

Richland Parish School Board

Rayville, Louisiana



Annual Financial Report
As of and for the year ended June 30, 2017

**Richland Parish School Board
Rayville, Louisiana**

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

**Richland Parish School Board
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Independent Auditor's Report

Board Members
Richland Parish School Board
Rayville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish School Board, as of and for the year ended June 30, 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 Richland 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's Contributions to Pension Plans, the Budgetary Comparison Schedule, and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018 on our consideration of the Richland Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
May 31, 2018

REQUIRED SUPPLEMENTARY INFORMATION:

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

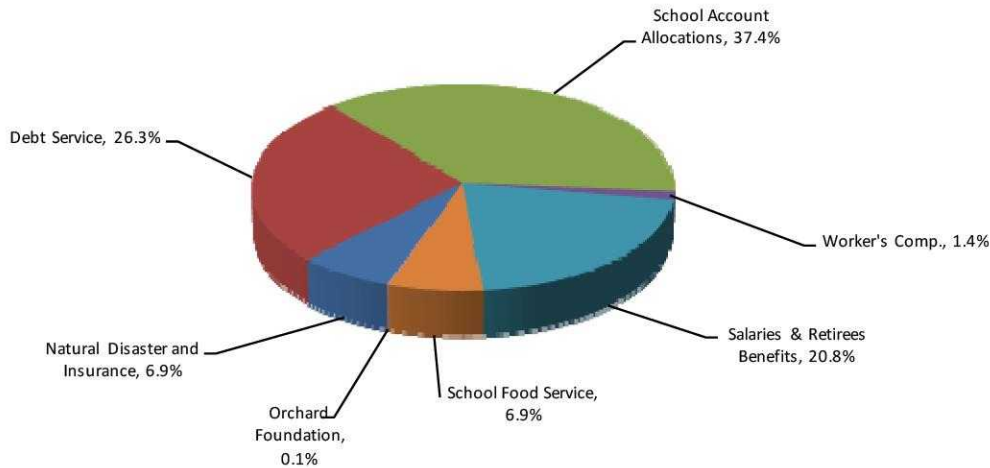
**Richland Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017**

This section of the Richland Parish School Board's annual financial report provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

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

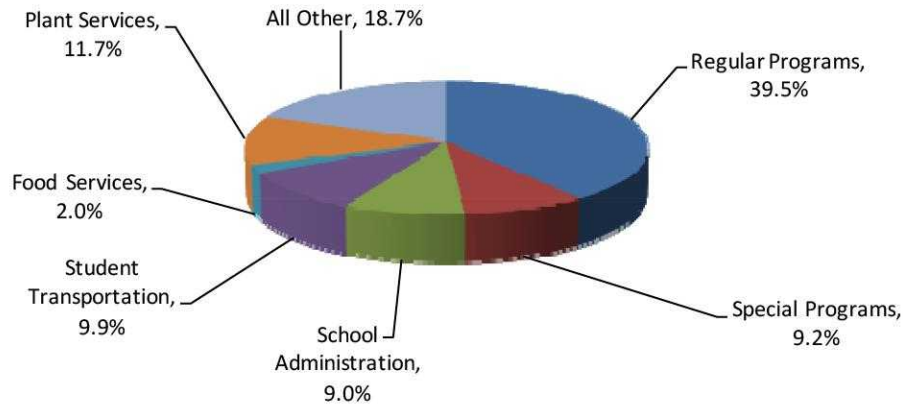
**Governmental Activities
Restricted Net Position
June 30, 2017**



The liabilities and deferred inflows of resources for the Richland Parish School Board exceeded its assets and deferred outflows of resources at the close of the 2017-fiscal year by \$27.03 million (net position). Of this amount, the unrestricted net position had a deficit of \$46.86 million. Of the remaining net position \$12.62 million is net investment in capital assets, \$.1 million is for payment of worker's compensation, \$.46 million represents the fund balance maintained by School Food Service, \$2.68 million is restricted for school account allocations, \$1.54 million is for payment of salaries and retiree benefits, \$1.88 million is restricted for payment of long term debt, \$.53 million is restricted for natural disaster and insurance, and \$.02 million is restricted for a vocational grant and Orchard Foundation.

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

**Governmental Activities
Net Cost of Services
For the Year Ended June 30, 2017**



Total gross spending for all programs was \$36.07 million, whereas the net cost for all programs was \$29.73 million. The majority of the School Board's local taxes and Minimum Funding Program funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: regular programs \$11.73 million, special programs \$2.74 million, school administration \$2.69 million, plant services \$3.49 million, student transportation \$2.95 million, and food services \$.58 million. The net cost of the remaining programs was \$5.55 million overall.

The School Board increased its outstanding general obligation long-term debt by \$10.51 million or 80.6% due mainly to the issuance of \$12 million in general obligation bonds in district #4.

USING THIS ANNUAL REPORT

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

Annual Financial Report

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

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic 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's Contributions to Pension Plans
Budgetary Information for Major Funds

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

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

Reporting the School Board as a Whole

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

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

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

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

Reporting the School Board's Most Significant Funds

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

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

The School Board as Trustee

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

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

THE SCHOOL BOARD AS A WHOLE

The School Board's net position was \$(27.03) million at June 30, 2017. Of this amount, unrestricted was a deficit of \$46.86 million. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position (in millions)
June 30,

	Governmental Activities		
	2017	2016	Variance
Other assets	\$ 24.96	\$ 11.97	\$ 12.99
Capital assets	25.27	25.62	(0.35)
Total assets	<u>50.23</u>	<u>37.59</u>	<u>12.64</u>
Deferred outflows of resources	<u>8.12</u>	<u>5.02</u>	<u>3.10</u>
Other liabilities	3.71	4.02	(0.31)
Long-term liabilities	78.30	61.73	16.57
Total liabilities	<u>82.01</u>	<u>65.75</u>	<u>16.26</u>
Deferred inflows of resources	<u>3.37</u>	<u>4.49</u>	<u>(1.12)</u>
Net position			
Net investment in capital assets	12.62	12.62	-
Restricted	7.21	7.03	0.18
Unrestricted	(46.86)	(47.28)	0.42
Total net position	<u>\$ (27.03)</u>	<u>\$ (27.63)</u>	<u>\$ 0.60</u>

The negative \$46.86 million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to liquidate its assets and pay off all of its bills today including all of its non-capital liabilities (for example the OPEB and pension liabilities), there would be a deficit of \$46.86 million.

The net position increased by \$.60 million during the fiscal year ended June 30, 2017. This increase was primarily due to the change in long term liabilities excluding the issuance of \$12M of bonded debt for construction.

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

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

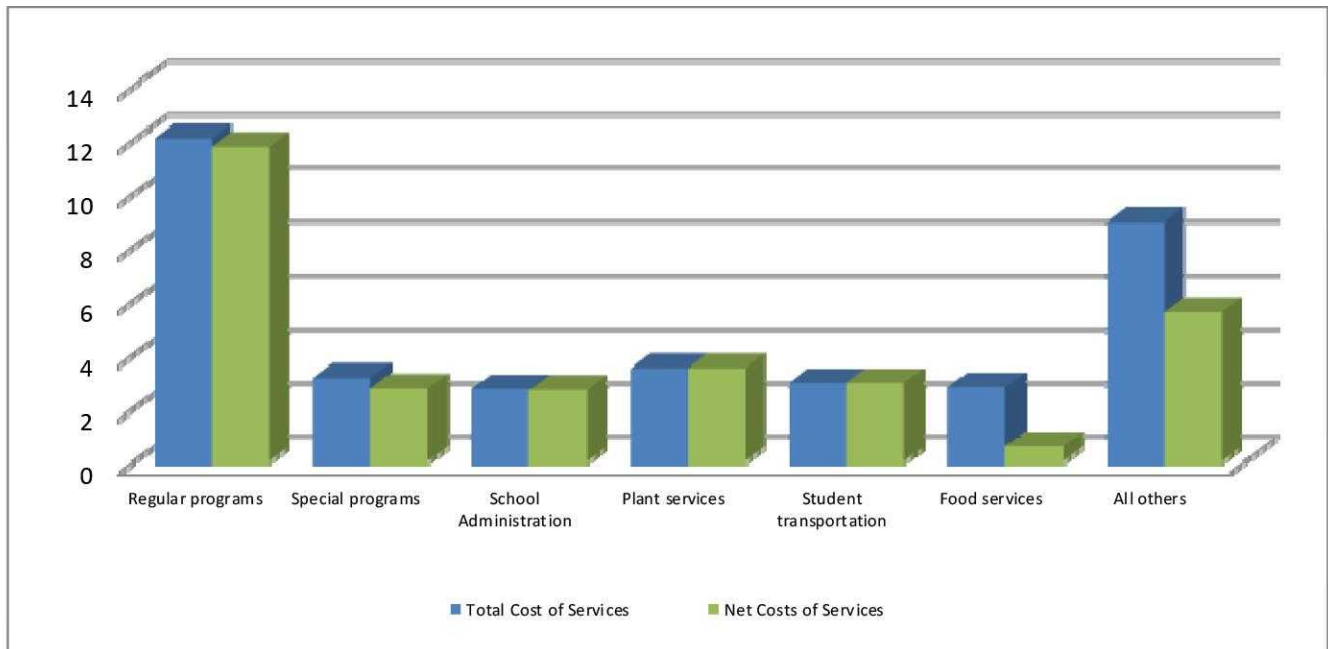
	Governmental Activities		
	2017	2016	Variance
Revenues:			
Program revenues			
Charges for services	\$ 0.06	\$ 0.10	\$ (0.04)
Operating grants and contributions	6.29	5.99	0.30
General Revenues			
Ad valorem taxes	6.44	5.37	1.07
Sales taxes	6.22	6.91	(0.69)
State equalization	17.18	16.54	0.64
Other general revenues	0.48	0.52	(0.04)
Total revenues	<u>36.67</u>	<u>35.43</u>	<u>1.24</u>
Functions/Program Expenses:			
Instruction			
Regular programs	12.05	11.84	0.21
Special programs	3.13	2.79	0.34
Other instructional programs	3.16	2.39	0.77
Support services			
Student services	1.33	1.35	(0.02)
Instructional staff support	1.36	0.95	0.41
General administration	1.25	0.91	0.34
School administration	2.73	2.45	0.28
Business services	0.65	0.67	(0.02)
Plant services	3.49	3.70	(0.21)
Student transportation services	2.95	2.67	0.28
Central services	0.44	0.46	(0.02)
Food Services	2.79	2.74	0.05
Interest on long-term debt	0.74	0.44	0.30
Total expenses	<u>36.07</u>	<u>33.36</u>	<u>2.71</u>
Increase (decrease) in net position	0.60	2.07	(1.47)
Net Position - beginning	<u>(27.63)</u>	<u>(29.70)</u>	<u>2.07</u>
Net Position - ending	<u>\$ (27.03)</u>	<u>\$ (27.63)</u>	<u>\$ 0.60</u>

