

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2017

Prepared by:

Ms. Deloris Walker
Finance Director
&
Business Office Staff

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CITY OF BOGALUSA SCHOOL BOARD

TABLE OF CONTENTS For the Year Ended June 30, 2017

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	vi
Association of School Business Officials, International Certificate of Excellence in Financial Reporting.....	xi
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.....	xii
Organizational Chart	xiii
List of Principal Officials	xiv
FINANCIAL SECTION	
Independent Auditors' Report	1
Required Supplementary Information - Part I	
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22

CITY OF BOGALUSA SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED) For the Year Ended June 30, 2017

	<u>Page</u>
FINANCIAL SECTION (CONTINUED)	
Basic Financial Statements: (CONTINUED)	
Fiduciary Fund	
Statement of Fiduciary Assets and Liabilities Agency Fund	23
Notes to the Financial Statements	24
Required Supplementary Information - Part II	
Schedule of Funding Progress – Other Post-employment Benefits.....	65
Schedule of Proportionate Share of Net Pension Liability for Retirement Systems	66
Schedule of Employer Contributions to Retirement Systems.....	67
Budgetary Comparison Schedules:	
General Fund and Major Special Revenue Fund Descriptions	68
General Fund	69
Title I	71
Notes to the Required Supplementary Information	72
Other Supplementary Information	
Non-Major Governmental Funds:	
Non-Major Governmental Fund Descriptions	73
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	77
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Early Childhood Lead Agency CCDF.....	79
Early Childhood State.....	80

CITY OF BOGALUSA SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

For the Year Ended June 30, 2017

Page

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information (CONTINUED)

Early Childhood CCDF	81
EFF	82
HEAP	83
BHS Health Center	84
8G Student Enhancement Preschool.....	85
Carl Perkins.....	86
TANF LA4 Preschool State	87
School Food	88
Summer Food.....	89
Fresh Fruit & Vegetable Program.....	90
IDEA B	91
Special Education – Preschool	92
Special Education – High Risk	93
Special Education – High Cost MFP	94
Title II	95
TANF LA4 Preschool Federal	96
REAP.....	97
Fiduciary Fund - Agency Fund:	
Fiduciary Fund Description.....	98
Combining Schedule of Changes in Assets and Liabilities - Agency Fund.....	99
Schedule of Compensation, Benefits and Other Payments to Agency Head	100

CITY OF BOGALUSA SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

For the Year Ended June 30, 2017

Page

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information (CONTINUED)

Schedule of Compensation Paid to Board Members	101
--	-----

STATISTICAL SECTION (UNAUDITED)

Table of Contents	102
-------------------------	-----

Table

1	Net Position by Component.....	103
2	Changes in Net Position.....	104
3	Fund Balances of Governmental Funds	106
4	Changes in Fund Balances of Governmental Funds.....	107
5	Governmental Activities Tax Revenues by Source.....	108
6	Assessed Value and Estimated Actual Value of Taxable Property	109
7	Property Tax Rates – All Direct and Overlapping Governments	110
8	Principal Property Taxpayers.....	111
9	Property Tax Levies and Collections	112
10	Ratios of Outstanding Debt by Type	113
11	Ratios of General Bonded Debt Outstanding.....	114
12	Direct and Overlapping Governmental Activities Debt	115
13	Legal Debt Margin Information.....	116
14	Summary of Revenue Coverage – Non-General Obligation Debt.....	117
15	Demographic and Economic Statistics.....	118
16	Principal Employers	119
17	Full-Time Equivalent Employees by Position	120
18	Operating Statistics.....	121
19	School Building Information	122

CITY OF BOGALUSA SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

For the Year Ended June 30, 2017

Page

SINGLE AUDIT SECTION

Reports Required by *Government Auditing Standards* and Uniform Guidance

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	123
Independent Auditors' Report on Compliance for the Major Program and on Internal Control Over Compliance required by the Uniform Guidance	125
Schedule of Expenditures of Federal Awards	127
Notes to the Schedule of Expenditures of Federal Awards	129
Schedule of Findings and Questioned Costs	130
Summary Schedule of Prior Audit Findings	132
Corrective Action Plan	133

STATE REPORTING SECTION

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

Independent Accountants' Report on Applying Agreed-Upon Procedures	134
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Schedule

1	General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	137
2	Education Levels of Public School Staff	138
3	Number and Type of Public Schools	139
4	Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers	140
5	Public School Staff Data: Average Salaries	141
6	Class Size Characteristics	142
7	Louisiana Educational Assessment Program (LEAP)	143
9	iLEAP Tests	144

INTRODUCTORY SECTION

Bogalusa City Schools

Lisa Tanner, Superintendent

Mr. Curtis Creel, President
Board Members

Mrs. Eleanor W. Duke
Mr. Calvin F. Hymel

Members

Mr. Paul D. Kates, Vice President
Board

Mr. Adam B. Kemp
Rev. Raymond E. Mims
Dr. Brad Williams

Creating leaders through pride, ownership and accountability in education

December 27, 2017

Honorable Board Members
City of Bogalusa School Board
Bogalusa, Louisiana

Members of the Board and Citizens of the City of Bogalusa:

The Comprehensive Annual Financial Report (CAFR) of the City of Bogalusa School Board (School Board), Bogalusa, Louisiana for the fiscal year ended June 30, 2017 is presented herewith. The report was prepared by the School Board's Business Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the School Board. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the School Board as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the School Board's financial affairs have been included.

Reporting Standards

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States of America and Canada and the Association of School Board Officials. A Certificate of Achievement for Excellence in Financial Reporting is awarded by the Government Finance Officers Association to those governments whose financial reports are judged to conform substantially to high financial reporting standards. A Certificate of Excellence in Financial Reporting is awarded by the Association of School Board Officials International. Both of these evaluations include reporting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The School Board is required to undergo an annual Single Audit in conformance with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, any findings and recommendations and reports on internal control and compliance, is included in this report.

Management's Discussion and Analysis

The Management's Discussion and Analysis on page 4 provides an overall review of the School Board's activities for the year ended June 30, 2017. Included in this analysis are discussions on budget variances and modifications and the financial condition of the School Board.

Reporting Entity

This report includes all funds of the School Board. The School Board is a legislative body authorized to govern the public education system of the City of Bogalusa, Louisiana. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. The School Board operates 4 schools within the parish with a total enrollment of 1,564 pupils for the year ended June 30, 2017. Projected enrollment for the upcoming year is expected to approximate 1,620 pupils. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities, to determine the number of teachers to be employed and to determine the local supplement to their salaries. Accordingly, since the School Board members are elected by the public and have decision-making authority, the power to influence operations and primary accountability for financial matters, the School Board is not included in any other governmental reporting entity. Based on these criteria the City of Bogalusa School Board and all its individual schools constitute the School Board's reporting entity.

Services Provided

The City of Bogalusa School Board is a legislative body authorized to govern the public education system of the City of Bogalusa, Louisiana. It is the responsibility of the School Board to make public education available to the residents of the City of Bogalusa by providing various services, including instruction, instructional materials, instructional facilities, administrative support, business services, system operations, plant maintenance and bus transportation.

Structure, Local Economic Condition and Outlook

The City of Bogalusa School Board is located in the southeastern part of Louisiana. The parish in which the School Board is located has a land area of 676 square miles and a population of 46,310. The School Board is empowered to levy a property tax on both real and personal property located within its boundaries. The School Board also levies a sales and use tax on the sale at retail, the use, the lease or rental, and the consumption of tangible personal property and upon sales of some services within its boundaries.

The School Board has operated under the board form of government. Policymaking is vested in the School Board, which consists of seven members elected within their respective districts for a four-year term. The School Board is responsible, among other things, for passing local ordinances, adopting the budget, appointing committees, adhering to the Louisiana Board of Elementary and Secondary Education's requirements, and hiring the Superintendent and the School Board's attorney. The Superintendent is responsible for carrying out the policies and ordinances of the School Board, for overseeing the day to day operations of the School Board, for informing the School Board of changes in the Louisiana Board of Elementary and Secondary Education requirements, and for making recommendations when these changes occur to ensure compliance.

The buildings of the School Board range from 57-62 years in age. See the Statistical Table 19 on page 122 for additional information.

The School Board finished fiscal year 2017 with a fund balance in the General Fund of \$958,771, which reflects a \$1,328,788 decrease in the prior year's General Fund balance.

The national recession has negatively impacted the Nation's economy; however, it has been less severe in Bogalusa and Louisiana, as a whole, than the rest of the country.

The Parish has a manufacturing and industrial base on which the unemployment rate is somewhat dependent. The major industries with operations within the Parish consist mainly of paper manufacturers. The Parish's unemployment rate is 6.6%, which is slightly higher than the State's unadjusted rate of 5.9% as of June 2017.

Major Initiatives and Major Operational/Financial Concerns

For the Year: The School Board finished 2017 with a General Fund unassigned balance of \$770,713. The Budgetary Comparison Schedule can be seen on page 69 of the CAFR. As the financial position gets stronger, financial resources will be allocated to instructional areas that have the most effect on student achievement.

The State of Louisiana requires all fourth and eighth grade students to pass a standard test (LEAP Test) before they are allowed to advance to the next grade. The School Board offers an after school assistance program during the year for students having problems with the skills necessary to pass this test. In addition the School Board offers a mandatory Summer School Remediation Program for all students that do not pass this LEAP test. This summer program focuses strictly on teaching the skills necessary to pass the LEAP test. Students can re-take the LEAP test after completion of this summer program.

Major Concerns: The School Board has several major financial concerns as described below.

The School Board continued to experience a decrease in the State Minimum Foundation program funding for the 16-17 fiscal year primarily due to a charter school operating in the City of Bogalusa.

Long Term Financial Planning:

The administration is preparing a long term education and facility plan to guide the School Board through the education process for the next several years. After adoption, the School Board will begin implementing the various components of this plan. The Bogalusa School Board will close Denhamtown Elementary effective the 2017 – 2018 school year. The decision to close Denhamtown Elementary was due to decreasing enrollment in our primary grades along with a cost saving measure to reduce the General Fund budget. The School Board will merge the pre-K students into Byrd Avenue Elementary at the end of June 2017.

FINANCIAL INFORMATION

Internal Control

The management of the City of Bogalusa School Board is responsible for establishing and maintaining internal controls designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits require estimates and judgments by management.

Single Audit

As a recipient of federal, state and local financial assistance, the School Board is also responsible for ensuring that adequate internal control is in place to ensure and document compliance with applicable laws and regulations related to these programs. The internal control structure is subject to periodic evaluation by management.

As part of the School Board's Single Audit, tests are made of the School Board's internal control and of its compliance with applicable laws and regulations, including those related to federal award programs. The results of the audit for the year ended June 30, 2017 disclosed no material internal control weaknesses or material violations of laws and regulations.

Budgetary Controls

In addition, the School Board maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget, and all subsequent amendments, approved by the School Board. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Budgetary control is maintained at the fund level. Variances with the budget at this level, as well as line item levels, are reported to the School Board's management monthly. The School Board also maintains an encumbrance accounting system for the General Fund as one technique of accomplishing budgetary control.

OTHER INFORMATION

Independent Audit

As required by Louisiana State Statute, the School Board has had an annual audit by independent certified public accountants, Carr, Riggs & Ingram, LLC. The independent auditors' report on the basic financial statements has an unmodified opinion. The audit meets the requirements of Louisiana State Law and the Uniform Guidance. The independent auditors' report on the basic financial statements is included in the financial section of this report; the Single Audit reports are included in the Single Audit Section of this report beginning on page 123.

Award

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its comprehensive annual financial report for the year ended June 30, 2016. This was the School Board's sixth consecutive year to receive this prestigious award for its financial report. The School Board also submitted its June 30, 2016 comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada (GFOA) and was awarded the GFOA's Certificate of Achievement for the Excellence in Financial Reporting for the fifth year.

In order to be awarded a Certificate of Excellence and Certificate of Achievement, the School Board published an easily readable and organized comprehensive annual financial report. This report satisfied generally accepted accounting principles, governmental accounting standards, and applicable accounting and regulatory requirements.

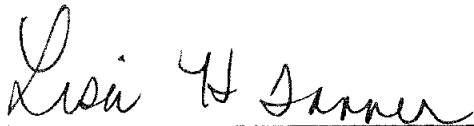
Both the Certificate of Excellence and Certificate of Achievement are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the program requirements of the organization and we are submitting it to ASBO and GFOA to determine its eligibility for each of the certificates.

Acknowledgments

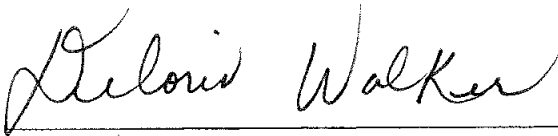
We believe that this report contains the necessary information and data, which will provide a better understanding of the operations of our School Board. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public.

We would like to take this opportunity to express our sincere appreciation to the accounting staff and other participating employees whose efforts contributed significantly in the timely preparation of this report.

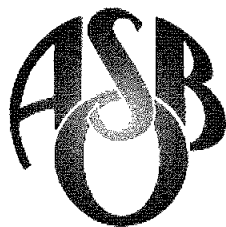
Respectfully submitted,

A handwritten signature in cursive script, reading "Lisa H. Tanner", positioned above a horizontal line.

Lisa H. Tanner
Superintendent

A handwritten signature in cursive script, reading "Deloris Walker", positioned above a horizontal line.

