payments could not be traced to subsequent clearing.
- Federal withholdings payable had a debit balance with no corresponding overpayment or refund due to the School Board.

As a result of this testwork, an audit adjustment was made to adjust payroll withholdings and benefits payable to actual at year-end.

Corrective action planned: Continued use of the procedures that are in place and in-service of personnel. . See current year Finding 2017-01.

Status Of Prior Year Audit Findings and Questioned Costs June 30, 2017 (continued)

Reference # and title: **2016-002** **Bid Law**

Date Originated: June 30, 2016

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

Condition: In accordance with LA Revised Statute 38:2212.1, all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to lowest bidder who has bid according to the specifications as advertised. Furthermore, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations.

When testing a sample of six purchases above the quote threshold completed during the year, there was one exception noted where bids were not obtained for a purchase of over thirty thousand dollars. In addition, there was one exception noted where supporting documentation for quotes obtained could not be provided for a purchase of over ten thousand dollars.

Corrective action planned: All pertinent personnel will be in-serviced on bid law. See current year Finding 2017-02.

Reference # and title: **2016-003** **Controls over Compensated Absences**

Date Originated: June 30, 2014

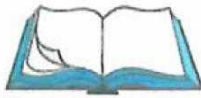
Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls require that sick and annual leave be granted to School Board employees in accordance with School Board policy, and that accurate records be maintained regarding the employee information and the available balances for each employee.

In testing 15 School Board employees for controls over compensated absences, the following exceptions were noted:

- The beginning balances reported on three employees' leave history reports did not agree with the beginning balances per the compensated absences payable report, which caused the ending balances not to be in agreement.
- One employee's leave history report showed an ending balance of 4.5 sick days, while the compensated absences payable report showed a zero balance.

Corrective action planned: Software vendor will be contacted concerning leave/compensated absence reports. Procedures are in place to track compensated absences and all personnel entering leave will be in-serviced. See current year Finding 2017-01.



**Corrective Action Plan for Current Year Audit Findings and Questioned Costs
as of June 30, 2017**

Jacqueline Folks
President
District 4

Reference # and title: 2017-001 General Accounting

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

Gene Edmondson
Vice President
District 5

Condition: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to ensure that transactions are properly recorded and classified in the appropriate accounting period. Balance sheet accounts should be reconciled on regular and timely basis.

Shirley Fairchild
District 1

In testing eight June 30, 2017 bank reconciliations, three of the reconciled balances did not agree to the general ledger balance and two reconciliations had total of \$30,062 in checks that have been outstanding for more than one year. Of this balance, \$12,748 has been outstanding for over 10 years. One bank reconciliation was not performed timely.

Pamela Harvey
District 2

The payroll withholdings and benefits payable were not reconciled at year-end.

Wanda Jackson
District 3

Corrective action planned: We will continue the process of research and void until all old outstanding checks have been properly removed from the books.

Person responsible for corrective action:

Cheryl Kennedy, Celeste Fauthere Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2018.

**Corrective Action Plan for Current Year Audit Findings and Questioned Costs
as of June 30, 2017 (continued)**

Reference # and title: **2017-002** **Bid Law**

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

Condition: In accordance with LA Revised Statute 38:2212.1, all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to lowest bidder who has bid according to the specifications as advertised. Furthermore, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations.

When testing a sample of six purchases above the quote threshold completed during the year, there was one exception noted where a bid was not obtained for a purchase of over thirty thousand dollars. In addition, there was one exception noted where only one quote was obtained and one exception where no quotes were obtained for purchases between ten thousand and thirty thousand dollars.

Corrective action planned: Once again, all personnel involved in purchasing will be issued procedures to ensure that public bid law is being followed.

Person responsible for corrective action:

Meagan Brown	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2018.

Reference # and title: **2017-003** **Controls over Compensated Absences**

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

Condition: Proper internal controls over compensated absences required that all staff document when entering and leaving their place of employment and that accurate records be maintained regarding employee information and the available balances for each employee. Leave should only be paid when leave balances are available.

In testing 15 School Board employees for controls over compensated absences, the following exceptions were noted:

- Eight instances where ending balance per the employee's leave history did not agree to the compensated absences report.
- One employee was given unpaid leave when sick leave was approved and available.
- One employee was given two sick leave days with no leave balance available.
- One employee's approved leave was not entered into the payroll system (two sick days).
- One employee had four sick leave days with leave documentation that was not appropriately approved.