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

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

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

	<u>2017</u>		<u>2016</u>	
	<u>Total Cost of Services</u>	<u>Net Costs of Services</u>	<u>Total Cost of Services</u>	<u>Net Costs of Services</u>
<u>Governmental Activities</u>				
Regular programs	\$ 12.05	\$ 11.73	\$ 11.84	\$ 11.50
Special programs	3.13	2.74	2.79	2.65
School Administration	2.73	2.69	2.45	2.45
Plant services	3.49	3.49	3.70	3.70
Student transportation	2.95	2.95	2.67	2.67
Food services	2.79	0.58	2.74	0.40
All others	8.93	5.55	7.18	3.91
Totals	<u>\$ 36.07</u>	<u>\$ 29.73</u>	<u>\$ 33.37</u>	<u>\$ 27.28</u>



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

THE SCHOOL BOARD'S FUNDS

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

Total fund balances of all governmental funds increased \$13.42 million as follows:

The fund balance of the general fund increased \$1.35 million due to the continued efforts of the Board to align current expenditures to revenues in order to replenish the fund balance.

The fund balance of the district #4 construction fund increased \$11.64 million due to the issuance of bonded debt.

The increase in nonmajor governmental fund balance of \$.43 million is primarily due to the decrease in outstanding bonded debt in District 1 and 3.

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

There was approximately a \$.11 million increase made to the original 2016-17 general fund budget's total revenues due to an increase in the projections of ad valorem tax revenues. The approximate \$.70 million decrease made to the original 2016-17 general fund budget's expenditures are due to the change in projected sales tax transfers for salaries.

The actual revenues exceeded the budgeted revenues by \$.79 million, which was due to a change from the projected MFP revenues. The budgeted expenditures exceeded the actual expenditures by \$.06 million, which was due primarily to the increased activities in Other Instructional Programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2017, the School Board had \$25.27 million 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 approximately \$.35 million, or 1% from last year. See Note 5 in the notes to the financial statements for additional information.

**Capital Assets (in millions)
June 30,**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 0.10	\$ 0.10
Construction in Progress	1.14	-
Buildings	22.68	23.90
Furniture and equipment	1.35	1.62
Totals	<u>\$ 25.27</u>	<u>\$ 25.62</u>

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

Debt Administration At June 30, 2017, the School Board had \$23.54 million in general obligation bonds outstanding with maturities from 2021 to 2036 with interest rates ranging from 2.00 to 4.25 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property.

At June 30, 2017, the School Board's net bonded debt of \$21.40 million (total bonded debt of \$23.54 million less assets in debt service funds of \$2.14 million) was well below the legal limit of \$82.50 million. The School Board's outstanding OPEB liability was \$8.62 million and the net pension liability was \$44.23 million. See Note 6, 7, and Note 11 in the notes to the financial statements for additional information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The consolidated budget for the 2017-18 year includes a 4.0% decrease in anticipated revenues as well as a 1.35% decrease in budgeted expenditures. The decrease in budgeted revenues is primarily due to one time revenues realized in the prior year coupled with the anticipated decrease in student count based upon historical projections. The decrease in budgeted expenditures is to continue to address the use of fund balance in prior years to offset the costs absorbed by the School board to maintain staffing, benefits and services. Projections show that more than 90% of the School Board's General Fund budget for the 2016-17 year is consumed by salaries and related benefits. Overall, the School Board has budgeted an excess of revenues over expenditures in the amount of \$.08 million for the 2017-18 fiscal year which is attributed directly to the continued diligence of the School Board to maintain a fiscally sound budget.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS:

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

RICHLAND PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2017

	Statement A
	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 14,845,637
Investments	8,215,854
Receivables	1,834,292
Inventory	63,881
Capital assets:	
Land and construction in progress	1,234,008
Capital assets, net of depreciation	24,036,111
TOTAL ASSETS	50,229,783
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	8,116,476
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,116,476
LIABILITIES	
Accounts, salaries and other payables	3,425,557
Unearned revenue	21,069
Claims payable	960
Interest payable	266,575
Long-term liabilities	
Due within one year	2,217,780
Due in more than one year	76,078,527
TOTAL LIABILITIES	82,010,468
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,371,594
TOTAL DEFERRED INFLOWS OF RESOURCES	3,371,594
NET POSITION	
Net investment in capital assets	12,622,386
Restricted for:	
Worker's compensation	100,000
Vocational grant	4,505
School Food Service	463,994
Orchard Foundation	11,629
School account allocations	2,678,005
Salaries and retiree benefits	1,538,842
Debt service	1,878,247
Natural disaster and insurance	531,913
Unrestricted	(46,865,324)
TOTAL NET POSITION	\$ (27,035,803)

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

RICHLAND PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017**

	PROGRAM REVENUES			Statement B
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Primary Government				
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 12,050,103	\$ -	\$ 314,107	\$ (11,735,996)
Special programs	3,134,940	-	394,864	(2,740,076)
Other instructional programs	3,163,963	-	2,155,074	(1,008,889)
Support services:				
Student services	1,322,096	-	-	(1,322,096)
Instructional staff support	1,363,377	-	822,583	(540,794)
General administration	1,253,997	-	314,116	(939,881)
School administration	2,727,011	-	40,115	(2,686,896)
Business services	652,854	-	102,171	(550,683)
Plant services	3,490,796	-	49	(3,490,747)
Student transportation services	2,948,165	-	803	(2,947,362)
Central services	436,996	-	-	(436,996)
Food services	2,790,444	61,943	2,150,823	(577,678)
Community service programs	9,745	-	-	(9,745)
Interest on long-term debt	743,623	-	-	(743,623)
Total Governmental Activities	\$ 36,088,110	\$ 61,943	\$ 6,294,705	\$ (29,731,462)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				3,720,951
Property taxes, levied for debt services				2,720,582
Sales taxes, levied for general purposes				6,224,528
Grants and contributions not restricted for specific programs				
Minimum Foundation Program				17,177,148
State revenue sharing				193,509
Interest and investment earnings				74,753
Miscellaneous				213,621
Total general revenues				30,325,092
Changes in net position				593,630
Net position - beginning				(27,629,433)
Net position - ending				\$ (27,035,803)

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

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

RICHLAND PARISH SCHOOL BOARD

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

Statement C

	DISTRICT #4			TOTAL
	GENERAL	CONSTRUCTION MANGHAM	NONMAJOR GOVERNMENTAL	
ASSETS				
Cash and cash equivalents	\$ 7,349,344	\$ 4,473,453	\$ 3,022,840	\$ 14,845,637
Investments	215,854	8,000,000	-	8,215,854
Receivables	677,362	-	1,156,930	1,834,292
Interfund receivables	718,701	-	7,902	726,603
Inventory	-	-	63,881	63,881
TOTAL ASSETS	8,961,261	12,473,453	4,251,553	25,686,267
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	2,195,228	833,782	396,547	3,425,557
Interfund payables	7,902	-	718,701	726,603
Unearned revenue	-	-	21,069	21,069
Claims payable	960	-	-	960
Total Liabilities	2,204,090	833,782	1,136,317	4,174,189
Fund Balances:				
Nonspendable	-	-	42,812	42,812
Restricted	4,848,760	11,639,671	3,072,424	19,560,855
Unassigned	1,908,411	-	-	1,908,411
Total Fund Balances	6,757,171	11,639,671	3,115,236	21,512,078
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,961,261	\$ 12,473,453	\$ 4,251,553	\$ 25,686,267

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

RICHLAND PARISH SCHOOL BOARD

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

Statement D

Total fund balances - governmental funds \$ 21,512,078

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 Postion includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs is reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 66,503,973	
Accumulated depreciation	<u>(41,233,854)</u>	25,270,119

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

Deferred outflows related to pensions	8,116,476
Deferred inflows related to pensions	(3,371,594)

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 Postion.