Deloris Walker
Finance Director



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

City of Bogalusa School Board

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Anthony N. Dragona, Ed.D., RSBA
President

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bogalusa School Board
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

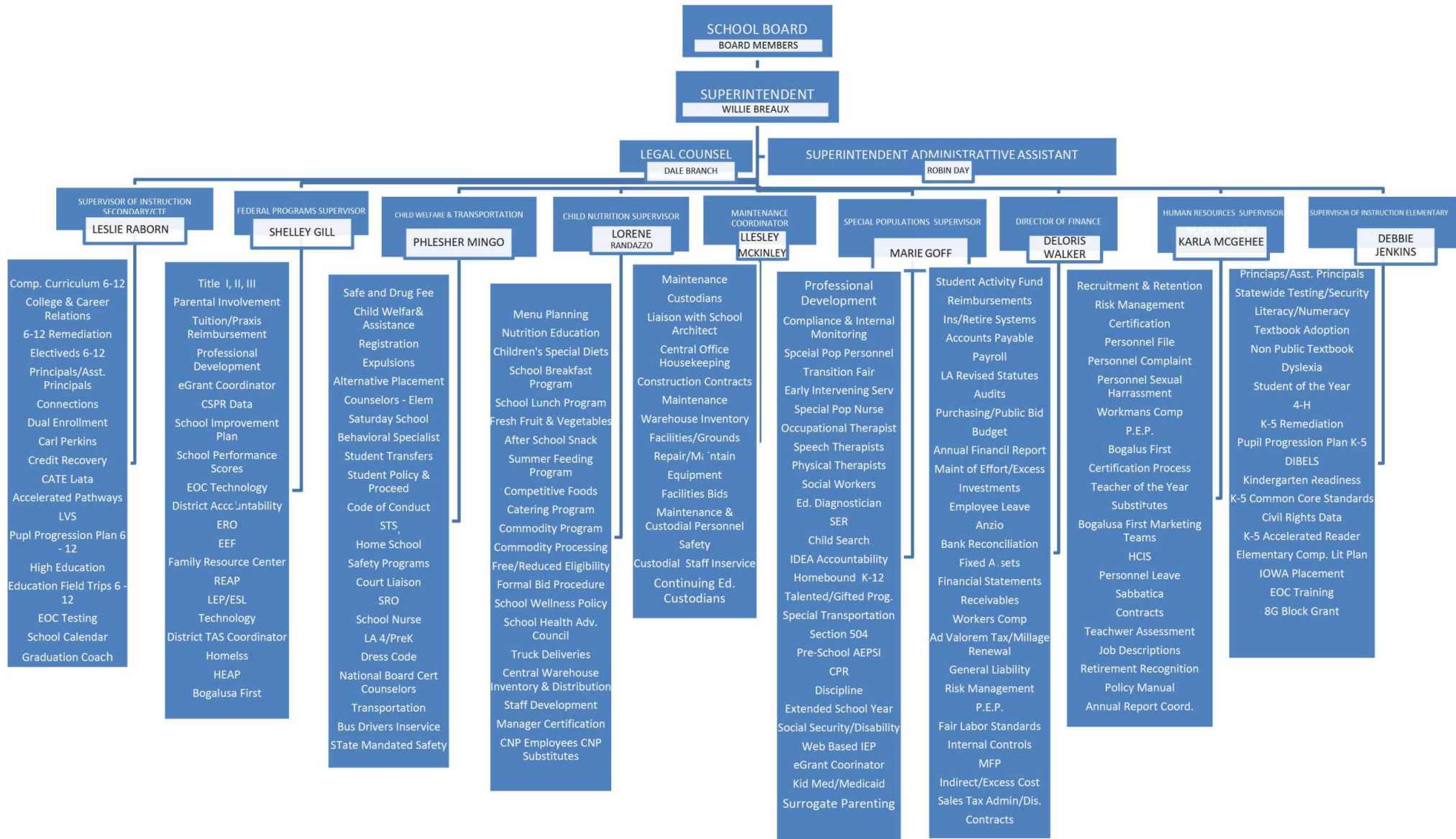
June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO

CITY OF BOGALUSA SCHOOL BOARD

ORGANIZATIONAL CHART



CITY OF BOGALUSA SCHOOL BOARD
LIST OF PRINCIPAL OFFICIALS
For the Year Ended June 30, 2017

BOARD OF EDUCATION

Mr. Curtis Creel	President
Mr. Paul D. Kates	Vice President
Mrs. Eleanor Duke	Member
Mr. Adam Kemp	Member
Mr. Calvin Hymel	Member
Rev. Raymond E. Mims	Member
Dr. Brad Williams	Member

CENTRAL ADMINISTRATION

Lisa Tanner	Superintendent of Schools
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OFFICIAL PREPARING REPORT

Ms. Deloris Walker	Director of Finance
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Members of the
City of Bogalusa School Board
Bogalusa, 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 City of Bogalusa School Board (the "School Board"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress – Other Post-employment Benefits, pension schedules, and Budgetary Comparison Schedules on pages 4 through 15, 65, 66 through 67, and 68 through 71, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual nonmajor fund financial statements, Combining Statement of Changes in Assets and Liabilities – Agency Fund, Schedule of Compensation, and Benefits and Other Payments to Agency Head, Schedule of Compensation Paid to Board Members are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Combining Statement of Changes in Assets and Liabilities – Agency Fund, Schedule of Compensation, Benefits and Other Payments to Agency Head, Schedule of Compensation Paid to Board Members and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, Combining Statement of Changes in Assets and Liabilities – Agency Fund, Schedule of Compensation, Benefits and Other Payments to Agency Head, Schedule of Compensation Paid to Board Members, and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, nonmajor budgetary comparison schedules, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2017 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

December 27, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017

The Management's Discussion and Analysis ("MD&A") of the City of Bogalusa School Board ("School Board") provides an overall review and an objective, easily readable analysis of the School Board's financial activities for the fiscal year ended June 30, 2017. The intent of the MD&A is to look at the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the School Board's Basic Financial Statements and the Notes to the Financial Statements.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's ("GASB") Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for the years ending June 30, 2017 and 2016 include the following:

Net Position amounted to \$(24,940,108) and \$(24,119,516) for the years ended June 30, 2017 and 2016, respectively. Net Position was composed of the following elements at June 30:

	<u>2017</u>	<u>2016</u>
Net investment in capital assets	\$ 2,065,681	\$ 2,314,851
Restricted for:		
Debt service	3,158,690	2,692,147
Unrestricted	<u>(30,164,479)</u>	<u>(29,126,514)</u>
Total Net Position	<u>\$ (24,940,108)</u>	<u>\$ (24,119,516)</u>

Net Position decreased from July 1, 2016 to June 30, 2017 by \$820,592 primarily due to the decrease in funding for the year ended June 30, 2017. The amount "net investment in capital assets," represents the School Board's net book value of its capital assets. It is the accumulation of years of investments in capital projects and capital asset acquisitions. The Restricted for Debt Service portion of net position reflects a balance of \$3,158,690 at June 30, 2017, representing the amount available in the QSCB Reserve and Sinking Debt Service Fund available to service the QSCB bond outstanding.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

As of June 30, 2017 and 2016, total assets amounted to \$12,821,556 and \$13,720,791, respectively, composed of the following items:

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 2,226,081	\$ 2,354,684
Restricted investments	1,781,657	1,781,657
Sales tax receivables	240,591	237,981
Due from other governments	434,332	960,167
Inventory	73,214	71,451
Capital assets (net of accumulated depreciation)	<u>8,065,681</u>	<u>8,314,851</u>
TOTAL ASSETS	<u>\$ 12,821,556</u>	<u>\$ 13,720,791</u>

As of June 30, 2017 and 2016, cash and cash equivalents amounted to \$2,226,081 and \$2,354,684, respectively. The decrease of \$128,603 in cash and cash equivalents occurred primarily due to the School Board receiving less funding during the year ended June 30, 2017 causing the school to use cash to fund operations.

As of June 30, 2017 and 2016, capital assets (net of accumulated depreciation) amounted to \$8,065,681 and \$8,314,851, respectively. Capital assets (net of accumulated depreciation) decreased by \$249,170 due to depreciation expense of \$1,113,079, and capital additions of \$863,909 during the year ended June 30, 2017.

Due from other governments represents federal and state grant monies due at fiscal year-end. Capital assets represent the investment in capital projects over the history of the School Board.

As of June 30, 2017 and 2016, total liabilities amounted to \$38,905,733 and \$37,305,485, respectively, composed of the following items:

	<u>2017</u>	<u>2016</u>
Accounts, salaries, and other payables	\$ 561,435	\$ 351,907
Liabilities due within one year	31,000	40,000
Liabilities due in more than a year	<u>38,313,298</u>	<u>36,913,578</u>
TOTAL LIABILITIES	<u>\$ 38,905,733</u>	<u>\$ 37,305,485</u>

Accounts, salaries, and other payables represent normal year end payables and the accrued summer payroll. The remainder represents compensated absences, capital leases payable, QSCB bond payable, and net post-employment benefit obligation.

The School Board reported deferred outflows of resources related to pension liability of \$5,649,481 and deferred inflows of resources related to pension liability of \$4,505,412 as of June 30, 2017.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

For the years ended June 30, 2017 and 2016, total revenues amounted to \$22,191,077 and \$22,785,834, respectively, composed of the following items:

	<u>2017</u>	<u>2016</u>
Minimum Foundation Program	\$ 8,624,282	\$ 9,782,116
Sales and Use Taxes	2,691,282	2,682,546
Operating Grants	4,212,823	4,317,833
Ad Valorem Taxes	5,240,361	5,154,990
Other Revenue	623,329	848,349
Other Income – Donated Assets	<u>799,000</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 22,191,077</u>	<u>\$ 22,785,834</u>

The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$8,624,282 for the year ended June 30, 2017. The MFP formula establishes a standard of local support for each School Board based on the State average local support relative to each system's capacity to raise local funds.

The School Lunch Program and Title I continue to be the largest federally funded programs with \$1,117,770 and \$1,410,314 in combined grant revenue in fiscal year 2017, respectively.

For the years ended June 30, 2017 and 2016, total expenses amounted to \$23,011,669 and \$23,319,326, respectively, composed of the following items:

	<u>2017</u>	<u>2016</u>
Instruction related expenses	\$ 10,647,502	\$ 10,981,618
Support services	12,313,167	12,217,524
Interest	51,000	51,000
Loss on disposal	<u>-</u>	<u>69,184</u>
TOTAL EXPENSES	<u>\$ 23,011,669</u>	<u>\$ 23,319,326</u>

See Table I on the following page for a detail of the changes in Net Position for the years ended June 30, 2017 and 2016.

Transfers in and transfers out mostly consist of indirect cost allocations from federal awards programs and debt service requirements for the year ended June 30, 2017.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

Table I
Changes in Net Position
Governmental Activities

	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 11,373	\$ 11,070
Operating grants and contributions	4,212,823	4,317,833
General revenues:		
Ad valorem	5,240,361	5,154,990
Sales and use taxes	2,691,282	2,682,546
Minimum Foundation Program	8,624,282	9,782,116
State revenue sharing (unrestricted)	196,515	190,230
Unrestricted investment earnings	46,251	43,716
Other income – donated assets	799,000	-
Miscellaneous	369,190	603,333
Total revenues	<u>22,191,077</u>	<u>22,785,834</u>
Expenses:		
General government		
Instruction:		
Regular programs	6,249,393	6,373,922
Special programs	2,494,137	2,543,247
Vocational programs	296,195	337,221
All other programs	1,607,777	1,727,228
Support services:		
Student services	2,346,101	2,377,743
Instructional staff support	1,624,408	1,847,495
General administration	1,244,189	1,119,576
School administration	1,565,283	1,351,372
Business services	644,931	548,339
Plant services	1,778,892	1,918,843
Student transportation services	1,096,861	1,114,830
Central services	578,442	581,678
Food services	1,426,048	1,345,566
Community service programs	8,012	12,082
Interest	51,000	51,000
Loss on disposal of assets	-	69,184
Total expenses	<u>23,011,669</u>	<u>23,319,326</u>
Decrease in net position	(820,592)	(533,492)
Net position – Beginning	(24,119,516)	(23,839,082)
Restatements	-	253,058
Net position – beginning of year, as restated	<u>(24,119,516)</u>	<u>(23,586,024)</u>
Net position – Ending	<u>\$(24,940,108)</u>	<u>\$(24,119,516)</u>

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

USING THE BASIC FINANCIAL STATEMENTS

The School Board's Basic Financial Statements consist of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a financial whole, i.e., an entire operating entity, its funds, and its fiduciary responsibilities. The "Basic Financial Statements" Section, consisting of the Statement of Net Position and the Statement of Activities provide highly consolidated financial information, and render a government-wide perspective of the School Board's financial condition. The Fund Financial Statements provide the next level of detail and look at the School Board's most significant funds and a total of all other non-major funds.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities (Government-wide)

The Statement of Net Position and the Statement of Activities present an aggregate view of the School Board's finances and a longer-term view of those finances. These statements seek to answer the question, "How did the School Board do financially during the 2016-2017 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

These two statements report the School Board's net position and changes in those assets. By showing the change in net position for the year, the reader may ascertain whether the School Board's financial condition has improved or deteriorated. The causes of the change may be the result of many factors, both financial and non-financial in nature. Non-financial factors which may have an impact on the School Board's financial condition include the School Board's property and sales tax base, student enrollment, facility conditions, required educational programs for which little or no funding is provided, or other external factors.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The analysis of the School Board's major funds provides more in-depth reporting of the School Board's financial position and the results of operations. Fund basis financial information is presented in the "Fund Financial Statements" Section. The School Board uses many funds to account for the numerous funding sources provided annually. However, the Fund Financial Statements look at the School Board's most significant funds with all non-major funds presented in total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

Fund Financial Statements provide more in-depth data on the School Board's most significant funds, such as its General Fund. This fund is considered a "major fund" under GASB Statement No. 34.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

Governmental Funds - Most of the School Board's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end and the amount available for spending in future periods.