In testing ten employees' salaries used to calculate the compensated absences liability, there were two exceptions where the salary per the compensated absence report did not agree with the employee's salary per their payroll history.

**Corrective Action Plan for Current Year Audit Findings and Questioned Costs
as of June 30, 2017 (continued)**

In testing twenty-five employees' attendance and leave records for one pay period to ensure employees documented their daily attendance and leave and written documentation was appropriately approved and maintained, it was noted that thirteen employees did not keep records for attendance and nineteen employees had leave documentation that was not appropriately approved.

Corrective action planned: Employees responsible for the input and maintaining leave will be properly instructed on the procedures. Our accounting software is being updated.

Person responsible for corrective action:

Cheryl Kennedy	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2018.

Reference # and title: **2017-004** **Controls over Vendor and Payroll Disbursements**

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

Condition: Proper internal controls over disbursements require that the proper supporting documentation be maintained, expenses be coded to the correct account, remitted to vendor timely and that School Board policy is followed.

In testing 49 vendor disbursements to ensure a purchase order was used and approved by appropriate personnel, invoice payment was properly approved, charges appear to be necessary and reasonable, charges were properly recorded in the general ledger, supported by proper documentation and in compliance with grant agreements and applicable laws and regulations, the following exceptions were noted:

- One instance where sales tax was paid on an invoice
- One instance where the School Board overpaid the vendor
- Two instances where there were late fees paid on the invoice
- One instance where the invoice was paid without proper approval

In testing 10 credit card statements to ensure the statements were appropriately reviewed and approved, finance charges and/or late fees were not paid, charges were supported by itemized receipt, documentation of business purpose was included, and charges were in accordance with the School Board's purchasing policies and procedures, the following exceptions were noted:

- Two instances where the School Board incurred and paid finance charges and late fees
- Two instances where the credit card statement was not properly approved.

In testing thirteen travel disbursements to ensure the reimbursements were made in accordance with the School Board's travel policy, the following exceptions were noted:

- Two instances where prior approval was not obtained before traveling out the parish
- One invoice tested was incorrectly recorded to the ledger as travel when the check was for a computer based service license

**Corrective Action Plan for Current Year Audit Findings and Questioned Costs
as of June 30, 2017 (continued)**

In testing twenty-five vendor disbursements to ensure the purchases were initiated by a purchase order, approved by someone who did not initiate the purchase, payments were not processed without an approved purchase order, a receiving report and an approved invoice, the following exceptions were noted:

- Four instances where there was no purchase order issued or the purchase order was issued after the purchase
- Four instances where the purchase was initiated and approved by the same person
- One instance where the packing slip was not retained

In testing forty-five payroll disbursements to ensure the rate of pay agrees with personnel documentation, supported by a time card, time sheet, leave slip or other acceptable documentation, time records are appropriately approved, appear to be necessary and reasonable, correctly posted and in compliance with grant agreements and applicable laws and regulations, the following exceptions were noted:

- One instance where the employee's salary was being paid one step below the approved salary schedule based on the employee's personnel file
- Two instances where the support for substitute pay was not appropriately approved
- Two instances where the salary was coded to the wrong object code in the general ledger per the Louisiana LAUGH Guide

Corrective action planned: Management will review policies and procedures for vendor disbursements, review purchase orders versus invoices to ensure that all invoices have purchase orders attached, review general ledger periodically to ensure that posting are correct and review payroll files to ensure that all employees are paid according to their credentials.

Person responsible for corrective action:

Theresa Thomas, Cheryl Kennedy	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2018.

Reference # and title: 2017-005 Late Submission of Audit Report to the Legislative Auditor

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

Condition: R.S. 24:513 A (5)(a)(i) requires that "...audits shall be completed within six months of the close of the entity's fiscal year." The School Board's audit report should be submitted to the Louisiana Legislative Auditor by December 31st each year.

The School Board's audit report for the fiscal year ending June 30, 2017 was not completed within the six month deadline as per R.S. 24:513 A (5)(a)(i).

Corrective action planned: Payroll clerk will be instructed on how to request information to send to the actuary to ensure that the OPEB report is complete in a timely manner.