Balances at June 30, 2017 are:

Long-term liabilities		
Bonds payable	(23,545,000)	
Premium on bonds	(888,919)	
Compensated absences payable	(714,871)	
Workers' compensation payable	(2,569)	
Capital lease payable	(300,959)	
Net pension liability	(44,228,694)	
OPEB liability	(8,615,295)	
Interest payable	<u>(266,575)</u>	<u>(78,562,882)</u>

Net Position of Governmental Activities	<u><u>\$ (27,035,803)</u></u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

RICHLAND PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2017**

Statement E

	DISTRICT #4			TOTAL
	GENERAL	CONSTRUCTION MANGHAM	NONMAJOR GOVERNMENTAL	
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,720,951	\$ -	\$ 2,720,582	\$ 6,441,533
Sales and use	6,224,528	-	-	6,224,528
Interest earnings	50,573	19,824	4,356	74,753
Food services	-	-	61,943	61,943
Other	186,376	-	27,245	213,621
State sources:				
Equalization	17,045,578	-	131,570	17,177,148
Other	374,458	-	207,907	582,365
Federal sources	142,791	-	5,763,058	5,905,849
Total Revenues	27,745,255	19,824	8,916,661	36,681,740
EXPENDITURES				
Current:				
Instruction:				
Regular programs	11,503,357	-	133,158	11,636,515
Special programs	2,518,363	-	395,981	2,914,344
Other instructional programs	1,234,666	-	1,840,943	3,075,609
Support services:				
Student services	1,080,291	-	167,319	1,247,610
Instructional staff support	497,618	-	827,420	1,325,038
General administration	640,129	184,049	418,896	1,243,074
School administration	2,612,304	-	40,115	2,652,419
Business services	529,268	-	102,171	631,439
Plant services	2,767,881	-	91,559	2,859,440
Student transportation services	1,944,890	-	5,940	1,950,830
Central services	426,248	-	-	426,248
Food services	114,911	-	2,574,201	2,689,112
Community services	9,745	-	-	9,745
Capital outlay	29,930	1,131,808	69,184	1,230,922
Debt service:				
Principal retirement	144,957	-	1,490,000	1,634,957
Interest and bank charges	11,231	-	657,337	668,568
Total Expenditures	26,065,789	1,315,857	8,814,224	36,195,870
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1,679,466	\$ (1,296,033)	\$ 102,437	\$ 485,870

(CONTINUED)

RICHLAND PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2017**

	DISTRICT #4			Statement E
	GENERAL	CONSTRUCTION MANGHAM	NONMAJOR GOVERNMENTAL	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 540,009	\$ 540,009
Transfers out	(330,009)	-	(210,000)	(540,009)
Bond proceeds	-	12,000,000	-	12,000,000
Premium on bonds	-	935,704	-	935,704
Total Other Financing Sources (Uses)	(330,009)	12,935,704	330,009	12,935,704
Net Change in Fund Balances	1,349,457	11,639,671	432,446	13,421,574
FUND BALANCES - BEGINNING	5,407,714	-	2,682,790	8,090,504
FUND BALANCES - ENDING	\$ 6,757,171	\$ 11,639,671	\$ 3,115,236	\$ 21,512,078

(CONCLUDED)

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

RICHLAND PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Change in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2017**

Statement F

Total net change in fund balances - governmental funds \$ 13,421,574

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

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

Depreciation expense	\$	(1,585,728)	
Capital outlays		1,230,922	
			(354,806)

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

Repayment of bond debt		1,490,000	
Bonds issued		(12,000,000)	
Premium on bonds issued		(935,704)	
Repayment of capital lease		<u>144,957</u>	(11,300,747)

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

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$271,603) exceeded the amounts earned (\$244,089) by \$27,514. 27,514

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. (Increase)decrease of incurred but not reported workers' compensation claims 396

The recognition of pension expense in the Statement of Activities is based on projected benefits payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. (54,987)

The increase in the OPEB liability is reported in the Statement of Activities and does not require the use of current financial resources so it is not reported as expenditures in governmental funds. (1,070,259)

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. (121,840)

Change in net position of governmental activities \$ 593,630

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

RICHLAND PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2017

Statement G

**AGENCY
 FUND**

ASSETS Cash and cash equivalents	<u>\$ 518,998</u>
Total assets	<u><u>518,998</u></u>
LIABILITIES	
Deposits due others	<u>518,998</u>
Total liabilities	<u><u>\$ 518,998</u></u>

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Richland Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

The School Board operates eleven schools within the parish with a total enrollment of approximately 3,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

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

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

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

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

Richland Parish School Board
Notes to the Basic 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. Trust funds account for assets held by the government under the terms of a formal trust agreement.

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

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

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

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

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

Fund Financial Statements (FFS)

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

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

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

Revenues

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

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

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

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

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability is incurred.

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

Fiduciary Funds

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

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

Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

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

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

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

Definitions:

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

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

H. INVENTORY AND PREPAID ITEMS Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when consumed; however, all inventory items are recorded as expenditures when purchased. Unused commodities at June 30 are reported as unearned revenues. All purchased inventory items are valued at cost using first in, first out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

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

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

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

Interest during construction is not capitalized on capital assets.

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

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

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

All School Board employees earn from twelve to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay.

Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

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

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The School Board uses this approach. The School Board accrues those employees that have a minimum experience of 20 years.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

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

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

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position reported in the Statement of Net Position as school account allocations, salaries and retiree benefits, debt service and natural disaster and insurance are restricted by enabling legislation.

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

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

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

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

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

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

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

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

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

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

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

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

R. BUDGETS

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

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

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level by fund; except for special revenue funds, which are controlled at the fund level.

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Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved by the Board.

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

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

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

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

Property Tax Calendar

Levy date	January 1, 2016
Tax bills mailed	November 16, 2016
Due date	January 31, 2017
Lien date	May 9, 2017
Tax sale date - 2016 delinquent property	May 3, 2017

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$235,717,990 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 \$29,005,506 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.

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All property taxes are recorded in the general and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 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 authorized and levied ad valorem taxes:

	Adjusted Maximum Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	8.71	8.71	Statutory
Maintenance	8.59	8.59	2026
District taxes:			
School District #1	Various	6.00	2025
School District #3	Various	20.00	2022
School District #4	Various	26.00	2035

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

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

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

Custodial Credit Risk: At year-end the school Board's carrying amount of deposits was \$23,580,489 and the bank balance was \$25,227,219 which includes \$8,215,854 in certificate of deposits classified as investments. These deposits are reported as follows: Statement A cash and cash equivalents, \$14,845,637, Statement A investments \$8,215,854 and Statement G cash and cash equivalents \$518,998. Of the bank balance, \$13,321,330 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. The School Board's policy does not address custodial risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

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NOTE 4 - RECEIVABLES The balance of receivables at June 30, 2017, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	Nonmajor Governmental	Total
Taxes:			
Sales and use	\$ 593,586	\$ -	\$ 593,586
Intergovernmental-grants:			
Federal	-	1,092,164	1,092,164
State	-	64,766	64,766
Local Accounts	83,776	-	83,776
Total	<u>\$ 677,362</u>	<u>\$ 1,156,930</u>	<u>\$ 1,834,292</u>

NOTE 5 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2017 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 102,200	\$ -	\$ -	\$ 102,200
Construction in Progress	-	1,131,808	-	1,131,808
Total nondepreciable capital assets	<u>102,200</u>	<u>1,131,808</u>	<u>-</u>	<u>1,234,008</u>
Depreciable capital assets				
Buildings	59,613,275	-	-	59,613,275
Furniture and equipment	5,933,050	99,114	375,474	5,656,690
Total depreciable capital assets	<u>65,546,325</u>	<u>99,114</u>	<u>375,474</u>	<u>65,269,965</u>
Less accumulated depreciation				
Buildings	35,712,966	1,211,118	-	36,924,084
Furniture and equipment	4,310,634	374,610	375,474	4,309,770
Total accumulated depreciation	<u>40,023,600</u>	<u>1,585,728</u>	<u>375,474</u>	<u>41,233,854</u>
Total depreciable capital assets, net	<u>25,522,725</u>	<u>(1,486,614)</u>	<u>-</u>	<u>24,036,111</u>
Governmental activities				
Capital assets, net	<u>\$ 25,624,925</u>	<u>\$ (354,806)</u>	<u>\$ -</u>	<u>\$ 25,270,119</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 83,654
Special programs	142,059
Student services	27,867
Other Instructional services	9,486
Business services	7,073
Plant services	476,971
Student transportation services	782,004
Food services	56,614
Total depreciation expense	<u>\$ 1,585,728</u>

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NOTE 6 - PENSION PLANS

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

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

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

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

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

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

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A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service 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, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit

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

Cost of Living Adjustments

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

Contributions

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

Employer contributions to LSERS for fiscal year 2017 were \$444,098 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 \$3,729,044, with active member contributions of 8%, and employer contributions of 25.5%. Non-employer contributions to TRSL, which are comprised of \$163,433 from ad valorem taxes and revenue sharing funds and \$4,691 from the State for PIP salaries, totaled \$168,124 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 \$4,382,328 and \$39,846,366 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 .580943%, or an increase of .034562% for LSERS and .33949% or an increase of .00003% for TRSL.

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For the year ended June 30, 2017, the School Board recognized a total pension expense of \$4,228,129, or \$725,847 and \$3,502,282 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 119,590	\$ 786,678	\$ 906,268
Changes of assumptions	103,818	-	103,818	115,829	-	115,829
Net difference between projected and actual earnings on pension plan investments	555,169	2,900,723	3,455,892	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	155,429	228,195	383,624	49,329	2,300,168	2,349,497
Employer contributions subsequent to the measurement date	444,098	3,729,044	4,173,142	-	-	-
Total	\$ 1,258,514	\$ 6,857,962	\$ 8,116,476	\$ 284,748	\$ 3,086,846	\$ 3,371,594

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	LSERS	TRSL	Total
2018	\$ 27,688	\$ (617,631)	\$ (589,943)
2019	91,321	(617,631)	(526,310)
2020	250,893	574,657	825,550
2021	159,766	702,677	862,443

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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	7.75%, net of investment expense
Inflation Rate	2.625% per annum	2.5% per annum
Projected salary increases	3.075% to 5.375%, varies depending on duration of service	3.5% to 10% varies depending on duration of service
Cost-of-living adjustments	Not substantively automatic	Not substantively automatic
Mortality	RP-2000 Sex Distinct Mortality Table	RP-2000 Mortality Table with projection to 2025 using Scale AA
Termination, Disability, Retirement	Projected based on a five year (2008-2012) experience study	Projected based on a five year (2008-2012) experience study

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

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For TRSL, the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of real rates of return for each major asset class are summarized for each plan in the following table:

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

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

For LSERS, the discount rate used in the June 20, 2016 net pension liability valuation was increased from the 7.00% used in the June 30, 2015 valuation to 7.125%. The rate used in the June 30, 2015 valuation assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 Regular Session of the Legislature, beginning with the June 30, 2016, actuarial valuation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contribution for the System. With this change, the valuation of plan liabilities based on a valuation interest rate set for 0.25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016, actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

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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	\$ 5,752,775	\$ 4,382,328	\$ 3,208,209
TRSL	49,700,615	39,846,366	31,461,067

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 \$46,340 and \$343,277 in payables to LSERS and TRSL, respectively, for the June 2017 employee and employer legally required contributions.