These funds 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 relationship between governmental activities reported in the Government-wide Financial Statements and the governmental funds reported in the Fund Financial Statements are reconciled in the financial statements.

Statement of Fiduciary Net Position - This statement presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust.

Governmental Activities

As reported in the Statement of Activities, the cost of the School Board's governmental activities for the year ended June 30, 2017 was \$23,011,669. The Statement of Activities reports the cost of program services and the charges and grants offsetting some of those services. Grants of \$4,212,823 subsidized certain programs, and charges for services for school lunches were the only contributor of charges for services totaling \$11,373. The remaining amount was financed by the taxpayers in the Parish through ad valorem and sales and use taxes totaling \$7,931,643 and \$196,515 in State Revenue Sharing. The Minimum Foundation Program (MFP) from the State of Louisiana funded \$8,624,282 and other general revenues contributed the remainder. In Table II, shown on the following page, the costs of the School Board's largest categories of expenses are presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the School Board's taxpayers to determine the remaining cost of the various categories, and also allows them the opportunity to assess the cost of each function in comparison to the benefits they believe are provided by the function. The net cost also reflects the amount needed to finance these functions from general sources such as taxes and the MFP.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

Table II
Total and Net Cost of Governmental Activities
For the Year Ended June 30, 2017

	<u>Total Cost of Services</u>	<u>Net (Cost of) Services</u>
Governmental activities:		
Instruction:		
Regular programs	\$ 6,249,393	\$ (6,234,680)
Special programs	2,494,137	(2,019,689)
Vocational programs	296,195	(272,563)
All other programs	1,607,777	325,978
Support services:		
Student services	2,346,101	(2,189,867)
Instructional staff support	1,624,408	(1,217,772)
General administration	1,244,189	(1,244,189)
School administration	1,565,283	(1,565,283)
Business services	644,931	(644,931)
Plant services	1,778,892	(1,778,892)
Student transportation services	1,096,861	(1,096,861)
Central services	578,442	(553,634)
Food services	1,426,048	(236,078)
Community service programs	8,012	(8,012)
Interest	<u>51,000</u>	<u>(51,000)</u>
Total Governmental Activities	<u>\$ 23,011,669</u>	<u>\$(18,787,473)</u>

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

Total and Net Cost of Governmental Activities
For the Year Ended June 30, 2016

	<u>Total Cost of Services</u>	<u>Net (Cost of) Services</u>
Governmental activities:		
Instruction:		
Regular programs	\$ 6,373,922	\$ (6,357,523)
Special programs	2,543,247	(1,973,197)
Vocational programs	337,221	(309,720)
All other programs	1,727,228	146,746
Support services:		
Student services	2,377,743	(2,211,276)
Instructional staff support	1,847,495	(1,346,465)
General administration	1,119,576	(1,119,576)
School administration	1,351,372	(1,351,372)
Business services	548,339	(548,339)
Plant services	1,918,843	(1,918,843)
Student transportation services	1,114,830	(1,114,830)
Central services	581,678	(554,933)
Food services	1,345,566	(198,829)
Community service programs	12,082	(12,082)
Interest	51,000	(51,000)
Loss on disposal	<u>69,184</u>	<u>(69,184)</u>
 Total Governmental Activities	 <u>\$ 23,319,326</u>	 <u>\$(18,990,423)</u>

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and permit measurement in the short term of the revenues and expenditures of a particular activity or purpose (e.g., dedicated taxes and grant programs). The Fund Financial Statements allow the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial management of the School Board and assess further the School Board's overall financial stability.

Along with the General Fund, the Special Education – Title I and the QSCB Reserve/Sinking Debt Service funds are considered major funds of the School Board.

For the fiscal year ended June 30, 2017, the General Fund reported \$17,090,804 in total revenues, as compared to \$18,398,572 for the fiscal year ended June 30, 2016. The decrease can be primarily attributed to the decrease in Minimum Foundation Program revenue.

For the fiscal year ended June 30, 2017, the Title I fund reported \$1,410,314 in total revenues, as compared to \$1,362,202 for the fiscal year ended June 30, 2016. The total increase in revenues

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

was due to an increase in federal funding. In addition, Title I had total expenditures of \$1,253,754 for the fiscal year ended June 30, 2017 as compared to \$1,213,098 during the fiscal year ended June 30, 2016. The total increase in expenditures was also due to an increase in federal funding.

For the fiscal year ended June 30, 2017, the QSCB Reserve/Sinking Debt Service fund reported \$37,972 in total revenues, as compared to \$31,203 for the fiscal year ended June 30, 2016. The revenue of \$37,972 is exclusively from interest earnings on cash balances maintained during the year. In addition, the QSCB Reserve/Sinking Debt Service fund had total expenditures of \$51,000 for the fiscal years ended June 30, 2017 and 2016 related to interest and bank charges.

As the School Board completed the fiscal year ended June 30, 2017, its combined fund balance was \$4,194,440 as compared to a combined fund balance of \$5,054,033 as of June 30, 2016. The total decrease in fund balance was primarily due to the decrease in the School Board's MFP funding caused by continued decline in enrollment.

General Fund Budgetary Highlights

The School Board's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The original budget for the School Board was adopted in August 2016 and the final amended budget was adopted in June 2017. A statement showing the School Board's original and final budget compared with actual operating results is provided in this financial report. The General Fund's actual revenues were less than projected revenues by \$50,341 due to a decrease in MFP funding than budgeted. Total expenditures were less than projected expenditures by \$83,754.

Significant variations between the original budget and the final budget for the General Fund are as follows:

Original and Final Amended Budget Comparison
June 30, 2017

	Original Budget	Final Budget	Difference
Total Revenues	\$ 18,254,666	\$ 17,141,145	\$ (1,113,521)
Total Expenditures	(17,152,777)	(17,917,250)	(764,473)
Other Financing Sources	(698,820)	(559,254)	139,566
Net Change in Fund Balance	<u>\$ 403,069</u>	<u>\$ (1,335,359)</u>	<u>\$ (1,738,428)</u>

The School Board's final budgeted revenues decreased by \$1,113,521 primarily due to a charter school, authorized by BESE, that opened in the City of Bogalusa in August 2013. This charter school attributed to the loss of approximately 135 students for the 2016 – 2017 school year, which resulted in the School Board losing a portion of its MFP funding.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

A comparison of actual results as of June 30, 2017 and the final amended budget for the General Fund are as follows:

Final Budget Comparison
June 30, 2017

	Final Budget	Actual	Difference
Total Revenues	\$ 17,141,145	\$ 17,090,804	\$ (50,341)
Total Expenditures	(17,917,250)	(17,833,496)	83,754
Other Financing Sources, net	(559,254)	(586,096)	(26,842)
Net Change in Fund Balance	<u>\$ (1,335,359)</u>	<u>\$ (1,328,788)</u>	<u>\$ 6,571</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the School Board had \$8,065,681 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment.

	Capital Assets at June 30,	
	2017	2016
Land	\$ 185,626	\$ 185,626
Buildings and improvements	23,907,317	23,053,648
Furniture and equipment	2,194,166	2,214,756
Total	<u>\$ 26,287,109</u>	<u>\$ 25,454,030</u>

More detailed information on capital assets is included in Note E of the basic financial statements.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

Debt Administration

As of June 30, 2017, the School Board had \$6,412,581 in long-term debt outstanding, of which \$31,000 is due within one year. The increase of \$20,998 can be attributed to an increase in compensated absences.

The following table presents a summary of the outstanding long-term obligations for the fiscal year ended June 30:

	<u>2017</u>	<u>2016</u>
QSCB Bonds	\$ 6,000,000	\$ 6,000,000
Compensated Absences	412,581	391,583
Net Pension Liability	29,025,208	28,241,926
OPEB Obligation	<u>2,906,509</u>	<u>2,320,069</u>
Total	<u>\$ 38,344,298</u>	<u>\$ 36,953,578</u>

Additional information on long-term debt can be found in Note H of the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The School Board and the Superintendent will continue to monitor its 2017-2018 Budget closely to evaluate the need for any adjustments to the School Board's budget. The School Board also will be monitoring the economic condition of the Parish.

The future collections of ad valorem and sales taxes will be closely monitored based on the current local economic conditions.

One of the major concerns of the School Board is tied in large measure to the Minimum Foundation Program (MFP). Any loss of student population will put pressure on the General Fund through a reduction in MFP revenues to maintain current levels of operations.

The North Shore Charter School opened August 2013 and currently has approximately 620 students as a Charter School Type 2 with open enrollment for grades kindergarten through twelve. The Charter is located within the City of Bogalusa. The North Shore Charter School's enrollment has resulted in the loss of approximately \$1.9 million in MFP funds to the School Board for fiscal year 2017.

The School Board closed four (4) of its eight (8) schools for the 2013 – 2014 school year. The School Board will close Denhamtown Elementary effective for the 2017 – 2018 school year, due to the decrease in student enrollment. The School Board plans to have three of the closed schools appraised at their fair market value for the possibility of selling these properties, though no final decision has yet been made.

CITY OF BOGALUSA SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2017

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

While this financial report is designed to provide full and complete disclosure of the financial condition and operations of the School Board, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Bogalusa City School Board, 1705 Sullivan Dr., Bogalusa, LA 70427, or by calling (985) 281-2100 during regular office hours, Monday through Friday, 8:00 a.m. to 4:00 p.m., Central Standard Time, or e-mail at deloriswalker@bogalusaschools.org.

BASIC FINANCIAL STATEMENTS

CITY OF BOGALUSA SCHOOL BOARD
STATEMENT OF NET POSITION
June 30, 2017

ASSETS

Cash and cash equivalents	\$ 2,226,081
Sales tax receivable	240,591
Due from other governments	434,332
Inventory	73,214
Restricted investments	1,781,657
Capital assets not being depreciated	185,626
Capital assets being depreciated, net	<u>7,880,055</u>
 Total Assets	 <u>12,821,556</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts related to pension liability	<u>5,649,481</u>
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LIABILITIES

Accounts, salaries, and other payables	561,435
Long-term liabilities:	
Due within one year	31,000
Due in more than one year	<u>38,313,298</u>
 Total Liabilities	 <u>38,905,733</u>

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to pension liability	<u>4,505,412</u>
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NET POSITION

Net investment in capital assets	2,065,681
Restricted for:	
Debt service	3,158,690
Unrestricted	<u>(30,164,479)</u>
 Total Net Position	 <u><u>\$ (24,940,108)</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BOGALUSA SCHOOL BOARD
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Governmental activities:				
Instruction:				
Regular programs	\$ 6,249,393	\$ -	\$ 14,713	\$ (6,234,680)
Special programs	2,494,137	-	474,448	(2,019,689)
Vocational programs	296,195	-	23,632	(272,563)
All other programs	1,607,777	-	1,933,755	325,978
Support services:				
Student services	2,346,101	-	156,234	(2,189,867)
Instructional staff support	1,624,408	-	406,636	(1,217,772)
General administration	1,244,189	-	-	(1,244,189)
School administration	1,565,283	-	-	(1,565,283)
Business services	644,931	-	-	(644,931)
Plant services	1,778,892	-	-	(1,778,892)
Student transportation services	1,096,861	-	-	(1,096,861)
Central services	578,442	-	24,808	(553,634)
Food services	1,426,048	11,373	1,178,597	(236,078)
Community service programs	8,012	-	-	(8,012)
Interest expense	51,000	-	-	(51,000)
 Total Governmental Activities	 \$ 23,011,669	 \$ 11,373	 \$ 4,212,823	 (18,787,473)
 Taxes:				
Ad valorem				5,240,361
Sales and use taxes				2,691,282
Grants and contributions not restricted to specific purposes:				
Minimum foundation program				8,624,282
State revenue sharing (unrestricted)				196,515
Unrestricted investment earnings				46,251
Other income - donated assets				799,000
Miscellaneous				369,190
 Total general revenues				 17,966,881
 Change in net position				 (820,592)
 Net position - beginning of year				 (24,119,516)
 Net position - June 30, 2017				 \$ (24,940,108)

The accompanying notes are an integral part of these financial statements.

CITY OF BOGALUSA SCHOOL BOARD
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2017

	General Fund	Special Revenue Fund Title I	QSCB Reserve/ Sinking Debt Service	Other Governmental Funds	TOTAL
ASSETS					
Cash and cash equivalents	\$ 801,271	\$ -	\$ 1,377,034	\$ 47,776	\$ 2,226,081
Sales tax receivable	240,591	-	-	-	240,591
Due from other governments	43,513	198,692	-	192,127	434,332
Due from other funds	456,786	-	-	32,842	489,628
Inventory	-	-	-	73,214	73,214
Restricted investments	-	-	1,781,657	-	1,781,657
TOTAL ASSETS	\$ 1,542,161	\$ 198,692	\$ 3,158,691	\$ 345,959	\$ 5,245,503
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	\$ 550,548	\$ 4,113	\$ -	\$ 6,774	\$ 561,435
Due to other funds	32,842	194,579	-	262,207	489,628
Total Liabilities	583,390	198,692	-	268,981	1,051,063
Fund Balances:					
Nonspendable	-	-	-	73,214	73,214
Restricted	-	-	3,158,691	3,764	3,162,455
Committed	188,058	-	-	-	188,058
Unassigned	770,713	-	-	-	770,713
Total Fund Balances	958,771	-	3,158,691	76,978	4,194,440
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,542,161	\$ 198,692	\$ 3,158,691	\$ 345,959	\$ 5,245,503

The accompanying notes are an integral part of these financial statements.