**Corrective Action Plan for Current Year Audit Findings and Questioned Costs
as of June 30, 2017 (continued)**

Person responsible for corrective action:

Cheryl Kennedy, Theresa Thomas Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2018.

Reference # and title: **2017-006** **Suspension and Debarment**

Federal program and specific federal award identification: This finding relates to Title I CFDA #84.010A for Federal Award Year 2016, received from Federal Agency: U.S. Department of Education passed through Louisiana Department of Education.

Condition: Federal regulation 2 CFR part 180.220 requires that entities receiving federal funds must verify that the entity with which it expects to spend an amount equal to or greater than \$25,000 for goods and services has not been suspended or debarred or otherwise excluded from receiving federal funds.

The School Board did not verify that vendors were not suspended nor debarred by performing a search on the SAM.gov website before spending an amount equal to or greater than \$25,000 for goods and services with the vendor as required by federal regulation.

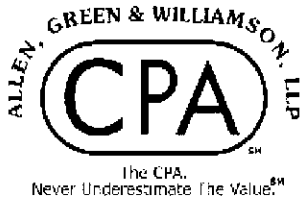
Corrective action planned: Responsible personnel will verify suspension and debarment at the beginning of each school year.

Person responsible for corrective action:

Patsy Taylor Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2018.

AGREED UPON PROCEDURES



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Jennie Henry, CPA
Ronnie Jacola, CPA
Audit Manager: Margie Williamson, CPA

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

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

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have performed the procedures enumerated below, which were agreed to by the East Carroll Parish School Board 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 SAUPs. 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 report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. 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-** there were no written policies or procedures noted over (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders
- **Payroll/Personnel -** there were no written policies or procedures noted over (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting-** there were no written policies or procedures noted over (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process as it relates to professional contracts.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable) -** there were no written policies or procedures noted over (2) allowable business uses,
- **Ethics**, there were no written policies or procedures noted over 3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification
- **Debt Service-** there were no written policies or procedures noted over (3) debt reserve requirements, or (4) debt service requirements.

Management's Response: Management will review all policies and procedures pertaining to elements above and amend as needed to meet compliance.

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: The budget to actual comparisons were not listed in the minutes except for when the budget or budget revisions are presented to the Board for approval.

Management's Response: The Board started monthly financial committee meetings in March of 2017 to address this element of compliance.

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: Four bank account reconciliations (out of five selected to test) were approved by management with involvement in the transactions associated with the bank account. One bank account had reconciling items that have been outstanding for more than six months that have not been resolved.

Management's Response: Management agrees and is working diligently to correct all reconciling differences and place appropriate controls over the approval process.

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 out of the seven cash collection locations selected to test had personnel that was responsible for collecting cash was also responsible for either making the deposits, recording the transaction and/or reconciling the bank account. In testing the highest week of cash collections, there was one exception out of the 35 tested where the deposit was not supported in total by proper documentation.

Management's Response: Management agrees with this comment. It has been stressed to school personnel that there should be at least three people involved in cash collections and deposits at each location. No one person does it all.

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: Four out of the 25 disbursements tested did not have a purchase order or the purchase order was issued after the purchase of goods or services, 4 disbursements were initiated and approved by the same person, and 1 disbursement did not retain the packing slip. At 3 of the 7 disbursement locations selected to test, the person responsible for processing the payments was also able to add new vendors.

Management's Response: Management will review PO system to ensure that procedures are followed and packing slips are retained. School secretaries are not allowed to add new vendors.

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: 2 out of the 10 monthly credit cards statements selected to test had financing and late fees charged and two statements were not appropriately approved.

Management's Response: Measures will be taken to assure no extra charges are incurred on credit cards and proper approval process is followed.

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: Two of out of the three travel reimbursements tested did not receive prior approval before traveling out of the parish as required by the School Board's policy.

Management's Response: Measures will be taken to assure proper approval is granted before travel.

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: 13 of the 25 employees tested did not keep records for attendance and 19 employees had leave documentation that was not appropriately approved. IRS and LDOE payroll tax payments for September and November do not agree to payroll reports. The payroll summary reports did not agree to TRSL and LSERS contribution reports for 4 out of the 12 months tested. State of Louisiana quarterly reports were filed late twice during the period tested.

Management's Response: Management will address these issues and make sure proper procedures are in place and followed.