Optional Retirement Plan

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

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

Employer ORP contributions to TRSL for fiscal year 2017 totaled \$47,625, which represents pension expense for the School Board. Employee contributions totaled \$13,905. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 21.2% made to the TRSL defined benefit plan described above.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

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

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

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 \$2,216,853 for 329 retirees for the year ended June 30, 2017.

Annual Other Post Employment Benefit Cost and Liability - The School Board’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year closed amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The level dollar amortization method was used. The total ARC for fiscal year 2017 is \$3,507,417 as set forth below:

Normal Cost	\$ 831,126
30-year UAL amortization amount	2,676,291
Annual required contribution (ARC)	\$ 3,507,417

The following table presents the School Board’s OPEB obligation for the past three fiscal years:

	2017	2016	2015
Beginning Net OPEB Obligation July 1,	\$ 7,545,036	\$ 6,677,546	\$ 5,583,937
Annual required contribution	3,507,417	3,106,232	3,106,232
Interest on prior year Net OPEB Obligation	301,801	267,102	223,357
Adjustment to ARC	(522,106)	(437,960)	(366,234)
Annual OPEB Cost	3,287,112	2,935,374	2,963,355
Less current year retiree premiums	(2,216,853)	(2,067,884)	(1,869,746)
Increase in Net OPEB Obligation	1,070,259	867,490	1,093,609
Ending Net OPEB Obligation at June 30,	\$ 8,615,295	\$ 7,545,036	\$ 6,677,546

Utilizing the pay as you go method, the School Board contributed 67% of the annual post-employment benefits cost in 2017, 70% during 2016, and 63% during 2015.

Funded Status and Funding Progress - Since the plan is not funded, the School Board’s entire actuarial accrued liability of \$38,675,504 was unfunded.

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

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

Actuarial accrued liability (AAL)	\$	38,675,504
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	38,675,504
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll	\$	17,824,656
UAAL as a percentage of covered payroll		216.98%

The required Schedule of Funding Progress is immediately following the notes, which presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time to the actuarial accrued liability for benefits.

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 Richland Parish School Board actuarial valuation the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return on investments. The expected rate on increase in healthcare costs was based on Pre-Medicare and Medicare eligible graduated down from 9.1% to an ultimate annual rate of 4.4%. The inflation rate is a subset of the healthcare cost trend in which a rate of 2.5% was assumed. The Adjusted Sex Distinct RP 2006 healthy mortality table for annuitants with Generational Mortality Scale MP2017 for pre-retirement and the Adjusted Sex Distinct RP 2000 healthy mortality table for non-annuitants with Generational Mortality Scale MP2017 for post-retirement was used in making actuarial assumptions in regards to mortality rates. The withdrawal rates for employees under LASERS retirement system range from 15% at age 18-22 to 4% at age 49+; whereas the withdrawal rates for employees under TRSL retirement system range from 18% at age 18-24 and 4% at age 50+. The disability rates for employees under LASERS retirement system range from .10% at age 35 to .40% at age 60. The disability rates for employees under TRSL retirement system range from .01% at age 23 to .20% at age 66. The retirement rates for employees under LASERS retirement system range from 80% at age 47 to 100% at age 70; and the retirement rates for employees under TRSL retirement system range from 4.0% at age 38 to 21.9% at age 68.

The remaining amortization period at June 30, 2017 for other post employment benefits (OPEB) was twenty-one years.

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

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2017, are as follows:

	General	District #4 Construction Mangham	Nonmajor Governmental	Total
Salaries	\$ 1,673,134	\$ -	\$ 384,338	\$ 2,057,472
Retainage	-	833,782	-	833,782
Accounts	522,094	-	12,209	534,303
Total	<u>\$ 2,195,228</u>	<u>\$ 833,782</u>	<u>\$ 396,547</u>	<u>\$ 3,425,557</u>

NOTE 9 - COMPENSATED ABSENCES At June 30, 2017, employees of the School Board have accumulated and vested \$714,871 of employee leave benefits, including \$10,217 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in school activities agency fund deposits due others for the year ended June 30, 2017, follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School activities agency fund	<u>\$ 550,138</u>	<u>\$ 1,822,228</u>	<u>\$ 1,853,368</u>	<u>\$ 518,998</u>

NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation debt	\$ 13,035,000	\$ 12,000,000	\$ 1,490,000	\$ 23,545,000	\$ 1,795,000
Premium on bonds	-	935,704	46,785	888,919	-
Other liabilities:					
Compensated absences	742,385	244,089	271,603	714,871	271,603
Worker's compensation claims	2,965	14,193	14,589	2,569	2,569
Capital Leases	445,916	-	144,957	300,959	148,608
Net pension liability	39,964,107	8,788,200	4,523,613	44,228,694	-
OPEB liability	7,545,036	3,287,112	2,216,853	8,615,295	-
Governmental Activities					
Long-term liabilities	<u>\$ 61,735,409</u>	<u>\$ 25,269,298</u>	<u>\$ 8,708,400</u>	<u>\$ 78,296,307</u>	<u>\$ 2,217,780</u>

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

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

The individual bond issues are as follows:

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation: School District #3 Refunding	11/1/2010	\$ 6,125,000	2.90%	3/1/2021	\$ 203,580	\$ 2,745,000
School District #3	5/1/2011	6,000,000	3.25%-4.25%	3/1/2031	1,559,290	4,700,000
School District #1 Refunding	4/16/2013	5,295,000	2.45%	3/1/2025	486,202	4,270,000
School District #4	7/28/2016	12,000,000	2%-4%	3/1/2036	4,528,600	11,830,000
Total					<u>\$ 6,777,672</u>	<u>\$ 23,545,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and general operating funds of the School Board. At June 30, 2017, the School Board has accumulated \$2,144,822 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 1,795,000	\$ 783,934	\$ 2,578,934
2019	1,865,000	732,112	2,597,112
2020	1,950,000	678,257	2,628,257
2021	2,025,000	616,623	2,641,623
2022	1,335,000	552,562	1,887,562
2023-2027	6,220,000	2,067,009	8,287,009
2028-2032	5,075,000	1,088,526	6,163,526
2033-2036	3,280,000	258,649	3,538,649
Total	<u>\$ 23,545,000</u>	<u>\$ 6,777,672</u>	<u>\$ 30,322,672</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, the statutory limit was \$82,501,297, and outstanding net bonded debt totaled \$21,400,178.

Capital Lease During the 2015 fiscal year, the School Board purchased 10 school buses under a new capital lease for \$743,500. The net book value of the purchased school buses was \$509,440 at fiscal year end. Depreciation expense for the year was \$82,611. The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2017:

<u>Fiscal Year-end</u>	
2018	\$ 156,188
2019	156,188
Less: amounts representing interest	<u>11,417</u>
Present value of net minimum lease payments	<u>\$ 300,959</u>

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

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

Interfund receivable/payable:

<u>Receivable Fund</u>	Amount	<u>Payable Fund</u>	Amount
General	\$ 718,701	Nonmajor Governmental	\$ 718,701
Nonmajor Governmental	7,902	General	7,902
	<u>\$ 726,603</u>		<u>\$ 726,603</u>

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received. The general fund owes School Food Service \$7,902 for a deposit received in the master bank account at year end.

Interfund transfers:

<u>Receiving Fund</u>	<u>Transfers In</u>	<u>Paying Fund</u>	<u>Transfers Out</u>
Nonmajor Governmental	\$ 268,465	General Fund	\$ 330,009
Nonmajor Governmental	271,544	Nonmajor Governmental	210,000
	<u>\$ 540,009</u>		<u>\$ 540,009</u>

The purpose of the interfund transfer of \$268,465 was to cover operating expenditures in the School Food Service fund. Grant funds of \$210,000 were transferred from Title II to Title I. The sales tax distribution fund transferred \$61,544 to the capital project #3 fund for construction.

NOTE 13 - FUND BALANCE CLASSIFICATION DETAILS

	<u>General</u>	<u>District #4 Construction Mangham</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non spendable:				
Inventory	\$ -	\$ -	\$ 42,812	\$ 42,812
Restricted for:				
Workers compensation reserve	100,000	-	-	100,000
School food service	-	-	463,994	463,994
Vocational/JAG grants	-	-	4,505	4,505
Orchard Foundation	-	-	11,629	11,629
School account allocations	2,678,005	-	-	2,678,005
Salaries and benefits	1,538,842	-	-	1,538,842
Debt service	-	-	2,144,822	2,144,822
Capital Projects	-	11,639,671	447,474	12,087,145
Natural disaster and insurance	531,913	-	-	531,913
Unassigned	1,908,411	-	-	1,908,411
Total	<u>\$ 6,757,171</u>	<u>\$ 11,639,671</u>	<u>\$ 3,115,236</u>	<u>\$ 21,512,078</u>

NOTE 14 - RISK MANAGEMENT The School Board initiated a self-insured program for workers' compensation in 1991. It joined a pool of school boards in Northeast Louisiana in order to share workers' compensation costs. The School Board's share of risk is determined by calculating its percentage of the total manual premium of the group. The risk allocated to the School Board for the year ended June 30, 2017 was 47%. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the

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

program. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

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

<u>Years Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2014-2015	\$ 8,742	\$ 47,917	\$ 47,917	\$ 8,742
2015-2016	8,742	56,883	56,883	8,742
2016-2017	8,742	26,784	31,997	3,529

Of this amount, \$960 is reflected as claims payable which represents estimated payments sixty days after year end, which is reported in the balance sheet (Statement C). The remaining \$2,569 is the long-term portion, in which the full amount is considered due within one year reported in the statement of net position (Statement A). In addition, the School Board is at risk for property damage, liability, and theft which are covered by insurance policies.