CITY OF BOGALUSA SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2017

Total Fund Balances at June 30, 2017 - Governmental Funds		\$ 4,194,440
Cost of capital assets at June 30, 2017	\$ 26,287,109	
Less - accumulated depreciation as of June 30, 2017:		
Buildings and improvements	(16,176,135)	
Furniture and equipment	(2,045,293)	
	<u>8,065,681</u>	
Contributions to the pension plan in the current fiscal year and other pension related deferrals are deferred outflows of resources on the Statement of Net Position		5,649,481
Pension related deferrals are deferred inflows of resources on the Statement of Net Position		(4,505,412)
Long-term liabilities at June 30, 2017:		
Compensated absences		(412,581)
QSCB bond payable		(6,000,000)
Net pension liability		(29,025,208)
Net other post-employment benefit (OPEB) obligation		<u>(2,906,509)</u>
Net Position at June 30, 2017		<u><u>\$ (24,940,108)</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BOGALUSA SCHOOL BOARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2017

	General Fund	Special Revenue Fund Title I	QSCB Reserve/ Sinking Debt Service	Other Governmental Funds	TOTAL
REVENUES					
Local Sources:					
Taxes:					
Ad valorem	\$ 5,240,361	\$ -	\$ -	\$ -	\$ 5,240,361
Sales and use	2,691,282	-	-	-	2,691,282
Interest earnings	8,137	-	37,972	142	46,251
Charges for services	-	-	-	11,373	11,373
Other	122,805	-	-	16,084	138,889
Total Local Sources	8,062,585	-	37,972	27,599	8,128,156
State Sources:					
Minimum Foundation Program	8,585,629	-	-	38,653	8,624,282
State Revenue Sharing	196,515	-	-	-	196,515
Other	105,174	-	-	463,566	568,740
Total State Sources	8,887,318	-	-	502,219	9,389,537
Federal Sources	140,901	1,410,314	-	2,237,047	3,788,262
Total Revenues	17,090,804	1,410,314	37,972	2,766,865	21,305,955
EXPENDITURES					
Current:					
Instruction:					
Regular programs	5,975,011	-	-	50,163	6,025,174
Special programs	2,381,096	-	-	27,718	2,408,814
Vocational programs	266,216	-	-	18,708	284,924
All other programs	675,812	452,919	-	426,408	1,555,139
Support services:					
Student services	1,395,931	225,381	-	647,130	2,268,442
Instructional staff support	730,864	413,378	-	418,190	1,562,432
General administration	1,167,008	-	-	-	1,167,008
School administration	1,506,004	-	-	3,340	1,509,344
Business services	614,306	-	-	-	614,306
Plant services	1,683,224	-	-	1,214	1,684,438
Student transportation services	1,042,530	-	-	103	1,042,633
Central services	322,842	162,076	-	78,593	563,511
School food services	305	-	-	1,355,731	1,356,036
Community service programs	7,438	-	-	-	7,438
Capital outlays	64,909	-	-	-	64,909
Debt service:					
Interest and bank charges	-	-	51,000	-	51,000
Total Expenditures	17,833,496	1,253,754	51,000	3,027,298	22,165,548
(Continued)					

The accompanying notes are an integral part of these financial statements.

**CITY OF BOGALUSA SCHOOL BOARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2017**

	General Fund	Special Revenue Fund Title I	QSCB Reserve/ Sinking Debt Service	Other Governmental Funds	TOTAL
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (742,692)</u>	<u>\$ 156,560</u>	<u>\$ (13,028)</u>	<u>\$ (260,433)</u>	<u>\$ (859,593)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	269,377	-	479,571	383,619	1,132,567
Transfers out	<u>(855,473)</u>	<u>(156,560)</u>	<u>-</u>	<u>(120,534)</u>	<u>(1,132,567)</u>
Total Other Financing Sources (Uses)	<u>(586,096)</u>	<u>(156,560)</u>	<u>479,571</u>	<u>263,085</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(1,328,788)	-	466,543	2,652	(859,593)
FUND BALANCES - Beginning	<u>2,287,559</u>	<u>-</u>	<u>2,692,148</u>	<u>74,326</u>	<u>5,054,033</u>
FUND BALANCES - Ending	<u>\$ 958,771</u>	<u>\$ -</u>	<u>\$ 3,158,691</u>	<u>\$ 76,978</u>	<u>\$ 4,194,440</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BOGALUSA SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Total net change in fund balances - governmental funds \$ (859,593)

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:

Depreciation expense	\$ (1,113,079)	
Capital outlays	64,909	
Dontated assets	<u>799,000</u>	(249,170)

In the Statement of Activities, certain pension-related inflows and outflows of resources are recognized in the current year, while others are deferred. The net effect of these pension-related transactions are as follows:

Current year pension (expense) per the retirement system	(3,072,214)	
Current year amortization of certain deferred inflows and outflows	1,041,838	
Deferral of current year pension contributions made by employer.	2,839,863	
Recognition of on-behalf payments made to pension plan by non-employer entities	86,122	

Some activity reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in net OPEB obligation		(586,440)
---------------------------------	--	-----------

In the Statement of Activities, compensated absences 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 (amounts actually paid). Compensated absences earned exceeded the amounts used by:

		<u>(20,998)</u>
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Change in net position of governmental activities		<u><u>\$ (820,592)</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BOGALUSA SCHOOL BOARD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
June 30, 2017

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	<u>\$ 44,464</u>
TOTAL ASSETS	<u>\$ 44,464</u>
LIABILITIES	
Deposits due others	<u>\$ 44,464</u>
TOTAL LIABILITIES	<u>\$ 44,464</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bogalusa School Board (the “School Board”) is an independent special district created for the purpose of providing elementary and secondary education to the citizens of Bogalusa, Louisiana. The School Board is governed by an elected board comprised of seven members.

The following is a summary of the School Board’s significant accounting policies which conform to generally accepted accounting principles as applicable to governmental units:

Reporting Entity - In conformity with the Governmental Accounting Standards Board’s definition of a reporting entity, the basic financial statements of the School Board include the accounts of all School Board operations. The School Board is considered a stand-alone reporting entity based on the following criteria:

- a. *Responsibility for surpluses/deficits.* The School Board is solely responsible for its surpluses/deficits. No other governmental unit is responsible for its deficits or has a claim to its surpluses.
- b. *Budget Approval.* The School Board is solely responsible for reviewing, approving and revising its budget.
- c. *Responsibility for Debt.* The School Board is authorized to issue bonds. The School Board is solely responsible for payments to the bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the School Board.
- d. *Designation of Management.* The School Board controls the hiring of management and employees.
- e. *Special Financial Relationship.* The School Board has no special financial relationships with any other governmental unit.
- f. *Statutory Authority.* The School Board’s statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to state statutes can change or abolish the School Board’s authority.

Additionally, the School Board is a legally separate governmental organization that has a separately elected governing body and does not meet the definition of a component unit.

The School Board operates 4 schools within the City with a total enrollment of approximately 1,505 pupils. In conjunction with the regular education 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.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accompanying financial statements of the School Board have been prepared in conformity with generally accepted accounting principles (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.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. The School Board members, who are elected by the public, have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. Certain units of local government, over which the School Board exercises no financial accountability, such as other independently elected Parish officials and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity and does not have any component units which require inclusion in the basic financial statements.

Basis of Presentation - Fund Accounting - The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the School Board:

Governmental Funds

Governmental funds account for all or most of the School Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental funds:

General Fund - to account for all financial resources and expenditures except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Of the special revenue funds, the Title I Fund is considered to be a major fund.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title I Fund

The Title I Fund is a federally financed program that enables schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging state and local content standards and to meet the challenging state and local performance standards developed for all children.

Debt Service Funds – The Debt Service Funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

QSCB Reserve/Sinking Fund - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus.

Fiduciary Fund Types

The Fiduciary Fund is used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains one fiduciary fund type, an agency fund. An 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.

Agency Fund - to account for assets held by the School Board as an agent for separate school funds used at the individual schools' discretion.

Measurement Focus/Basis of Accounting

Government-wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities - Agency Funds. The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities derive directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Internal Activities

All internal activities and inter-fund transactions, except inter-fund services provided and used, are eliminated in the Government-Wide Financial Statements.

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. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation schedule with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 School Board considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments 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. The governmental funds use the following practices in recording revenues and expenditures:

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure-driven federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred. Revenues from local sources consist primarily of sales, use and property taxes. Year-end accrual of sales and use tax revenue is based upon June and prior months' sales and use taxes collected during July and August of the following year. Property tax revenues and revenues received from the State of Louisiana (the "State") are recognized as revenue primarily when received except at year end when they are accrued for a period not exceeding 60 days. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Generally, investment earnings are recorded as earned since they are measurable and available. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant.

Expenditures

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees; (2) general long-term obligations principal and interest payments are recognized when due. Commitments under construction contracts are recognized as expenditures when earned by the contractor. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. The cost of earned leave privileges not requiring current resources is not recorded in the FFS but is recorded in the GWFS as long-term liabilities.

Budget and Budgetary Accounting - Under Louisiana Revised Statute (LA R.S.) 39:1304, the School Board adopts an annual budget of expected revenues and probable expenditures for the General Fund and Special Revenue Funds. The budgetary process includes public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. The budget is adopted and submitted to the State Department of Education no later than September 15th each year. Once a budget is approved by the State Department of Education, it can be amended at the fund level at the discretion of management unless it becomes evident that receipts or disbursements will vary substantially from those budgeted. Then, the School Board shall prepare and adopt an amended budget. During the year, several discretionary amendments were necessary. Generally, such discretionary amendments were of an insignificant nature.

Budgetary control is exercised at the fund level. Budgeted amounts reflected in the accompanying basic financial statements were adopted by the School Board in September 2016 and include amendments made through June 2017.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - Cash and cash equivalents include all short-term, highly liquid investments (including certificates of deposit) with original maturity of three months or less when purchased.

Investments – LA R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or US government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book-entry-only securities guaranteed by the US government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions, and certain mutual or trust fund institutions.

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board Statement (GASB) No. 31 “Accounting and Financial Reporting for Certain Investments and for External Investment Pools”.

Due from Other Governments – Due from other governments consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

Interfund Transactions - During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as interfund receivables or interfund payables on the balance sheet.

Inventory - The Food Service Fund inventory consists of purchased food and supplies and commodities received as donations through the federal school lunch program. Such inventory is priced at cost (except for commodities received as donations which are priced using the USDA price list for commodities) on a first-in, first-out basis. The commodities are recorded as revenues when received. However, all inventory consumed is recorded as commodities expenditures (consumption method).

Capital Assets - Capital assets that are purchased are recorded at cost or estimated historical cost. Actual historical cost data was not available for certain assets acquired prior to June 30, 1989. In those cases where it was not feasible to determine the actual cost, the assets were valued at estimated historical cost. Capital assets which are donated are recorded at their fair market value on the date received.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. All capital assets with an original cost of \$5,000 or greater, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	15-30 years
Furniture and equipment	5-15 years

Compensated Absences

- A. Vacation and Sick Leave - All full-time employees of the School Board are permitted to accrue vacation days (annual leave) and sick pay (sick leave). Annual leave can be accumulated up to a maximum of 15 days at the end of each fiscal year. Sick leave may accrue up to an unlimited number of days. Upon retirement of employment, the employee is paid for all accrued sick leave up to a maximum of 25 days. The term “expendable available financial resources” as used in this context means unassigned fund balance. The remainder of the accrued liability which is applicable to governmental fund types is reported in the GWFS as a long-term liability. Only that portion of accumulated sick leave which is vested is accrued.
- B. Sabbatical Leave - Any employee with a teaching certificate is entitled, subject to approval, to one semester of sabbatical leave after three or more years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leaves may be granted for rest and recuperation or professional and cultural improvement and must be approved by the School Board. Unused sabbatical leave may be carried forward to periods subsequent to that in which it is earned. Sabbatical leave does not vest. Sabbatical leave benefits are recorded as expenditures in the period paid.

The cost of current leave privileges is recognized as current-year expenditures in the governmental funds when leave is actually taken or when an employee (heir) is paid for accrued leave upon retirement or death. The compensated absence liability is reported on the GWFS.

Compensated absences are recognized as expenditures in the governmental funds in the year claimed. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences, as well as other long-term debt, are normally liquidated by the General Fund.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Position

For the GWFS Statement of Net Position, net position is reported as restricted when constraints placed on net position used are either:

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

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the School Board is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the School Board to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board's highest level of decision making authority which includes resolutions of the School Board. These committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action (resolution) it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. (The authority for assigning fund balance for a specific purpose is expressed by the School Board as established in the School Board's Fund Balance Policy.)

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the School Board's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial 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 and so will not be recognized as an expense or expenditure until then. The School Board has one item that meets this criterion, pension-related deferrals. In addition to liabilities, the statement of financial 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 and so will not be recognized as revenue until then. The School Board has one item that meets the criterion for this category, pension-related deferrals.