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.

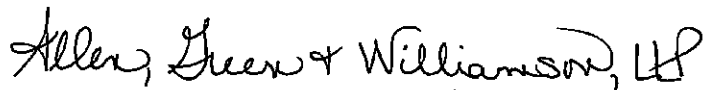
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Comment: The fraud hotline notice was not posted on the School Board's website.

Management's Response: The fraud hotline notice will be posted to the School Board's website.

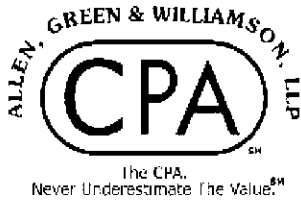
We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed 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

Monroe, Louisiana
March 5, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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Audit Manager: Margie Williamson, CPA

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(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
East Carroll Parish School Board
Lake Providence, 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 East Carroll Parish School Board, Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the East Carroll Parish School Board for the 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. Management of the School Board 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 the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified parties. 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 were noted as a result of applying the 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, Assistant 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 were noted as a result of applying the agreed upon procedures.

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

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

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 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 were noted as a result of applying the 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 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Comment: No exceptions were noted as a result of applying the 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 1 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 were noted as a result of applying the 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.

Comment: The following exceptions were noted in comparing the PEP report to the employee's personnel file: two employees' base pay was not correct and one employee's FTE calculation was incorrect.

Management response: PEP report will be reviewed to ensure the PEP report agrees with personnel files and system software.

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

Comment: The average salaries and full-time-equivalents were not calculated correctly.

Management response: Average salaries were calculated by software. Obviously, there's another glitch. Vendor contacted and an upgrade is being purchased.

Class Size Characteristics (Schedule 6)

9. 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 were noted as a result of applying the agreed upon procedures.

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

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 were noted as a result of applying the agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. The Graduation Examination (GEE) is no longer administered. This schedule is no longer applicable.

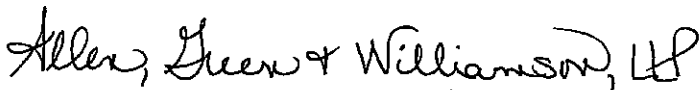
iLeap Tests (Schedule 9)

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

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

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Allen, Green & Williamson, LLP

Monroe, Louisiana
March 5, 2018

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

**Schedule 1: 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:	\$ 2,432,980	
Classroom Teacher Salaries	490,343	
Other Instructional Staff Activities	1,455,395	
Instructional Staff Employee Benefits	231,335	
Purchased Professional and Technical Services	316,440	
Instructional Materials and Supplies	-	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 4,926,493
Other Instructional Activities		-
Pupil Support Activities	686,958	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	686,958
Instructional Staff Services	426,219	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	426,219
School Administration	680,380	
Less: Equipment for School Administration	1,400	
Net School Administration	-	678,980
Total General Fund Instructional Expenditures (Total of Column B)		<u>6,718,650</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>-</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		355,159
Renewable Ad Valorem Tax		353,450
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		55,241
Sales and Use Taxes		1,883,681
Total Local Taxation Revenue		<u>2,647,531</u>
Local Earnings on Investment in Real Property:		
Earnings from 10th Section Property		-
Earnings from Other Real Property		268,003
Total Local Earnings on Investment in Real Property		<u>268,003</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		7,922
Revenue Sharing - Other Taxes		7,922
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		<u>15,844</u>
Nonpublic Textbook Revenue		-
Nonpublic Transportation Revenue		<u>\$ -</u>

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Schedule 2 - Education Levels of Public School Staff

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bachelor's Degree	31.5	49.4	0.0	0.0	0.5	0.8	0.0	0.0
Master's Degree	11.0	19.1	0.0	0.0	0.0	0.0	0.0	0.0
Master's Degree + 30	14.0	23.7	0.0	0.0	3.0	3.2	0.0	0.0
Specialist in Education	0.0	0.0	0.0	0.0	1.0	1.6	0.0	0.0
Ph. D. or Ed. D.	0.0	0.0	0.0	0.0	1.0	1.6	0.0	0.0
Total	56.5	92.2	0.0	0.0	5.5	7.2	0.0	0.0