During the fiscal year 2017, a total of \$31,997 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$325,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. Claims payable of \$3,529 as of June 30, 2017, has been accrued as liability. Claims payable does not include incremental costs. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

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

NOTE 15 - LITIGATION AND CLAIMS

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

Construction Commitments The School Board had \$4.75 million in construction contracts outstanding at June 30, 2017.

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

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

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

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$4,691. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2017, the Tax Collector paid the Teacher's Retirement System of Louisiana \$158,507. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution to the TRSL pension plan.

NOTE 17 - ECONOMIC DEPENDENCY The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$17,177,148 to the School Board, which represents approximately 47% of the School Board's total revenue for the year.

NOTE 18 - NEW GASB STANDARDS In fiscal year 2017, the School Board adopted the following new standards of financial accounting issued by the Governmental Accounting Standards Board:

- *Statement No. 77 – Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.
- *Statement No. 82 – Pension Issues* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of these standards had no impact on the School Board's government-wide or fund financial statements.

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

NOTE 19 - TAX ABATEMENTS The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2017 by authorized millage is as follows:

<u>Tax Code</u>	<u>Taxable Value</u>	<u>Taxpayer Exemption</u>
Parishwide constitutional and maintenance	\$ 25,721,200	\$ 444,977
School District #1	25,640,250	153,842
School District #3	80,950	1,619
		\$ 600,438

NOTE 20 - SUBSEQUENT EVENTS The School Board gained unitary status in the settlement of a court case with the United States Department of Justice in February 2018.

The School Board plans to purchase seven additional school buses in the 2017 – 2018 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Richland Parish School Board

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2017**

Exhibit 1-1

Fiscal Year Ended	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
June 30, 2013	7/1/2012	-	35,535,250	35,535,250	0%	18,112,317	196.19%
June 30, 2014	7/1/2012	-	35,535,250	35,535,250	0%	19,098,621	186.06%
June 30, 2015	7/1/2014	-	33,017,954	33,017,954	0%	17,226,065	191.67%
June 30, 2016	7/1/2014	-	33,017,954	33,017,954	0%	17,864,259	184.83%
June 30, 2017	7/1/2016	-	38,675,504	38,675,504	0%	17,824,656	216.98%

Richland Parish School Board

**Schedule of Employer's Proportionate Share of the Net Pension Liability
June 30, 2017**

Exhibit 1-2

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>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	0.567800%	\$ 3,297,097	\$ 1,593,525	207%	76.18%
2016	0.546381%	3,464,749	1,525,542	227%	74.49%
2017	0.580943%	4,382,328	1,651,077	265%	70.09%
Teacher's Retirement System of Louisiana					
2015	0.37210%	\$ 38,033,528	\$ 16,765,123	227%	63.7%
2016	0.33946%	36,499,358	15,688,153	233%	62.5%
2017	0.33949%	39,846,366	15,107,641	264%	59.9%

Notes:

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

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

Richland Parish School Board

**Schedule of Employer's Contributions to Pension Plans
For the Year Ended June 30, 2017**

Exhibit 1-3

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

Notes:

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

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

Richland Parish School Board

Notes to Required Supplementary Information for Pensions

Louisiana School Employees' Retirement System

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

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

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

Teacher's Retirement System of Louisiana

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

Richland Parish School Board

Budgetary Comparison Schedules

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

RICHLAND PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2017**

Exhibit 1-4

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,814,874	\$ 3,644,238	\$ 3,720,951	\$ 76,713
Sales and use	5,615,904	6,135,592	6,224,528	88,936
Interest earnings	-	56,899	50,573	(6,326)
Other	4,800	119,620	186,376	66,756
State sources:				
Equalization	16,580,374	16,580,374	17,045,578	465,204
Other	622,265	362,658	374,458	11,800
Federal sources	198,662	52,538	142,791	90,253
Total Revenues	26,836,879	26,951,919	27,745,255	793,336
EXPENDITURES				
Current:				
Instruction:				
Regular programs	11,993,483	11,810,659	11,503,357	307,302
Special programs	2,605,683	2,565,337	2,518,363	46,974
Other instructional programs	1,327,507	1,127,883	1,234,666	(106,783)
Support services:				
Student services	1,071,216	1,071,216	1,080,291	(9,075)
Instructional staff support	432,402	417,589	497,618	(80,029)
General administration	793,289	545,471	640,129	(94,658)
School administration	2,597,363	2,569,814	2,612,304	(42,490)
Business services	583,524	586,317	529,268	57,049
Plant services	2,819,546	2,798,105	2,767,881	30,224
Student transportation services	2,034,975	2,068,944	1,944,890	124,054
Central services	450,512	450,512	426,248	24,264
Food services	99,039	99,039	114,911	(15,872)
Community services	9,745	9,745	9,745	-
Capital Outlay	10,000	10,000	29,930	(19,930)
Debt service:				
Principal retirement	-	-	144,957	(144,957)
Interest and bank charges	-	-	11,231	(11,231)
Total Expenditures	26,828,284	26,130,631	26,065,789	64,842
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	8,595	821,288	1,679,466	858,178

(Continued)

RICHLAND PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2017**

Exhibit 1-4

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	535,248	-	-	-
Transfers out	-	(135,200)	(330,009)	(194,809)
Total Other Financing Sources (Uses)	<u>535,248</u>	<u>(135,200)</u>	<u>(330,009)</u>	<u>(194,809)</u>
Net Change in Fund Balances	543,843	686,088	1,349,457	663,369
FUND BALANCES - BEGINNING	<u>4,621,583</u>	<u>5,575,822</u>	<u>5,407,714</u>	<u>(168,108)</u>
FUND BALANCES - ENDING	<u><u>5,165,426</u></u>	<u><u>6,261,910</u></u>	<u><u>6,757,171</u></u>	<u><u>495,261</u></u> (Concluded)

Richland Parish School Board
Notes to Budgetary Comparison Schedules

A. BUDGETS

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

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

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

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

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

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

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

SUPPLEMENTARY INFORMATION

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

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

Exhibit 2

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 430,544	\$ 2,144,822	\$ 447,474	\$ 3,022,840
Receivables	1,156,930	-	-	1,156,930
Interfund receivables	7,902	-	-	7,902
Inventory	63,881	-	-	63,881
TOTAL ASSETS	<u>1,659,257</u>	<u>2,144,822</u>	<u>447,474</u>	<u>4,251,553</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	396,547	-	-	396,547
Interfund payables	718,701	-	-	718,701
Unearned revenue	21,069	-	-	21,069
Total Liabilities	<u>1,136,317</u>	<u>-</u>	<u>-</u>	<u>1,136,317</u>
Fund Balances:				
Nonspendable	42,812	-	-	42,812
Restricted	480,128	2,144,822	447,474	3,072,424
Total Fund Balances	<u>522,940</u>	<u>2,144,822</u>	<u>447,474</u>	<u>3,115,236</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,659,257</u>	<u>\$ 2,144,822</u>	<u>\$ 447,474</u>	<u>\$ 4,251,553</u>

RICHLAND PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2017**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ 2,720,582	\$ -	\$ 2,720,582
Interest earnings	573	3,547	236	4,356
Food services	61,943	-	-	61,943
Other	27,245	-	-	27,245
State sources:				
Equalization	131,570	-	-	131,570
Other	206,028	1,879	-	207,907
Federal sources	5,763,058	-	-	5,763,058
Total Revenues	6,190,417	2,726,008	236	8,916,661
EXPENDITURES				
Current:				
Instruction:				
Regular programs	133,158	-	-	133,158
Special programs	395,981	-	-	395,981
Other instructional programs	1,840,943	-	-	1,840,943
Support services:				
Student services	167,319	-	-	167,319
Instructional staff support	827,420	-	-	827,420
General administration	317,772	101,124	-	418,896
School administration	40,115	-	-	40,115
Business services	102,171	-	-	102,171
Plant services	49	-	91,510	91,559
Student transportation services	5,940	-	-	5,940
Food services	2,574,201	-	-	2,574,201
Capital Outlay	69,184	-	-	69,184
Debt service:				
Principal retirement	-	1,490,000	-	1,490,000
Interest and bank charges	-	657,337	-	657,337
Total Expenditures	6,474,253	2,248,461	91,510	8,814,224
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (283,836)	\$ 477,547	\$ (91,274)	\$ 102,437

(CONTINUED)

RICHLAND PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2017**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 478,465	\$ -	\$ 61,544	\$ 540,009
Transfers out	(210,000)	-	-	(210,000)
Total Other Financing Sources (Uses)	<u>268,465</u>	<u>-</u>	<u>61,544</u>	<u>330,009</u>
Net Change in Fund Balances	(15,371)	477,547	(29,730)	432,446
FUND BALANCES - BEGINNING	<u>538,311</u>	<u>1,667,275</u>	<u>477,204</u>	<u>2,682,790</u>
FUND BALANCES - ENDING	<u>\$ 522,940</u>	<u>\$ 2,144,822</u>	<u>\$ 447,474</u>	<u>\$ 3,115,236</u>

(CONCLUDED)

Richland Parish School Board

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Richland Parish School Board