Pensions

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 positions of the Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employee Retirement System (LSERS), Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from TRSL's, LSERS', and LASERS' fiduciary net positions have been determined on the same basis as they are reported by TRSL, LSERS, and LASERS. 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.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Financial Accounting Standards

The following statement recently issued and adopted by the GASB impacted the School Board's financial statements:

In June 2015, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 77, Tax Abatement Disclosures. This pronouncement defines and provides disclosure for governments that have granted tax abatements. Adoption of this statement for the year ended June 30, 2017 resulted in additional note disclosures for tax abatements in Note Q.

In March 2016, the GASB issued Statement No. 82 – Pension Issues-an amendment of GASB 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. This standard is effective for periods beginning after June 15, 2016. The School Board implemented early adoption of this statement for the year ended June 30, 2017, which did not result in a material impact on its financial statements.

Future Accounting Pronouncement

In June 2015, the GASB issued Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. The standard is effective for the year ended June 30, 2018 and the School Board is currently assessing its impact, if any.

In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The standard is effective for the year ended June 30, 2018 and the School Board is currently assessing its impact, if any.

In March 2017, the GASB issued Statement No. 85 – Omnibus 2017 - The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The standard is effective for the year ended June 30, 2018 and the School Board is currently assessing its impact, if any.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In June 2017, the GASB issued Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The standard is effective for the year ending June 31, 2021 and the School Board is currently assessing its impact, if any.

Subsequent Events

The School Board has evaluated subsequent events through December 27, 2017, and identified the following subsequent event to be disclosed:

The School Board closed Denhamtown Elementary effective the 2017 – 2018 school year due to a decrease in student enrollment.

NOTE B – CASH AND INVESTMENTS

Deposits - 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 state law and national banks having their principal offices in Louisiana. In accordance with Louisiana Statutes, the School Board maintains deposits at those depository banks authorized by the School Board. All such depositories are members of the Federal Reserve System.

Louisiana Statutes require that all School Board deposits be protected by insurance or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by insurance.

Cash and Cash Equivalents

At June 30, 2017, the School Board had cash and cash equivalents as follows:

Bank accounts as reported on the
Statement of Net Position:

\$ 2,226,081

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE B – CASH AND INVESTMENTS (CONTINUED)

securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

At year-end, the bank balance deposits totaled: \$ 2,960,823

The bank balance is categorized as follows:

Amount insured by the FDIC, or
collateralized with securities held
by the School Board's agent in the
School Board's name: \$ 2,960,823

The School Board does not have a deposit policy for custodial credit risk.

Restricted Investments

Annually, the School Board transfers cash into the Debt Service fund in accordance with the bond agreement. These funds will then be invested to the extent possible per the bond agreement. Interest earned on invested cash will be used to lower amount of cash that will be transferred into the Debt Service Fund to satisfy the bond agreement.

The School Board invests idle funds as authorized by Louisiana Statutes in direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States. The investments are in the name of the School Board and are held in the Trust Department of a custodial bank. As of June 30, 2017, these investments were not rated.

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The School Board's debt securities in state and local governments are valued using quoted prices for similar securities in active markets (Level 2 inputs).

The School Board's measurements of fair value are made on a recurring basis and their valuation techniques for assets and liabilities recorded at fair value on June 30, 2016 are as follows:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities in state and local governments	<u>\$ -</u>	<u>\$ 1,781,657</u>	<u>\$ -</u>	<u>\$ 1,781,657</u>

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE B – CASH AND INVESTMENTS (CONTINUED)

At June 30, 2017, the School Board had the following restricted investments:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	Greater than 10
Debt securities in state and local governments	\$ 1,781,657	\$ -	\$ -	\$ 1,781,657	\$ -

Concentration of credit risk is the risk of exposure to an individual issuer or security. The School Board's investment policy does not restrict the maximum amounts that can be invested in any one investment vehicle, maturity, issuer or class of security.

Interest rate risk is the risk that an investment's value will change due to a change in market rates. The School Board's investment policy limits investments to three years, unless otherwise approved by the Board, as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE C – RECEIVABLES

The receivables at June 30, 2017, are as follows:

	General Fund	Title I Fund	Non-Major Funds	Total
Federal	\$ 43,513	\$ 198,692	\$ -	\$ 242,205
State	-	-	192,127	192,127
Sales tax	240,591	-	-	240,591
Total	\$ 284,104	\$ 198,692	\$ 192,127	\$ 674,923

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE D – INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES

Interfund transfers for the year ended June 30, 2017 are as follows:

Transfer Out:	Transfer In:			
	General Fund	QSCB Reserve/ Sinking	Non-major Funds	Total
Governmental Activities:				
General Fund	\$ -	\$ 479,571	\$ 375,902	\$ 855,473
Title I	156,560	-	-	156,560
Non-major Funds	112,817	-	7,717	120,534
Total	\$ 269,377	\$ 479,571	\$ 383,619	\$1,132,567

During the course of normal operations and in order to support the numerous functions of the School Board, transactions between funds may occur. Transfers are most commonly made for debt service and grant activities.

Individual balances due from/to other funds at June 30, 2017 are as follows:

Due to:	Due from:		
	General Fund	Non-major Funds	Total
Governmental Activities:			
General Fund	\$ -	\$ 32,842	\$ 32,842
Title I	194,579	-	194,579
Non-major Funds	262,207	-	262,207
Total	\$ 456,786	\$ 32,842	\$ 489,628

The above balances represent short-term receivables and payables incurred in the normal course of the School Board's operations.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE E – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance, June 30, 2016	Additions	Deletions	Balance, June 30, 2017
Capital assets not being depreciated:				
Land	\$ 185,626	\$ -	\$ -	\$ 185,626
Capital assets being depreciated:				
Buildings and improvements	23,053,648	853,669	-	23,907,317
Furniture and Equipment	2,214,756	10,240	(30,830)	2,194,166
Total capital assets being depreciated	25,268,404	863,909	(30,830)	26,101,483
Less accumulated depreciation:				
Building and improvements	15,163,135	1,013,000	-	16,176,135
Furniture and equipment	1,976,044	100,079	(30,830)	2,045,293
Total accumulated depreciation	17,139,179	1,113,079	(30,830)	18,221,428
Net, capital assets being depreciated	8,129,225	(249,170)	-	7,880,055
Capital assets, net	\$ 8,314,851	\$(249,170)	\$ -	\$ 8,065,681

During the year ending June 30, 2017, the Washington Parish Government approved \$799,000 of federal grant funding to be used in hardening and retrofitting designed School Board buildings to protect such schools from storms and hurricane winds. This donation is recorded as an addition to capital assets ("Buildings and improvements") on the government-wide financial statements as of June 30, 2017.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE E – CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$1,071,413 for the year ended June 30, 2017, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 304,544
Special Education	121,754
Vocational Education	14,402
Other Educational Programs	78,605
Support Services:	
Student Services	114,659
Instructional Staff Support	78,974
General Administration	58,987
School Administration	76,290
Business Services	31,050
Plant Services	85,140
Student Transportation	52,700
Central Services	27,057
School Food Services	68,541
Community Services	<u>376</u>
Total	<u>\$ 1,113,079</u>

NOTE F – SALES AND USE TAX

For the year ended June 30, 2017, a one cent local sales and use tax was levied and collected within Washington Parish by the Washington Parish Sheriff's Office of which 10% was received by the School Board. The sales tax proceeds are to be used exclusively to supplement other revenues for payroll related expenditures of the School Board.

NOTE G – SALARIES AND OTHER PAYABLES

Payables at June 30, 2017 are as follows:

	General Fund	Title I	Non- major Funds	Total
Accounts payable	\$ 14,118	\$ 4,113	\$ 6,774	\$ 25,005
Salaries and withholdings	536,430	-	-	536,430
Total	<u>\$ 550,548</u>	<u>\$ 4,113</u>	<u>\$ 6,774</u>	<u>\$ 561,435</u>

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE H – LONG-TERM OBLIGATIONS

The following schedule shows the details of the debt outstanding at June 30, 2017 and the total future interest due:

	<u>Date of Issuance</u>	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest Maturity</u>
QSCB Series 2011	12/15/2011	<u>\$6,000,000</u>	.085%	6/1/2025	<u>\$6,000,000</u>	<u>\$459,000</u>
Total		<u>\$6,000,000</u>			<u>\$6,000,000</u>	<u>\$459,000</u>

On November 16, 2011, the Issuer authorized the School Board to incur debt and the issuance of \$6,000,000 of Revenue Bonds, (taxable QSCB), Series 2011, for the purpose of construction, rehabilitation or repair of public school facilities, including equipping of school facilities improved with bond proceeds, and paying the costs of the issuance of the bonds. The bonds are secured by and payable from an irrevocable pledge and dedication of the excess of annual revenue through the date of maturity. At June 30, 2017, there was \$3,158,691 available in the debt service fund for servicing these bonds. This bond was issued at par value.

The annual debt service requirements to amortize all of the School Board's outstanding debt as of June 30, 2017 are as follows:

<u>Years Ending June 30,</u>	<u>Principal Portion</u>	<u>Interest Portion</u>	<u>Total</u>
2018	\$ -	\$ 51,000	\$ 51,000
2019	-	51,000	51,000
2020	-	51,000	51,000
2021	-	51,000	51,000
2022	-	51,000	51,000
2023-2025	<u>6,000,000</u>	<u>204,000</u>	<u>6,204,000</u>
Total	<u>\$ 6,000,000</u>	<u>\$ 459,000</u>	<u>\$ 6,459,000</u>

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE H –LONG-TERM OBLIGATIONS (CONTINUED)

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

	Balance June 30, 2016	Additions	Payments/ Adjustments	Balance June 30, 2017	Due within one year
Compensated absences	\$ 391,583	\$ 888,515	\$ (867,517)	\$ 412,581	\$ 31,000
Revenue bonds	6,000,000	-	-	6,000,000	-
Net pension liability	28,241,926	783,282	-	29,025,208	-
OPEB obligation	2,320,069	586,440	-	2,906,509	-
Total	\$ 36,953,578	\$ 2,258,237	\$ (867,517)	\$ 38,344,298	\$ 31,000

Debt Service funds are used to liquidate general obligation debt and the General Fund is typically used to liquidate all other long-term debt, including compensated absences.

NOTE I – FUND BALANCE

The following illustrates the specific purposes of each classification of fund balance in the financial statements:

	General Fund	QSCB Reserve Sinking Debt Service	Other Govt. Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	\$ 73,214	\$ 73,214
Restricted:				
Debt service	-	3,158,691	-	3,158,691
School food	-	-	3,764	3,764
Committed:				
Capital/debt	188,058	-	-	188,058
Unassigned:	770,713	-	-	770,713
Total	\$ 958,771	\$ 3,158,691	\$ 76,978	\$ 4,194,440

The School Board approved a resolution setting aside \$4,000,000 on November 11, 2010 for new construction, remodeling and repayment of principal and interest on QSCB bonds. In fiscal year 2013, the School Board approved, by Board resolution, to reduce the committed fund by \$857,143. In fiscal year 2017, the School Board approved, by Board resolution, to reduce the committed fund by \$1,197,705. At June 30, 2017, the remaining balance of \$188,058 is committed for the above purposes unless the School Board approves a resolution to use the funding differently.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE J – PROPERTY TAXES

The School Board levies taxes on real and business personal property located within Ward 4 of Washington Parish. Property taxes are levied by the School Board on property values assessed by the Washington Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Washington Parish Sheriff's Office bills and collects property taxes for the School Board.

Property Tax Calendar

Assessment date	January 1
Total taxes are due	About November 15
Penalties and interest are added	December 31
Lien date	January 1
Tax sale - delinquent property	About June 1

The following is a summary of levied ad valorem taxes for the year ended June 30, 2017:

	<u>Levied Millage</u>	<u>Expiration Date</u>
Bogalusa School Board taxes:		
Constitutional	6.43	Indef.
Construction, operation, and maintenance	5.04	2022
Salaries and benefits	12.05	2022
Maintenance and operations	3.12	2018
Special leeway maintenance	7.79	2018
Construction and maintenance	22.15	2018
Support	6.46	2025

NOTE K – RETIREMENT SYSTEMS

General Information about the Pension Plans

Plan Descriptions

Substantially all employees of the School Board are provided with pensions through cost-sharing multiple-employer defined benefit pension plans administered by the Teachers' Retirement System Louisiana ("TRSL"), the Louisiana School Employees' Retirement System ("LSERS"), or the Louisiana State Employees' Retirement System ("LASERS"), all of which are administered on a statewide basis. The authority to establish and amend the benefit terms of TRSL, LSERS, and LASERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL, LSERS, and LASERS each issue publicly available audited financial reports that can be obtained at www.trsl.org, www.lasers.net, and www.lasersonline.org, respectively.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

Benefits Provided

TRSL

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information. Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system between January 1, 2011 and June 30, 2015 may retire with a 2.5% accrual rate after attaining age 60 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired on or after July 1, 2015 may retire with a 2.5% accrual rate after attaining age 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. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

A retiring member is entitled to receive the maximum monthly benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that cannot exceed 36 months of the members' maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based on the account balance.