EAST CARROLL PARISH SCHOOL BOARD

Lake Providence, Louisiana

**Schedule 3 - Number and Type of Public School
For the Year Ended June 30, 2017**

Type	Number
Elementary	1
Middle/Jr. High	1
Secondary	1
Combination	0
Total	3

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

**Schedule 4 - 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	0.0	0.0	0.0	0.0	0.5	0.0	2.0	2.5
Principals	0.0	0.0	0.0	0.0	0.0	0.0	3.0	3.0
Classroom Teachers	3.0	3.0	6.0	3.0	6.5	9.0	26.0	56.5
Total	3.0	3.0	6.0	3.0	7.0	9.0	31.0	62.0

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Schedule 5 - 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	44,506	43,595
Average Classroom Teachers' Salary Excluding Extra Compensation	44,174	43,465
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	56.49	48.49

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.

EAST CARROLL PARISH SCHOOL BOARD

Lake Providence, Louisiana

Schedule 6 - 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	17.40%	26	36.90%	55	43.00%	64	2.70%	4
Elementary Activity Classes	15.00%	3	35.00%	7	45.00%	9	5.00%	1
Middle/Jr. High	29.00%	18	12.90%	8	54.80%	34	3.20%	2
Middle/Jr. High Activity Classes	42.90%	6	21.40%	3	35.70%	5	0.00%	0
High	92.80%	128	5.80%	8	1.40%	2	0.00%	0
High Activity Classes	83.30%	20	12.50%	3	4.20%	1	0.00%	0
Combination	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	1	0	0	1	0
Mastery	20	16	18	13	23	12
Basic	20	33	29	20	24	30
Approaching Basic	25	27	37	23	20	30
Unsatisfactory	35	24	16	44	33	27
Total	100	101	100	100	101	99

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4	4	3	0	7	1
Mastery	25	25	9	14	25	18
Basic	22	16	28	18	15	24
Approaching Basic	37	21	28	29	21	26
Unsatisfactory	13	33	32	39	32	31
Total	101	99	100	100	100	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	0	1	0	0	7	0
Mastery	30	36	10	33	31	28
Basic	29	37	31	30	34	25
Approaching Basic	23	17	42	14	16	20
Unsatisfactory	17	8	17	22	12	26
Total	99	99	100	99	100	99

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	1	0	0	1	0
Mastery	5	11	44	5	18	19
Basic	11	31	42	18	44	38
Approaching Basic	55	43	14	37	27	36
Unsatisfactory	29	15	0	40	11	7
Total	100	101	100	100	101	100

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Graduation Exit Examination (GEE)

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

EAST CARROLL PARISH SCHOOL BOARD

Lake Providence, Louisiana

Schedule 9 - LEAP

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2015	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	14	1	1	0	N/A	1
Mastery	14	8	4	11	N/A	22
Basic	23	47	37	17	N/A	51
Approaching Basic	19	20	28	23	N/A	13
Unsatisfactory	30	25	30	48	N/A	12
Total	100	101	100	99	0	99

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	4	1	0	N/A	0
Mastery	3	28	5	0	N/A	2
Basic	24	40	30	9	N/A	29
Approaching Basic	42	17	25	31	N/A	18
Unsatisfactory	32	11	40	59	N/A	51
Total	101	100	101	99	0	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	1	1	0	N/A	1
Mastery	14	27	3	4	N/A	10
Basic	29	46	38	14	N/A	57
Approaching Basic	35	8	28	26	N/A	19
Unsatisfactory	20	18	29	55	N/A	13
Total	98	100	99	99	0	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	1	0	0	N/A	0
Mastery	27	19	8	0	N/A	5
Basic	46	46	71	5	N/A	47
Approaching Basic	15	25	18	23	N/A	23
Unsatisfactory	11	10	3	71	N/A	25
Total	99	101	100	99	0	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	1	0	0	N/A	0
Mastery	5	8	4	0	N/A	0
Basic	52	53	51	19	N/A	33
Approaching Basic	24	24	36	17	N/A	34
Unsatisfactory	19	15	9	61	N/A	33
Total	100	101	100	97	0	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2015	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	1	0	0	N/A	0
Mastery	2	1	1	7	N/A	3
Basic	16	24	14	29	N/A	20
Approaching Basic	43	40	43	29	N/A	41
Unsatisfactory	40	36	42	34	N/A	37
Total	101	102	100	99	0	101