Nonmajor Special Revenue Funds

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

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

SPECIAL EDUCATION

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

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

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

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

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

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

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

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

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

RICHLAND PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2017

	SCHOOL FOOD SERVICE	TITLE I	SPECIAL EDUCATION	TITLE II
ASSETS				
Cash and cash equivalents	\$ 398,621	\$ -	\$ -	\$ -
Receivables	156,973	384,240	265,875	96,335
Interfund receivables	7,902	-	-	-
Inventory	63,881	-	-	-
TOTAL ASSETS	627,377	384,240	265,875	96,335
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	110,421	102,495	75,347	33,944
Interfund payables	-	281,745	190,528	62,391
Unearned revenue	21,069	-	-	-
Total Liabilities	131,490	384,240	265,875	96,335
Fund Balances:				
Nonspendable	42,812	-	-	-
Restricted	453,075	-	-	-
Total Fund Balances	495,887	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 627,377	\$ 384,240	\$ 265,875	\$ 96,335

Exhibit 4

LA4	VOCATIONAL / JAG GRANTS	8(g)	REAP	ORCHARD FOUNDATION	NATIONAL FARM TO SCHOOL NETWORK	TOTAL
\$ -	\$ 4,652	\$ -	\$ -	\$ 16,352	\$ 10,919	\$ 430,544
90,844	122,293	19,614	20,756	-	-	1,156,930
-	-	-	-	-	-	7,902
-	-	-	-	-	-	63,881
<u>90,844</u>	<u>126,945</u>	<u>19,614</u>	<u>20,756</u>	<u>16,352</u>	<u>10,919</u>	<u>1,659,257</u>
26,876	30,614	6,786	5,341	4,723	-	396,547
63,968	91,826	12,828	15,415	-	-	718,701
-	-	-	-	-	-	21,069
<u>90,844</u>	<u>122,440</u>	<u>19,614</u>	<u>20,756</u>	<u>4,723</u>	<u>-</u>	<u>1,136,317</u>
-	-	-	-	-	-	42,812
-	4,505	-	-	11,629	10,919	480,128
-	4,505	-	-	11,629	10,919	522,940
<u>\$ 90,844</u>	<u>\$ 126,945</u>	<u>\$ 19,614</u>	<u>\$ 20,756</u>	<u>\$ 16,352</u>	<u>\$ 10,919</u>	<u>\$ 1,659,257</u>

RICHLAND PARISH SCHOOL BOARD

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

	<u>SCHOOL FOOD SERVICE</u>	<u>TITLE I</u>	<u>SPECIAL EDUCATION</u>	<u>TITLE II</u>
REVENUES				
Local sources:				
Interest earnings	\$ 573	\$ -	\$ -	\$ -
Food services	61,943	-	-	-
Other	10,445	-	-	-
State sources:				
Equalization	94,829	-	11,741	-
Other	-	-	-	-
Federal sources	2,150,823	1,619,568	909,032	506,312
Total Revenues	<u>2,318,613</u>	<u>1,619,568</u>	<u>920,773</u>	<u>506,312</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	5,173	71,693	1,116
Special programs	-	-	365,981	-
Other instructional programs	-	1,133,152	-	36,385
Support services:				
Student services	-	-	167,319	-
Instructional staff support	-	360,359	230,875	231,349
General administration	-	166,001	79,816	27,462
School administration	-	40,115	-	-
Business services	-	102,171	-	-
Plant services	-	49	-	-
Student transportation services	1,082	-	-	-
Food services	2,569,001	-	-	-
Capital outlay	41,547	22,548	5,089	-
Total Expenditures	<u>2,611,630</u>	<u>1,829,568</u>	<u>920,773</u>	<u>296,312</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(293,017)</u>	<u>(210,000)</u>	<u>-</u>	<u>210,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	268,465	210,000	-	-
Transfers out	-	-	-	(210,000)
Total Other Financing Sources (Uses)	<u>268,465</u>	<u>210,000</u>	<u>-</u>	<u>(210,000)</u>
Net Change in Fund Balances	(24,552)	-	-	-
FUND BALANCES - BEGINNING	<u>520,439</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 495,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 5

LA4	VOCATIONAL / JAG GRANTS	8(g)	REAP	ORCHARD FOUNDATION	NATIONAL FARM TO SCHOOL NETWORK	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 573
-	-	-	-	-	-	61,943
-	-	-	-	16,800	-	27,245
-	25,000	-	-	-	-	131,570
125,591	-	80,437	-	-	-	206,028
149,209	367,300	-	60,814	-	-	5,763,058
<u>274,800</u>	<u>392,300</u>	<u>80,437</u>	<u>60,814</u>	<u>16,800</u>	<u>-</u>	<u>6,190,417</u>
-	-	-	55,176	-	-	133,158
-	30,000	-	-	-	-	395,981
261,087	329,434	80,437	-	448	-	1,840,943
-	-	-	-	-	-	167,319
-	114	-	-	4,723	-	827,420
13,713	25,142	-	5,638	-	-	317,772
-	-	-	-	-	-	40,115
-	-	-	-	-	-	102,171
-	-	-	-	-	-	49
-	4,858	-	-	-	-	5,940
-	-	-	-	-	5,200	2,574,201
-	-	-	-	-	-	69,184
<u>274,800</u>	<u>389,548</u>	<u>80,437</u>	<u>60,814</u>	<u>5,171</u>	<u>5,200</u>	<u>6,474,253</u>
-	2,752	-	-	11,629	(5,200)	(283,836)
-	-	-	-	-	-	478,465
-	-	-	-	-	-	(210,000)
-	-	-	-	-	-	268,465
-	2,752	-	-	11,629	(5,200)	(15,371)
-	1,753	-	-	-	16,119	538,311
<u>\$ -</u>	<u>\$ 4,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,629</u>	<u>\$ 10,919</u>	<u>\$ 522,940</u>

Richland Parish School Board

Nonmajor Debt Service Funds

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

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

RICHLAND PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2017

Exhibit 6

	SCHOOL DISTRICT #1	SCHOOL DISTRICT #2	SCHOOL DISTRICT #3	SCHOOL DISTRICT #4	TOTAL
ASSETS					
Cash and cash equivalents	\$ 569,401	\$ 10,495	\$ 1,122,711	\$ 442,215	\$ 2,144,822
TOTAL ASSETS	569,401	10,495	1,122,711	442,215	2,144,822
FUND BALANCES:					
Restricted	569,401	10,495	1,122,711	442,215	2,144,822
TOTAL FUND BALANCES	\$ 569,401	\$ 10,495	\$ 1,122,711	\$ 442,215	\$ 2,144,822

RICHLAND PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2017

Exhibit 7

	<u>SCHOOL DISTRICT #1</u>	<u>SCHOOL DISTRICT #2</u>	<u>SCHOOL DISTRICT #3</u>	<u>SCHOOL DISTRICT #4</u>	<u>TOTAL</u>
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 586,119	\$ -	\$ 1,241,976	\$ 892,487	\$ 2,720,582
Interest earnings	1,004	7	1,912	624	3,547
State sources:					
Other	-	-	1,879	-	1,879
Total Revenues	<u>587,123</u>	<u>7</u>	<u>1,245,767</u>	<u>893,111</u>	<u>2,726,008</u>
EXPENDITURES					
Current:					
Support services:					
General administration	21,360	-	46,746	33,018	101,124
Debt service:					
Principal retirement	465,000	-	855,000	170,000	1,490,000
Interest and bank charges	116,758	-	292,678	247,901	657,337
Total Expenditures	<u>603,118</u>	<u>-</u>	<u>1,194,424</u>	<u>450,919</u>	<u>2,248,461</u>
Net Change in Fund Balances	(15,995)	7	51,343	442,192	477,547
FUND BALANCES - BEGINNING	<u>585,396</u>	<u>10,488</u>	<u>1,071,368</u>	<u>23</u>	<u>1,667,275</u>
FUND BALANCES - ENDING	<u>\$ 569,401</u>	<u>\$ 10,495</u>	<u>\$ 1,122,711</u>	<u>\$ 442,215</u>	<u>\$ 2,144,822</u>

Richland Parish School Board

Agency Fund

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

RICHLAND PARISH SCHOOL BOARD

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

Exhibit 8

<u>School</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Delhi Elementary	\$ 30,574	\$ 74,692	\$ 76,033	\$ 29,233
Delhi Junior High	32,339	56,199	54,725	33,813
Delhi High	27,552	151,123	181,079	(2,404)
Holly Ridge Elementary	19,825	65,058	63,431	21,452
Mangham Elementary	39,440	176,699	162,065	54,074
Mangham Junior High	65,122	134,362	127,309	72,175
Mangham High	77,642	359,925	375,809	61,758
Rayville Elementary	125,161	136,518	134,405	127,274
Rayville Junior High	6,176	125,229	118,853	12,552
Rayville High	60,893	406,748	416,748	50,893
Start Elementary	65,414	135,675	142,911	58,178
Total	<u>\$ 550,138</u>	<u>\$ 1,822,228</u>	<u>\$ 1,853,368</u>	<u>\$ 518,998</u>

Richland Parish School Board

Exhibit 9

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

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

Kevin Eppinette, President	\$ 7,800
Marie Lewis, Vice President	7,200
William Calvert	7,200
Eugene Young, Jr.	7,200
Moses Wilkins	7,200
James Hough	4,800
Alece Copeland	7,200
Joe Chapman	7,200
Chris Pruitt	4,800
Connie Dove	2,400
Keith Pruitt	<u>2,800</u>
TOTAL	<u>\$65,800</u>

Richland Parish School Board

Exhibit 10

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2017

Agency Head Name: Sheldon Jones, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$129,310
Benefits-insurance	6,769
Benefits-retirement	32,974
Benefits-other	1,945
Reimbursements	506
Travel	8,086
Conference Travel	288

SINGLE AUDIT INFORMATION



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

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
Richland Parish School Board
Rayville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish School Board as of and for the year ended June 30, 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 May 31, 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2017-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as 2017-001.

The School Board's Response to Findings

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

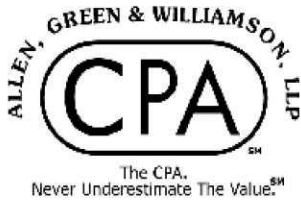
Purpose of this Report

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

allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
May 31, 2018



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

Board Members
Richland Parish School Board
Rayville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Richland Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2017. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with 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 are described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal program is not modified with respect to these matters.