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, and the deceased member had at least 10 years of creditable service, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of ad hoc permanent benefit increases (PBIs), also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The Optional Retirement Plan (ORP) was established in 1989 for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. Employees in eligible positions of higher education can make an irrevocable election to participate in ORP rather than TRSL. Participant and employer contributions are pooled and invested by their designated ORP carrier in the investment options of their choosing.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

LSERS

LSERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of schoolchildren. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010. All temporary, seasonal and part-time employees as defined in federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the System. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. 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, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the System on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. A member who joined the System on or after July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age 62, or 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 three 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 join 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 System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

A member is eligible to retire and receive disability benefits if he has at least five 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 member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

Upon the death of a member with five or more years of creditable service, the System 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.

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in DROP, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in DROP. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The System maintains subaccounts within this account reflecting the credits attributed to each participant in the System. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(E)(3). Upon termination of participation in both the System and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2A benefit, Option 3A benefit or Option 4A benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with LA R.S. 11:1152(F)(3).

LASERS

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. LASERS rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than LASER's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP)

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned 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 qualified handicapped child. The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

Contributions

TRSL

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Each subplan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2017 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	26.3%	8.0%
Plan A	31.3%	9.1%
Plan B	28.2%	5.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 25.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$2,609,903 for the year ended June 30, 2017.

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2017 was 28.7%. The actual employer rate for the year ended June 30, 2017 was 30.2%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$213,410 for the year ended June 30, 2017.

LASERS

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

The rates in effect during the year ended June 30, 2017 for the relative plans follow:

LASERS Plan (Regular Employees and Optional Retirement Plan (ORP))	Plan Status	School Board	Employees
Pre Act 75 (hired before 7/1/2006)	Closed	37.2%	7.5%
Post Act 75 (hired on or after 7/1/2006)	Open	37.2%	8.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 37.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$16,550 for the year ended June 30, 2017.

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

The net pension liabilities were measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL and LASERS was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2016 and the change compared to the June 30, 2015 proportion.

	Net Pension Liability at June 30, 2017	Proportion at June 30, 2016	Increase (Decrease) to June 30, 2015 Proportion
TRSL	\$ 26,465,262	0.225486%	-0.017675%
LSERS	2,367,323	0.313824%	0.011569%
LASERS	192,623	0.002453%	-0.000192%
	<u>\$ 29,025,208</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2017.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

	Pension Expense	Amortization	Total
TRSL	\$ 2,700,023	\$ (1,122,820)	\$ 1,577,203
LSERS	352,392	23,224	375,616
LASERS	19,799	57,758	77,557
	<u>\$ 3,072,214</u>	<u>\$ (1,041,838)</u>	<u>\$ 2,030,376</u>

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

<u>TRSL</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 522,498
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,926,610	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	347,204	3,768,180
Employer contributions subsequent to the measurement date	2,609,903	-
Total TRSL	<u>\$ 4,883,717</u>	<u>\$ 4,290,678</u>

<u>LSERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 64,602
Changes in assumptions	56,082	62,570
Net difference between projected and actual earnings on pension plan investments	299,900	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	53,262	35,412
Employer contributions subsequent to the measurement date	213,410	-
Total LSERS	<u>\$ 622,654</u>	<u>\$ 162,584</u>

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

LASERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 112	\$ (23,992)
Changes in assumptions	-	1,787
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	126,448	74,355
Employer contributions subsequent to the measurement date	16,550	-
Total LASERS	<u>\$ 143,110</u>	<u>\$ 52,150</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
TRSL	\$ 4,883,717	\$ 4,290,678
LSERS	622,654	162,584
LASERS	143,110	52,150
	<u>\$ 5,649,481</u>	<u>\$ 4,505,412</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date of \$2,839,863 will be recognized as a reduction of net pension liability in the year ending June 30, 2018. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
TRSL	\$ 2,609,903
LSERS	213,410
LASERS	16,550
	<u>\$ 2,839,863</u>

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

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

Years ending June 30:	Amount of Amortization			Total
	TRSL	LSERS	LASERS	
2018	\$ (1,069,624)	\$ (5,708)	\$ 61,419	\$ (1,013,913)
2019	(1,069,624)	30,532	(2,056)	(1,041,148)
2020	12,648	135,532	9,324	157,504
2021	109,736	86,304	5,723	201,763
	<u>\$ (2,016,864)</u>	<u>\$ 246,660</u>	<u>\$ 74,410</u>	<u>\$ (1,695,794)</u>

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

	TRSL	LSERS	LASERS
Valuation Date	June 30, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed		
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.75% net of investment expenses	7.125% net of investment expenses	7.75% per annum.
Inflation Rate	2.50% per annum.	2.625% per annum.	3.00% per annum.
Salary Increases	3.5% - 10.0% varies depending on duration of service.	2008-2012 experience study, ranging from 3.075% to 5.375%	4.0% - 13.0%
Cost of Living Adjustments	None	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provision for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
Mortality	Mortality rates based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex Distinct Mortality Table.	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2008-2012) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2008-2012) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

TRSL	LSERS	LASERS
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.	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.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.72% for 2016.

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2016:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	-0.24%
Domestic equity	31.0%	51.0%	25.0%	4.50%	3.10%	4.31%
International equity	19.0%	-	32.0%	5.31%	-	5.48%
Domestic fixed income	14.0%	30.0%	8.0%	2.45%	1.82%	1.63%
International fixed income	7.0%	-	6.0%	3.28%	-	2.47%
Alternative investments	29.0%	13.0%	22.0%	11.62%	0.79%	7.42%
Global asset allocation	-	-	7.0%	-	-	2.92%
Real assets	-	6.0%	-	-	0.36%	-
Total	100.0%	100.0%	100.0%	n/a	6.07%	5.30%
International fixed income					2.00%	
Expected Arithmetic Nominal Return					8.07%	

n/a – amount not provided by Retirement System

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

The discount rates used to measure the total pension liability for TRSL, LSERS, and LASERS were 7.75%, 7.125%, and 7.75%, respectively, for the year ended June 30, 2016.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, each of the pension plans' fiduciary net positions were 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.

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each pension plan as well as what the School Board's proportionate share of the Net Pension Liability 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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.75%	7.75%	8.75%
Share of NPL	\$ 33,010,282	\$ 26,465,262	\$ 20,895,892
LSERS			
Discount rate	6.125%	7.125%	8.125%
Share of NPL	\$ 3,107,635	\$ 2,367,323	\$ 1,733,067
LASERS			
Discount rate	6.75%	7.75%	8.75%
Share of NPL	\$ 236,655	\$ 192,623	\$ 155,210

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE K – RETIREMENT SYSTEMS (CONTINUED)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$86,121 for its participation in TRSL. LSERS and LASERS do not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS or LASERS for the year ended June 30, 2017.

Pension Plans Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for TRSL, LSERS, and LASERS and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: www.lla.la.gov.

Payables to the Pension Plan

As of June 30, 2017, the School Board had payables due to the pension plans totaling \$319,814. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions.

NOTE L – POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan Description – The School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The School Board's OPEB Plan does not issue a stand-alone financial report and is not included in any other entity's report.

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB Codification Section P50) for financial reporting purposes and for this valuation. This valuation has been performed using the standard OGB rate structure. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who become a member of the system on and after January 1, 2011 must be at least age 60 upon retirement (or D.R.O.P. entry) eligibility to receive an unreduced retirement benefit.

Life insurance coverage under the OGB program is available to retirees by election and based on the OGB blended rate (active and retired). The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB Codification Section P50 requires the

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE L – POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

use of "unblended" rates, we have used the 94GAR mortality table below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

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

Fund Policy – Until 2008, the School Board recognized the cost of providing post-employment medical and life insurance benefits (the School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the School Board's portion of health care and life insurance funding cost for retired employees totaled \$1,720,047 and \$1,930,991, respectively.

Effective July 1, 2008, the School Board implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

	2017	2016
Normal cost	\$ 565,350	\$ 538,731
30-year UAL amortization amount	1,782,504	1,936,309
Annual required contribution (ARC)	<u>\$ 2,347,854</u>	<u>\$ 2,475,041</u>

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE L – POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

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

	2017	2016
Beginning Net OPEB Obligation	\$ 2,320,069	\$ 1,808,261
Annual required contribution	2,347,854	2,475,041
Interest on Net OPEB Obligation	92,803	72,330
ARC Adjustment	(134,170)	(104,572)
OPEB Cost	2,306,487	2,442,799
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(1,720,047)	(1,930,991)
Change in Net OPEB Obligation	586,440	511,808
Ending Net OPEB Obligation	\$ 2,906,508	\$ 2,320,069

The following table shows the School Board's annual post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (OPEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	\$ 2,306,487	74.57%	\$ 2,906,508
June 30, 2016	\$ 2,442,799	79.05%	\$ 2,320,069

Funded Status and Funding Progress – In 2017 and 2016, the School Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$32,055,911 which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2017	2016
Actuarial Accrued Liability (AAL)	\$ 32,055,911	\$ 34,822,006
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 32,055,911	\$ 34,822,006
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 13,800,031	\$ 14,274,438
UAAL as a percentage of covered payroll	232.29%	243.95%

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE L – POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

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

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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

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

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post-employment Benefit Plan Eligibility Requirements – It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the D.R.O.P. as described above under the heading "Plan Description". This consists of a three year D.R.O.P. period plus an additional three years. Medical benefits are provided to employees upon actual retirement.

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

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE L – POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

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

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

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

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

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

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

	OPEB Costs and Contributions		
	2017	2016	2015
OPEB Cost	\$ 2,306,487	\$ 2,442,799	\$ 2,357,766
Contribution	-	-	-
Retiree premium	1,720,047	1,930,991	1,787,955
Total contribution and premium	1,720,047	1,930,991	1,787,955
Change in net OPEB obligation	\$ 586,440	\$ 511,808	\$ 569,811
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	74.57%	79.05%	75.83%

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE L – POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

The schedule of funding progress for the post-employment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

NOTE M – OPERATING LEASES

The School Board leases copier equipment for a period of 60 months. Future minimum lease payments due under these leases are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2018	\$ 18,805
2019	13,778
2020	10,187
2021	10,187
2022	4,511
	<u>\$ 57,468</u>

Total payments charged to copier lease expenditures for the year ended June 30, 2017 were \$14,295.

NOTE N – LITIGATION

At June 30, 2017, the School Board was a defendant in lawsuits arising principally from the normal course of operations. The ultimate resolution of these lawsuits would not materially affect the financial statements in the opinion of the School Board's legal advisor.

NOTE O – RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board protects itself from potential loss through participation in Louisiana Public Schools Risks Management Agency ("LARMA") for general liability, automobile liability, public officials' liability, and property losses; and through participation in the LUBA Casualty Insurance, Co. ("LUBA") for workers' compensation. The School Board maintains insurance coverage of \$1,000,000 for comprehensive general liability, \$1,000,000 for automobile liability, \$1,000,000 for public officials' liability, and a replacement cost coverage for property loss. The School Board's potential loss for liability coverage is limited to the deductible amount of \$25,000 per claim. The School Board's potential loss for workers' compensation loss is limited to the deductible amount of \$-0- per occurrence. There are no significant reductions in insurance coverage in the past year for any major risk category.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE O – RISK MANAGEMENT (CONTINUED)

Employees who have access to \$100 or more at any given time or access to inventory are covered through a blanket bond against loss up to \$100,000 per occurrence. The Finance Director is individually bonded for \$15,000.

The School Board currently reports its risk management activities and insurance costs by operating fund. Claims expenditures falling within the retention coverage are generally reported when amounts are paid or, in the event of significant losses, when such amounts are probable and the amounts can be determined. The amounts due at June 30, 2017, for outstanding claims and incurred but not reported claims are not considered material and, therefore, no provision is recorded within the financial statements. The amounts of settlements have not exceeded insurance coverage in any of the past three years.

LARMA has property and general liability, LUBA has workers' compensation, and the Office of Group Benefits for the State of Louisiana has employee health coverage. No claims have exceeded coverage in any of the past three years.

NOTE P – CONCENTRATION OF REVENUE SOURCE

The School Board received 17.78% (\$3,788,262) and 40.48% (\$8,624,282) of its fiscal 2017 revenues from Federal grants and the State of Louisiana Minimum Foundation Program (MFP), respectively. The MFP funding is allocated to the School Board through a formula based primarily on its student population.

NOTE Q – TAX ABATEMENTS

The School Board is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"). A State entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the local governments may be subject to include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP").

Under the ITEP, as authorized by Article 7, Section 21 (F) of the Louisiana Constitution and Executive Order Number JBE 2016-73, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE Q – TAX ABATEMENTS (CONTINUED)

As of June 30, 2017, three local industrial companies are currently under the Industrial Tax Exemption Program. The typical term of these agreements are for ten years and provided property tax abatement during the fiscal year of 2017 in the amount of \$2,798,510.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS
For the Year Ended June 30, 2017

Medical

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability Entry Age</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as Percentage Covered Payroll</u>
7/1/2016	-	\$32,055,911	\$32,055,911	- %	\$ 13,800,031	232.29%
7/1/2014	-	33,482,698	33,482,698	- %	15,241,525	219.68%
7/1/2012	-	27,828,667	27,828,667	- %	20,353,179	136.73%

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF PROPORTIONATE SHARE OF NET
PENSION LIABILITY FOR RETIREMENT SYSTEMS
For the Last Three Fiscal Years

<u>Fiscal Year*</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered- employee payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Teachers' Retirement System of Louisiana					
2017	0.225486%	\$ 26,465,262	\$ 10,266,323	257.79%	59.90%
2016	0.243161%	\$ 26,145,345	\$ 10,848,716	241.00%	62.50%
2015	0.265370%	\$ 27,124,518	\$ 11,103,186	244.29%	63.70%
Louisiana School Employees' Retirement System					
2017	0.313824%	\$ 2,367,323	\$ 802,208	295.10%	70.09%
2016	0.302255%	\$ 1,916,681	\$ 869,708	220.38%	74.49%
2015	0.314200%	\$ 1,821,377	\$ 834,770	218.19%	76.18%
Louisiana State Employees' Retirement System					
2017	0.002453%	\$ 192,623	\$ 46,229	416.67%	57.70%
2016	0.002645%	\$ 179,900	\$ 40,838	440.52%	62.70%
2015	0.000000%	\$ -	\$ 53,622	0.00%	65.00%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended.

This schedule is intended to present information for ten years. Additional years will be presented as they become available.

The notes to the Required Supplementary Information are an integral part of this schedule.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF CONTRIBUTIONS TO RETIREMENT SYSTEMS
For the Last Three Years

<u>Fiscal Year*</u>	<u>(a) Statutorily Required Contribution</u>	<u>(b) Contributions in relation to the statutorily required contribution</u>	<u>(a-b) Contribution Deficiency (Excess)</u>	<u>Agency's covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
Teachers' Retirement System of Louisiana					
2017	\$ 2,609,903	\$ 2,609,903	\$ -	\$ 10,266,323	25.4%
2016	\$ 2,853,212	\$ 2,853,212	\$ -	\$ 10,848,716	26.3%
2015	\$ 3,108,892	\$ 3,108,892	\$ -	\$ 11,103,186	28.0%
2014	\$ 3,282,914	\$ 3,282,914	\$ -	\$ 11,450,646	28.7%
Louisiana School Employees' Retirement System					
2017	\$ 213,410	\$ 213,410	\$ -	\$ 802,208	26.6%
2016	\$ 262,652	\$ 262,652	\$ -	\$ 869,708	30.2%
2015	\$ 275,474	\$ 275,474	\$ -	\$ 834,770	33.0%
2014	\$ 372,600	\$ 372,600	\$ -	\$ 1,153,560	32.3%
Louisiana State Employees' Retirement System					
2017	\$ 16,550	\$ 16,550	\$ -	\$ 46,229	35.8%
2016	\$ 13,917	\$ 13,917	\$ -	\$ 40,838	34.1%
2015	\$ 20,050	\$ 20,050	\$ -	\$ 53,622	37.4%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended.

This schedule is intended to present information for ten years. Additional years will be presented as they become available.

CITY OF BOGALUSA SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS WITH
LEGALLY ADOPTED BUDGETS
June 30, 2017

GENERAL FUND

To account for all financial resources and expenditures except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Of the special revenue funds, the Title I Fund is considered to be a major fund.

Title I – A program by which federal funds are used to improve the academic achievement of the disadvantaged.

**CITY OF BOGALUSA SCHOOL BOARD
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2017**

	Budgeted Amounts			Variance With Final Budget
REVENUES	Original	Final	Actual	
Local Sources:				
Taxes:				
Ad valorem	\$ 4,986,683	\$ 5,240,361	\$ 5,240,361	\$ -
Sales and use	2,682,546	2,693,163	2,691,282	(1,881)
Interest earnings	11,156	7,244	8,137	893
Other	100,588	122,805	122,805	-
Total Local Sources	<u>7,780,973</u>	<u>8,063,573</u>	<u>8,062,585</u>	<u>(988)</u>
State Sources:				
Minimum Foundation Program	9,895,429	8,701,181	8,585,629	(115,552)
State Revenue Sharing (unrestricted)	190,230	196,515	196,515	-
Other	41,099	38,975	105,174	66,199
Total State Sources	<u>10,126,758</u>	<u>8,936,671</u>	<u>8,887,318</u>	<u>(49,353.00)</u>
Federal Sources	<u>346,935</u>	<u>140,901</u>	<u>140,901</u>	<u>-</u>
Total Revenues	<u>18,254,666</u>	<u>17,141,145</u>	<u>17,090,804</u>	<u>(50,341)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	6,073,937	5,973,007	5,975,011	(2,004)
Special programs	2,448,006	2,381,097	2,381,096	1
Vocational programs	272,919	266,216	266,216	-
All other programs	593,718	675,812	675,812	-
Support services:				
Student services	1,352,718	1,483,222	1,395,931	87,291
Instructional staff support	753,947	730,864	730,864	-
General administration	817,817	1,167,008	1,167,008	-
School administration	1,248,141	1,504,470	1,506,004	(1,534)
Business services	593,002	614,306	614,306	-
Plant services	1,676,137	1,726,146	1,683,224	42,922
Student transportation services	1,005,813	1,042,530	1,042,530	-
Central services	276,338	294,643	322,842	(28,199)
School food services	1,118	305	305	-
Community service programs	11,316	7,438	7,438	-
Construction and land improvement	-	21,987	64,909	(42,922)
Debt service:				
Principal retirement	<u>27,850</u>	<u>28,199</u>	<u>-</u>	<u>28,199</u>
Total Expenditures	<u>17,152,777</u>	<u>17,917,250</u>	<u>17,833,496</u>	<u>83,754</u>

(Continued)

See independent auditors' report and accompanying notes to financial statements.

**CITY OF BOGALUSA SCHOOL BOARD
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,101,889</u>	<u>\$ (776,105)</u>	<u>\$ (742,692)</u>	<u>\$ 33,413</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	199,336	270,270	269,377	(893)
Transfers out	<u>(898,156)</u>	<u>(829,524)</u>	<u>(855,473)</u>	<u>(25,949)</u>
Total Other Financing Sources (Uses)	<u>(698,820)</u>	<u>(559,254)</u>	<u>(586,096)</u>	<u>(26,842)</u>
NET CHANGES IN FUND BALANCES	403,069	(1,335,359)	(1,328,788)	6,571
FUND BALANCES - Beginning	<u>2,287,559</u>	<u>2,287,559</u>	<u>2,287,559</u>	<u>-</u>
FUND BALANCES - Ending	<u>\$ 2,690,628</u>	<u>\$ 952,200</u>	<u>\$ 958,771</u>	<u>\$ 6,571</u>

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
TITLE I
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final
				Budget
REVENUES				
Federal Sources	\$ 1,362,204	\$ 1,546,446	\$ 1,410,314	\$ (136,132)
Total Revenues	1,362,204	1,546,446	1,410,314	(136,132)
EXPENDITURES				
Current:				
Instruction:				
Regular programs	42,914	-	-	-
All other programs	391,070	554,220	452,919	101,301
Support services:				
Student services	264,095	279,528	225,381	54,147
Instructional staff support	350,479	381,028	413,378	(32,350)
Student transportation services	2,273	-	-	-
Central services	162,269	160,000	162,076	(2,076)
Total Expenditures	1,213,100	1,374,776	1,253,754	121,022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	149,104	171,670	156,560	(15,110)
OTHER FINANCING SOURCES (USES):				
Transfers out	(149,104)	(171,670)	(156,560)	15,110
Total Other Financing Sources (Uses)	(149,104)	(171,670)	(156,560)	15,110
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

Budgets for the General Fund and Special Revenue Funds are legally adopted by the School Board on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2 – PENSIONS

Changes of Benefit Terms

Louisiana School Employees' Retirement System

There were no changes in benefit terms for the years ended June 30, 2015 through 2017.

Teacher's Retirement System of Louisiana

There were no changes of benefit terms for the years ended June 30, 2015 and 2017.

For the year ended June 30, 2016, members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after 7/1/15 may retire with a 2.5% benefit factor after attaining age 62 with at least 5 years credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

Louisiana State Employees' Retirement System

There were no changes of benefit terms for the Regular Plan for the years ended June 30, 2015 and 2017.

Members hired on or after July 1, 2015 will be eligible at age 62 with 5 years of service.

Beginning July 1, 2015, permanent benefit increases are limited based on benefit amount and actuarial rate of return.

Changes of Assumptions

Louisiana School Employees' Retirement System

There were no changes of benefits terms for the years ended June 30, 2015 and 2017.

For the actuarial valuation for the year ended June 30, 2016, the discount rate was increased from 7.000% to 7.125%, inflation rate was decreased from 2.75% to 2.625% and salary increases were decreased from a range of 3.2% to 5.5% to a range of 3.075% to 5.375%.

Teachers' Retirement System of Louisiana

There were no changes in assumptions for the years ended June 30, 2015 through 2017.

Louisiana State Employees' Retirement System

There were no changes in assumptions for the years ended June 30, 2015 through 2017.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BOGALUSA SCHOOL BOARD
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
June 30, 2017

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

Early Childhood Lead Agency CCDF – A federal funded program that aims to improve the health and well-being of young children by addressing healthy child development.

Early Childhood State – State funding that aims to improve the health and well-being of young children by addressing healthy child development within the framework of life course development.

Early Childhood CCDF – A federal funded program that aims to improve the health and well-being of young children by addressing healthy child development.

EEF – Educational Excellence Funding – State funding used to increase student achievement in Math, Science, English, and Social Studies through technology enhancement programs.

HEAP – A program by which federal funds are used to improve the quality of teaching and learning in rural school districts.

BHS Health Center – A program by which state funds are used to provide comprehensive and preventive physical and mental health services to students registered at the school-based health center.

8G Student Enhancement Preschool – A program by which state funds are used to provide developmental appropriate classes to those who score low on the Brigance screening instrument.

Carl Perkins – A program by which federal funds are used to provide supplies, equipment, and travel to all vocational education programs.

TANF LA4 Preschool State – A program by which state funds are used to provide developmental appropriate classes to those who score low on the Brigance screening instrument.

School Food Fund – The School Food Fund accounts for the operations of the school food service programs in the School Board during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive, and moderately priced meals, to help children grow socially, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

Summer Food Program – The Summer Food Program is a program that provides nourishing meals to students in summer school sessions.

Fresh Fruit & Vegetable Program – A program by which federal funding is used to purchase free fresh fruits and vegetables to elementary school children.

CITY OF BOGALUSA SCHOOL BOARD
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
June 30, 2017

IDEA B - Individuals with Disabilities Education Act (IDEA) is a federally financed program of free public education in the least restrictive environment for children with exceptionalities.

Special Education - Pre-School – Federal programs for children at the preschool level which provide a free, appropriate, publicly supported education to every exceptional child in a least restricted environment.

Special Education – High Risk - A federally financed program of IDEA funds made available to provide additional supports and services to schools serving students with high needs.

Special Education – High Cost State – State program which provides support and services to schools serving students with special needs.

Title II – A program by which federal funds are used to improve in-service training of teachers and other appropriate school personnel in the field of mathematics and science.

TANF LA4 Preschool Federal –A program by which federal funding is used for the reform of elementary and secondary education.

REAP – A program designed to improve the quality of teaching and learning in rural school districts.

CITY OF BOGALUSA SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2017

	Early Childhood Lead Agency CCDF	Early Childhood State	Early Childhood CCDF	EEF	HEAP	BHS Health Center	8G Student Enhancement Preschool	Carl Perkins	TANF LA 4 Preschool State	School Food
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,364	\$ -	\$ -	\$ -	\$ 19,354
Due from other funds	-	-	-	-	-	-	-	-	-	-
Receivables	4,500	4,400	1,100	-	1,452	277	22,649	15,256	25,944	-
Inventory	-	-	-	-	-	-	-	-	-	73,214
TOTAL ASSETS	\$ 4,500	\$ 4,400	\$ 1,100	\$ -	\$ 1,452	\$ 23,641	\$ 22,649	\$ 15,256	\$ 25,944	\$ 92,568
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts, salaries, and other payables	-	-	-	-	-	911	-	-	-	-
Due to other funds	4,500	4,400	1,100	-	1,452	22,730	22,649	15,256	25,944	19,338
Total Liabilities	4,500	4,400	1,100	-	1,452	23,641	22,649	15,256	25,944	19,338
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	73,214
Restricted	-	-	-	-	-	-	-	-	-	16
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-	-	-	73,230
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,500	\$ 4,400	\$ 1,100	\$ -	\$ 1,452	\$ 23,641	\$ 22,649	\$ 15,256	\$ 25,944	\$ 92,568

(Continued)

CITY OF BOGALUSA SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2017

	Summer Food	Fresh Fruit & Vegetable Program	IDEA B	Special Ed Pre-School	Special Ed High Risk	Special Ed High Cost MFP	Title II	TANF LA 4 Preschool Federal	REAP	Total Non-major Special Revenue Funds
ASSETS										
Cash and cash equivalents	\$ 5,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,776
Due from other funds	-	-	4,050	-	-	25,949	-	2,843	-	32,842
Receivables	10,397	-	19,781	782	17,370	-	39,691	17,626	10,902	192,127
Inventory	-	-	-	-	-	-	-	-	-	73,214
TOTAL ASSETS	\$ 15,455	\$ -	\$ 23,831	\$ 782	\$ 17,370	\$ 25,949	\$ 39,691	\$ 20,469	\$ 10,902	\$ 345,959
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts, salaries, and other payables	-	-	-	-	-	-	5,863	-	-	6,774
Due to other funds	11,707	-	23,831	782	17,370	25,949	33,828	20,469	10,902	262,207
Total Liabilities	11,707	-	23,831	782	17,370	25,949	39,691	20,469	10,902	268,981
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	73,214
Restricted	3,748	-	-	-	-	-	-	-	-	3,764
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	3,748	-	-	-	-	-	-	-	-	76,978
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,455	\$ -	\$ 23,831	\$ 782	\$ 17,370	\$ 25,949	\$ 39,691	\$ 20,469	\$ 10,902	\$ 345,959