The School Board's response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan for current year findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of 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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-002 that we consider to be significant deficiencies.

The School Board's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan for current year findings and questioned costs. The School Board's

response was not subjected to the auditing procedures applied in the audit of 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
May 31, 2018

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 477,053
National School Lunch Program	10.555	N/A	1,253,198
Food Distribution (Commodities Noncash)	10.555	N/A	<u>183,855</u>
Total Child Nutrition Cluster			\$ 1,914,106
Fresh Fruit and Vegetable Program	10.582	N/A	161,462
Supper Program (CACFP)	10.558	N/A	<u>75,255</u>
Total United States Department of Agriculture			<u>2,150,823</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	84.010A	28-17-T1-42	1,619,568
Redesign Planning	84.010A	28-17-RD1-42	<u>30,000</u>
			1,649,568
Special Education Cluster:			
Grants to States (IDEA Part B)	84.027A	28-17-B1-42	788,716
IDEA Opportunity	84.027A	28-17-RH-42	12,654
High Risk Pool	84.027A	28-15-OG-42	8,528
Preschool Grants (IDEA Preschool)	84.173A	28-17-P1-42	<u>59,695</u>
Total Special Education Cluster			869,593
Career and Technical - Basic Grants to States	84.048A	28-17-02-42	46,509
Title II - Improving Teacher Quality State Grants	84.367A	28-17-50-42	506,312
Teacher and School Leader Incentive Grants	84.374A	28-17-TP-42	39,439
Rural Education Achievement Program (REAP)	84.358B	28-17-RE-42	<u>60,814</u>
Total United States Department of Education			<u>3,172,235</u>
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Temporary Assistance to Needy Families			
LA 4 Federal	93.558	28-17-36-42	149,209
JAG	93.558	28-17-JS-42	<u>290,791</u>
Total United States Department of Health and Human			<u>440,000</u>
United States Department of Defense			
Direct Programs:			
Department of the Army			
ROTC	12.609	LA21126	<u>53,595</u>
United States Department of Homeland Security			
Federal Emergency Management Agency	97.036		<u>89,196</u>
TOTAL FEDERAL AWARDS			<u>\$ 5,905,849</u>

Richland 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 includes the federal award activity of Richland Parish School Board under programs of the federal government for the year ended June 30, 2017. The Richland Parish School Board (the School Board) reporting entity is defined in Note 1 to the School Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule. Because the schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position and changes in net assets of the Richland Parish School Board.

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

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

	Federal Sources
Major:	
General	\$ 142,791
Nonmajor Special Revenue:	
School Food Service	2,150,823
Title I	1,619,568
Special Education	909,032
Title II	506,312
LA 4	149,209
Vocational/JAG Grants	367,300
REAP	60,814
Total	\$ 5,905,849

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

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

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

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

PART I - Summary of the auditor's results

Financial statement audit

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

Audit of Federal Awards

- iv. There were significant deficiencies identified that are required to be disclosed by the Uniform Guidance (2 CFR 200). The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed one audit finding which the auditor is required to report under the Uniform Guidance (2 CFR 200).
- vii. The major federal awards are:

Title I – Grants to Local Educational Agencies	CFDA# 84.010
Temporary Assistance to Needy Families	CFDA# 93.558
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

**Richland Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 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** **Late Submission of Audit Report to Legislative Auditor**

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

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

Condition found: The audit report was filed with the Legislative Auditor after the deadline. An extension was requested and approved for the report to be filed by May 31, 2018.

Context: This finding appears to be systemic.

Possible asserted effect (cause and effect):

Cause: An employee in the business office was on leave for an extended amount of time. The Business Manager had to fill in for that employee during the employee's absence. The employee on leave did not return and a new person had to be trained to take over those duties.

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

Recommendation to prevent future occurrences: Employees in the business department could be cross trained which would provide some relief to the Business Manager when an employee is out on leave for an extended period of time.

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

View of Responsive Official: The School Board filed a request for extension and was approved for the late submission of the audit report for the year ended June 30, 2017. Given the size of the district and the administrative staff available, it was considered unavoidable for the Business Manager to fill the void in staffing leaving little time to dedicate to completion of the audit. It was deemed to be in the best interest of the district to delay the audit filing in order to allow proper attention to be given to the preparation of financial statements and completion of the audit.

**Richland 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: **2017-002** **Monitoring of Special Tests in the JAG Program**

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

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

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

Context: Special tests for the JAG program included student contact hours, number of competencies obtained, graduation rate, guest speakers, educational fieldtrips, class size maximum, number of minutes of daily instruction, and basic requirements of JAG Specialist.

Possible asserted effect (cause and effect):

Cause: The program supervisor does not have access to the student database to monitor the number of competencies acquired. No procedure had been established to gather the information for JAG students’ graduation rates or transition rates to high school. No procedures have been established to monitor whether educational fieldtrips and guest speakers have occurred as planned.

Effect: Some students may not have met the required number of competencies. The graduation rate was provided after it was requested and the requirement appears to be met. The actual educational field trips and guest speakers was not monitored to see if the planned activities occurred.

Recommendation to prevent future occurrences: Procedures should be established to monitor the special tests requirements noted above.

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

View of Responsive Official: In the past administration has accepted the assurances of each JAG specialist that competencies were being attained as required by the JAG program; that field trips were occurring as required by the JAG program; that guest speakers were presenting to the JAG classes as required by the JAG program; and that the graduation rate met or exceeded that of the state JAG program. Due to the small size of the district, administration interacts with the JAG specialists and their principals frequently. If the JAG specialists were not doing their jobs, it is likely that administration would have been aware of the shortcomings.

Other Information

**Richland Parish School Board
Corrective Action Plan for Current Year Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

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

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

Corrective action planned: See management’s corrective action on page 96.

Person responsible for corrective action plan:

Regina Mekus, Business Manager Telephone: 318-728-5964
P O Box 599. Fax: 318-728-6366
Rayville, LA 71269-0599

Anticipated completion date: See management’s corrective action on page 96.

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

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

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

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

Corrective action planned: See management’s corrective action on page 96.

Person responsible for corrective action plan:

Regina Mekus, Business Manager Telephone: 318-728-5964
P O Box 599. Fax: 318-728-6366
Rayville, LA 71269-0599

Anticipated completion date: See management’s corrective action on page 96.

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

Marie Lewis
District 6
President

James Hough
District 4
Vice President

Chris Pruitt
District 9

Eugene Young, Jr.
District 2

Moses Wilkins
District 3

Kevin Eppinette
District 8

Alece Copeland
District 5

Joe Chapman
District 7

Billy Calvert
District 1

**Corrective Action Plan for Current Year Audit Findings and Questioned Cost
For the Year Ended June 30, 2017**

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

Corrective Action Planned: Management has taken the opportunity provided by this process to assess the duties related to each position in the business department and even further to assess duties of administrative staff at the district and school levels. Administrative and support staff alike are training together to better facilitate continued operations during extended absences. Management considers it of the utmost importance to prioritize and provide uninterrupted service to employees and fiscal management to programs involving services to students. Management also realizes that timely review and reporting of public funds is an important step to maintain transparency in the duties that have been entrusted to us.

Person responsible for corrective action plan:

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

Anticipated Completion Date: May 31, 2018

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

Corrective Action Planned: In the future, the responsive official will access the JAG database so that checks of the information contained in the database can be sampled. This will be accomplished by a mid year and end of year check of the field trips taken and guest speakers hosted. The responsive official will randomly select a small population of the JAG students at each school and monitor the number of competencies acquired. Each JAG specialist will be required to turn in a copy of the End of Year Checklist/Self-assessment Survey to the responsive official. As for the graduation rate, that shall be reported to the responsive official by each high school JAG specialist prior to graduation.

Person responsible for corrective action plan:

Secondary Supervisor Telephone: (318)728-5964
P. O. Box 599 Fax: (318)728-6366
Rayville, LA 71269

Anticipated Completion Date: May 31, 2018

Respectfully Submitted,



Regina R. Mekus, CPA
Business Manager



ALLEN, GREEN & WILLIAMSON, LLP

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Richland Parish School Board
Rayville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Richland Parish School Board, Rayville, Louisiana, and the Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures for the period April 1, 2016 through March 31, 2017. The School Board's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and 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:

- **Payroll/Personnel-** Policy and procedures do not include payroll processing.
- **Contracting-** Policy and procedures do not include monitoring process.
- **Credit Cards-** No policies or procedures provided.
- **Ethics-** Policy and procedures do not include actions to be taken if ethics violation takes place, system to monitor possible ethics violations, requirement that all employees, including elected officials, annually attest through signature verification that they have read the ethics policy.

Management's Response: Management shall review the procedures noted and update each to ensure all required elements are included.

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

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

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

Collections

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

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

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: A total of 17 locations were selected for testing of disbursement processes – 5 school food service locations, 11 student activity fund locations, and 1 central office location. For the 5 school food service locations, 2 schools did not provide any information for testing, 3 schools kept blank checks locked up but the persons with access were also check signers. For the 11 student activity fund locations – the school bookkeeper could add vendors to the system, a person with signatory authority for the disbursements could initiate or record purchases, and blank checks were locked up but the persons with access were also check signers. For the 1 central office location personnel responsible for processing payments can also add vendors to the system.

The following exceptions were noted in testing 25 disbursements – Three disbursements (all student activity funds) did not have documentation that separated initiation from approval and one disbursement (student activity fund) that did not have approval documentation.

Management's Response: Management will review with district and school level administrators the proper check disbursement procedures. The use of purchase orders for district purchases is required, however the Local School Accounting Handbook adopted by the School Board does not require a purchase order system be used for making purchases with school activity funds; the use of purchase orders are optional and at the discretion of each school Principal. Management will review with its schools the proper procedures for securing blank check stock. Limited staffing due to the size of the school district is not conducive to separation of duties to the extent noted above. Management has alternative controls in place and will continue to monitor in order to improve separation of duties whenever possible.

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

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If

the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

Contracts

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

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: There were no exceptions noted as a result of applying 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: Of the 25 employees selected from the attendance and leave records, ten did not provide documentation of attendance and an additional three did not have documentation of approval of attendance or leave.

Management's Response: Management will review and revise procedures used at each site to ensure proper documentation of leave is maintained. To current year the School Board has only required positive documentation of leave to be signed and submitted for documentation but has since changed procedure to include signed documentation of leave for each employee regardless if any leave was actually taken. The daily sign in sheets for each employee is also maintained at the site level and only accessed by district as needed. Leave information is entered at each site and transmitted electronically to the district. Management

will now provide a standard form on which employees are to sign in and out unless the preferred method of site administrator provides at minimum the documentation required by the district.

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

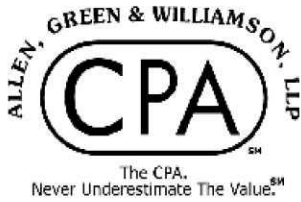
We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance area identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
May 31, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Richland Parish School Board
Rayville, 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 Richland Parish School Board, Rayville, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board 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). Richland Parish School Board's management is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

Education Levels of Public School Staff (Schedule 2)

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

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

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

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

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

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

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

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

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

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

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

Public Staff Data (Schedule 5)

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

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

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

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

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

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

11. 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: This test is no longer administered.

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

We were not engaged to, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Richland Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
May 31, 2018

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

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

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$8,914,550	
Other Instructional Staff Activities	\$625,128	
Instructional Staff Employee Benefits	\$5,139,344	
Purchased Professional and Technical Services	\$35,121	
Instructional Materials and Supplies	\$336,757	
Instructional Equipment	\$43,890	
Total Teacher and Student Interaction Activities	\$15,094,790	\$15,094,790
Other Instructional Activities		\$192,683
Pupil Support Services	\$1,071,689	
Less: Equipment for Pupil Support Services	\$0	
Net Pupil Support Services	\$1,071,689	\$1,071,689
Instructional Staff Services	\$506,338	
Less: Equipment for Instructional Staff Services	\$0	
Net Instructional Staff Services	\$506,338	\$506,338
School Administration	\$2,612,360	
Less: Equipment for School Administration	\$0	
Net School Administration	\$2,612,360	\$2,612,360
Total General Fund Instructional Expenditures (Total of Column B)		\$19,477,860
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$242,173
 <u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Ad Valorem Taxes		
Constitutional Ad Valorem Taxes		\$1,791,083
Renewable Ad Valorem Tax		\$1,766,434
Debt Service Ad Valorem Tax		\$2,720,581
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		\$163,433
Result of Court Ordered Settlement (Ad Valorem)		\$0
Penalties/Interest on Ad Valorem Taxes		\$0
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)		\$0
Sales Taxes		
Sales and Use Taxes - Gross		\$6,224,527
Sales/Use Taxes - Court Settlement		\$0
Penalties/Interest on Sales/Use Taxes		\$0
Sales/Use Taxes Collected Due to TIF		\$0
Total Local Taxation Revenue		\$12,666,058
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$37,041
Earnings from Other Real Property		\$0
Total Local Earnings on Investment in Real Property		\$37,041
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$97,425
Revenue Sharing - Other Taxes		\$96,084
Revenue Sharing - Excess Portion		\$0
Other Revenue in Lieu of Taxes		\$0
Total State Revenue in Lieu of Taxes		\$193,509
Nonpublic Textbook Revenue		\$10,131
Nonpublic Transportation Revenue		\$0

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1.00	0.48	1.00	0.48	0.00	0.00	0.00	0.00
Bachelor's Degree	88.71	42.66	9.80	4.71	2.62	1.26	0.00	0.00
Master's Degree	53.02	25.50	4.00	1.92	3.97	1.91	0.00	0.00
Master's Degree + 30	27.79	13.36	0.00	0.00	14.03	6.75	0.00	0.00
Specialist in Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ph. D. or Ed. D.	2.00	0.96	0.00	0.00	0.00	0.00	0.00	0.00
Total	172.52	82.97	14.80	7.12	20.62	9.92	0.00	0.00

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana**Number and Type of Public Schools**
For the Year Ended June 30, 2017

Type	Number
Elementary	5
Middle/Jr. High	3
Secondary	3
Combination	0
Total	11

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

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0.00	0.00	0.00	0.00	1.62	3.35	3.91	8.88
Principals	0.00	0.00	1.00	1.00	0.00	1.74	8.00	11.74
Classroom Teachers	7.00	20.00	49.01	25.00	28.50	25.90	31.91	187.32
Total	7.00	20.00	50.01	26.00	30.12	30.99	43.82	207.94

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

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

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$51,150	\$50,951
Average Classroom Teachers' Salary Excluding Extra Compensation	\$50,084	\$49,877
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	189.59	186.61

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.

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

Class Size Characteristics
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	10.90	124	10.98	125	2.02	23	0.00	0
Elementary Activity Classes	1.93	22	2.81	32	0.53	6	0.00	0
Middle/Jr. High	5.27	60	3.69	42	4.22	48	0.00	0
Middle/Jr. High Activity Classes	2.20	25	0.35	4	0.35	4	0.35	4
High	34.62	394	8.17	93	2.37	27	0.09	1
High Activity Classes	3.87	44	0.26	3	0.18	2	0.26	3
Combination	0.00	0	0.00	0	0.00	0	0.00	0
Combination Activity Classes	0.00	0	0.00	0	0.00	0	0.00	0

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

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	4%	1%	1%	3%	2%	1%
Proficient	22%	14%	24%	22%	29%	23%
Basic	23%	29%	25%	35%	38%	36%
Approaching Basic	27%	26%	29%	28%	25%	31%
Unsatisfactory	24%	30%	21%	13%	6%	9%
Total	100%	100%	100%	101%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	5%	4%	1%	2%	5%	1%
Proficient	24%	25%	26%	28%	29%	22%
Basic	27%	27%	29%	35%	25%	29%
Approaching Basic	30%	30%	28%	25%	28%	28%
Unsatisfactory	14%	15%	16%	10%	13%	20%
Total	100%	101%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	2%	1%	1%	1%	3%	1%
Proficient	30%	22%	20%	23%	21%	17%
Basic	32%	23%	34%	31%	26%	34%
Approaching Basic	23%	35%	36%	31%	28%	36%
Unsatisfactory	12%	20%	10%	15%	22%	12%
Total	99%	101%	101%	101%	100%	100%

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	1%	1%	1%	2%	2%	1%
Proficient	21%	18%	22%	15%	12%	15%
Basic	26%	33%	36%	27%	31%	32%
Approaching Basic	37%	33%	28%	36%	36%	39%
Unsatisfactory	15%	14%	13%	20%	19%	14%
Total	100%	99%	100%	100%	100%	101%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7						
Advanced	4%	1%	3%	1%	2%	1%
Proficient	13%	22%	22%	8%	11%	12%
Basic	38%	29%	38%	34%	30%	36%
Approaching Basic	27%	28%	23%	40%	42%	40%
Unsatisfactory	18%	20%	14%	18%	15%	12%
Total	100%	100%	100%	101%	100%	101%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	1%	3%	1%	1%	1%	1%
Proficient	21%	29%	21%	12%	26%	20%
Basic	34%	34%	30%	20%	21%	22%
Approaching Basic	30%	24%	34%	30%	37%	29%
Unsatisfactory	14%	11%	13%	36%	15%	30%
Total	100%	101%	99%	99%	100%	102%

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2017

Please note that the GEE has been discontinued by the Department of Education.

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

iLEAP Tests

For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	7%	2%	3%	3%	N/A	1%
Proficient	11%	9%	12%	12%	N/A	11%
Basic	33%	37%	34%	19%	N/A	35%
Approaching Basic	27%	30%	26%	26%	N/A	30%
Unsatisfactory	22%	22%	25%	40%	N/A	23%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	1%	1%	3%	3%	N/A	1%
Proficient	10%	9%	10%	13%	N/A	7%
Basic	41%	40%	41%	16%	N/A	42%
Approaching Basic	32%	31%	27%	34%	N/A	22%
Unsatisfactory	16%	19%	19%	33%	N/A	28%
Total	100%	100%	100%	99%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	1%	1%	2%	1%	N/A	3%
Proficient	10%	7%	10%	8%	N/A	9%
Basic	40%	35%	37%	24%	N/A	38%
Approaching Basic	34%	28%	32%	27%	N/A	29%
Unsatisfactory	15%	29%	19%	40%	N/A	21%
Total	100%	100%	100%	100%	N/A	100%

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

iLEAP Tests

For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	3%	1%	2%	2%	N/A	5%
Proficient	12%	13%	12%	10%	N/A	12%
Basic	37%	33%	43%	21%	N/A	36%
Approaching Basic	28%	33%	27%	33%	N/A	30%
Unsatisfactory	20%	19%	15%	33%	N/A	16%
Total	100%	99%	99%	99%	N/A	99%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7						
Advanced	3%	5%	3%	5%	N/A	1%
Proficient	11%	13%	11%	11%	N/A	14%
Basic	35%	39%	43%	22%	N/A	37%
Approaching Basic	32%	26%	32%	25%	N/A	34%
Unsatisfactory	19%	17%	11%	37%	N/A	14%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	1%	1%	1%	4%	N/A	1%
Proficient	11%	15%	10%	17%	N/A	5%
Basic	38%	41%	35%	24%	N/A	43%
Approaching Basic	24%	30%	35%	25%	N/A	31%
Unsatisfactory	26%	13%	20%	30%	N/A	21%
Total	100%	100%	101%	100%	N/A	101%