CITY OF BOGALUSA SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2017

	Early Childhood Lead Agency CCDF	Early Childhood State	Early Childhood CCDF	EEF	HEAP	BHS Health Center	8G Student Enhancement Preschool	Carl Perkins	TANF LA 4 Preschool State	School Food
REVENUES										
Local Sources:										
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142
Charges for services	-	-	-	-	-	-	-	-	-	11,285
Other	-	-	-	-	-	1,813	-	-	-	14,271
Total Local Sources	-	-	-	-	-	1,813	-	-	-	25,698
State Sources:										
Minimum Foundation Program	-	-	-	-	-	-	-	-	-	38,653
Other	4,500	4,400	-	24,808	-	156,234	68,060	-	205,132	432
Total State Sources	4,500	4,400	-	24,808	-	156,234	68,060	-	205,132	39,085
Federal Sources	-	-	1,100	-	23,293	33	-	23,632	-	1,117,770
Total Revenues	4,500	4,400	1,100	24,808	23,293	158,080	68,060	23,632	205,132	1,182,553
EXPENDITURES										
Current:										
Instruction:										
Regular programs	-	-	-	-	-	-	-	-	-	-
Special programs	-	-	-	-	-	-	-	-	-	-
Vocational programs	-	-	-	-	-	-	-	18,708	-	-
All other programs	960	2,676	625	-	-	361	-	-	205,132	-
Support services:										
Student services	-	-	-	-	-	370,103	-	-	-	-
Instructional staff support	675	1,724	-	-	20,707	-	68,060	4,924	-	-
School administration	2,865	-	475	-	-	-	-	-	-	-
Plant services	-	-	-	-	-	1,095	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	-	-	-
Central services	-	-	-	46,248	-	-	-	-	-	-
School food services	-	-	-	-	-	-	-	-	-	1,303,525
Total Expenditures	4,500	4,400	1,100	46,248	20,707	371,559	68,060	23,632	205,132	1,303,525
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(21,440)	2,586	(213,479)	-	-	-	(120,972)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	21,440	-	213,479	-	-	-	122,751
Transfers out	-	-	-	-	(2,586)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	21,440	(2,586)	213,479	-	-	-	122,751
NET CHANGES IN FUND BALANCES	-	-	-	-	-	-	-	-	-	1,779
FUND BALANCES - Beginning	-	-	-	-	-	-	-	-	-	71,451
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,230

(continued)

CITY OF BOGALUSA SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2017

	Summer Food	Fresh Fruit & Vegetable Program	IDEA B	Special Ed Pre-School	Special Ed High Risk	Special Ed High Cost MFP	Title II	TANF LA 4 Preschool Federal	REAP	Total Non-major Special Revenue Funds
REVENUES										
Local Sources:										
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142
Charges for services	88	-	-	-	-	-	-	-	-	11,373
Other	-	-	-	-	-	-	-	-	-	16,084
Total Local Sources	88	-	-	-	-	-	-	-	-	27,599
State Sources:										
Minimum Foundation Program	-	-	-	-	-	-	-	-	-	38,653
Other	-	-	-	-	-	-	-	-	-	463,566
Total State Sources	-	-	-	-	-	-	-	-	-	502,219
Federal Sources	37,853	22,974	434,431	22,647	17,370	-	256,285	243,708	35,951	2,237,047
Total Revenues	37,941	22,974	434,431	22,647	17,370	-	256,285	243,708	35,951	2,766,865
EXPENDITURES										
Current:										
Instruction:										
Regular programs	-	-	45,697	-	-	-	4,466	-	-	50,163
Special programs	-	-	8,743	18,975	-	-	-	-	-	27,718
Vocational programs	-	-	-	-	-	-	-	-	-	18,708
All other programs	-	-	-	-	-	-	-	216,654	-	426,408
Support services:										
Student services	-	-	233,673	35	17,370	25,949	-	-	-	647,130
Instructional staff support	-	-	97,989	1,126	-	-	222,985	-	-	418,190
School administration	-	-	-	-	-	-	-	-	-	3,340
Plant services	-	119	-	-	-	-	-	-	-	1,214
Student transportation services	-	-	103	-	-	-	-	-	-	103
Central services	-	-	-	-	-	-	383	-	31,962	78,593
School food services	29,392	22,814	-	-	-	-	-	-	-	1,355,731
Total Expenditures	29,392	22,933	386,205	20,136	17,370	25,949	227,834	216,654	31,962	3,027,298
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,549	41	48,226	2,511	-	(25,949)	28,451	27,054	3,989	(260,433)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	25,949	-	-	-	383,619
Transfers out	(7,676)	(41)	(48,226)	(2,511)	-	-	(28,451)	(27,054)	(3,989)	(120,534)
Total Other Financing Sources (Uses)	(7,676)	(41)	(48,226)	(2,511)	-	25,949	(28,451)	(27,054)	(3,989)	263,085
NET CHANGES IN FUND BALANCES	873	-	-	-	-	-	-	-	-	2,652
FUND BALANCES - Beginning	2,875	-	-	-	-	-	-	-	-	74,326
FUND BALANCES - Ending	\$ 3,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,978

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
EARLY CHILDHOOD LEAD AGENCY CCDF
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
REVENUES				
State Sources:				
Other	\$ 4,500	\$ 4,500	\$ 4,500	\$ -
Total Revenues	4,500	4,500	4,500	-
EXPENDITURES				
Current:				
Instruction:				
All other programs	-	-	960	960
Support services:				
Instructional staff support	4,500	4,500	675	(3,825)
School administration	-	-	2,865	2,865
Total Expenditures	4,500	4,500	4,500	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
EARLY CHILDHOOD STATE
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
State Sources:				
Other	\$ 4,400	\$ 4,400	\$ 4,400	\$ -
Total Revenues	4,400	4,400	4,400	-
EXPENDITURES				
Current:				
Instruction:				
All other programs	-	-	2,676	2,676
Support services:				
Instructional staff support	4,400	4,400	1,724	(2,676)
Total Expenditures	4,400	4,400	4,400	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
EARLY CHILDHOOD CCDF
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 1,100	\$ 1,100	\$ 1,100	\$ -
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction:				
All other programs	150	150	625	475
Support services:				
Instructional staff support	950	950	-	(950)
School administration	-	-	475	475
Total Expenditures	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
EEF
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
State Sources:				
Other	\$ 24,808	\$ 24,808	\$ 24,808	\$ -
Total Revenues	24,808	24,808	24,808	-
EXPENDITURES				
Current:				
Support services:				
Central services	24,808	46,248	46,248	-
Total Expenditures	24,808	46,248	46,248	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(21,440)	(21,440)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	21,440	21,440	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	21,440	21,440	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
HEAP
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 25,675	\$ 25,675	\$ 23,293	\$ (2,382)
Total Revenues	<u>25,675</u>	<u>25,675</u>	<u>23,293</u>	<u>(2,382)</u>
EXPENDITURES				
Current:				
Support services:				
Instructional staff support	8,850	15,000	20,707	5,707
Total Expenditures	<u>8,850</u>	<u>15,000</u>	<u>20,707</u>	<u>5,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,825</u>	<u>10,675</u>	<u>2,586</u>	<u>(8,089)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(2,850)	(2,586)	264
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,850)</u>	<u>(2,586)</u>	<u>264</u>
NET CHANGES IN FUND BALANCES	16,825	7,825	-	(7,825)
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	<u>\$ 16,825</u>	<u>\$ 7,825</u>	<u>\$ -</u>	<u>\$ (7,825)</u>

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
BHS HEALTH CENTER
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Local Sources:				
Other	\$ -	\$ 1,813	\$ 1,813	\$ -
Total Local Sources	-	1,813	1,813	-
State Sources:				
Other	134,970	156,234	156,234	-
Total State Sources	134,970	156,234	156,234	-
Federal Sources	-	33	33	-
Total Revenues	134,970	158,080	158,080	-
EXPENDITURES				
Current:				
Instruction:				
All other programs	-	361	361	-
Support services:				
Student services	250,075	370,103	370,103	-
Plant services	1,000	1,095	1,095	-
Total Expenditures	251,075	371,559	371,559	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(116,105)	(213,479)	(213,479)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	129,261	213,479	213,479	-
Transfers out	(13,156)	-	-	-
Total Other Financing Sources (Uses)	116,105	213,479	213,479	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
8G STUDENT ENHANCEMENT PRESCHOOL
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
State Sources:				
Other	\$ 68,060	\$ 68,060	\$ 68,060	\$ -
Total State Sources	68,060	68,060	68,060	-
Federal Sources	-	-	-	-
Total Revenues	68,060	68,060	68,060	-
EXPENDITURES				
Current:				
Instruction:				
All other programs	68,060	68,060	-	(68,060)
Support services:				
Instructional staff support	-	-	68,060	68,060
Total Expenditures	68,060	68,060	68,060	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
CARL PERKINS
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 20,542	\$ 23,632	\$ 23,632	\$ -
Total Revenues	<u>20,542</u>	<u>23,632</u>	<u>23,632</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction:				
Vocational programs	17,542	19,132	18,708	(424)
Support services:				
Instructional staff support	3,000	4,500	4,924	424
Total Expenditures	<u>20,542</u>	<u>23,632</u>	<u>23,632</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
TANF LA 4 PRESCHOOL STATE
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
State Sources:				
Other	\$ 207,156	\$ 205,132	\$ 205,132	\$ -
Total Revenues	207,156	205,132	205,132	-
EXPENDITURES				
Current:				
Instruction:				
All other programs	207,156	205,132	205,132	-
Total Expenditures	207,156	205,132	205,132	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
SCHOOL FOOD
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Local Sources:				
Interest earnings	\$ 120	\$ 127	\$ 142	\$ 15
Charges for services	10,992	11,285	11,285	-
Other	2,893	14,271	14,271	-
Total Local Sources	14,005	25,683	25,698	15
State Sources:				
Minimum Foundation Program	38,653	38,653	38,653	-
Other	6,185	432	432	-
Total State Sources	44,838	39,085	39,085	-
Federal Sources	1,134,076	1,110,870	1,117,770	6,900
Total Revenues	1,192,919	1,175,638	1,182,553	6,915
EXPENDITURES				
Current:				
Instruction:				
Regular programs	2,498	-	-	-
Support services:				
School food services	1,190,421	1,296,631	1,303,525	6,894
Total Expenditures	1,192,919	1,296,631	1,303,525	6,894
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(120,993)	(120,972)	21
OTHER FINANCING SOURCES (USES)				
Transfers in	-	122,751	122,751	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	122,751	122,751	-
NET CHANGES IN FUND BALANCES	-	1,758	1,779	21
FUND BALANCES - Beginning	71,451	71,451	71,451	-
FUND BALANCES - Ending	\$ 71,451	\$ 73,209	\$ 73,230	\$ 21

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
SUMMER FOOD
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Local Sources:				
Charges for services	\$ -	\$ 88	\$ 88	\$ -
Federal Sources	26,875	37,853	37,853	-
Total Revenues	26,875	37,941	37,941	-
EXPENDITURES				
Current:				
Support services:				
School food services	22,321	29,395	29,392	(3)
Total Expenditures	22,321	29,395	29,392	(3)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,554	8,546	8,549	3
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,875)	(7,676)	(7,676)	-
Total Other Financing Sources (Uses)	(2,875)	(7,676)	(7,676)	-
NET CHANGES IN FUND BALANCES	1,679	870	873	3
FUND BALANCES - Beginning	-	-	2,875	2,875
FUND BALANCES - Ending	\$ 1,679	\$ 870	\$ 3,748	\$ 2,878

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
FRESH FRUIT & VEGETABLE PROGRAM
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 23,025	\$ 23,025	\$ 22,974	\$ (51)
Total Revenues	23,025	23,025	22,974	(51)
EXPENDITURES				
Current:				
Support services:				
Plant services	90	90	119	29
School food services	22,293	22,293	22,814	521
Total Expenditures	22,383	22,383	22,933	550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	642	642	41	(601)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(41)	(41)
Total Other Financing Sources (Uses)	-	-	(41)	(41)
NET CHANGES IN FUND BALANCES	642	642	-	(642)
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ 642	\$ 642	\$ -	\$ (642)

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
IDEA B
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 527,619	\$ 824,411	\$ 434,431	\$ (389,980)
Total Revenues	527,619	824,411	434,431	(389,980)
EXPENDITURES				
Current:				
Instruction:				
Regular programs	77,202	97,302	45,697	(51,605)
Special programs	41,684	110,566	8,743	(101,823)
Support services:				
Student services	246,219	284,169	233,673	(50,496)
Instructional staff support	90,080	124,404	97,989	(26,415)
Student transportation services	-	7,298	103	(7,195)
Total Expenditures	455,185	623,739	386,205	(237,534)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	72,434	200,672	48,226	(152,446)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(58,570)	(91,517)	(48,226)	43,291
Total Other Financing Sources (Uses)	(58,570)	(91,517)	(48,226)	43,291
NET CHANGES IN FUND BALANCES	13,864	109,155	-	(109,155)
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ 13,864	\$ 109,155	\$ -	\$ (109,155)

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL EDUCATION - PRE-SCHOOL
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 21,725	\$ 41,770	\$ 22,647	\$ (19,123)
Total Revenues	<u>21,725</u>	<u>41,770</u>	<u>22,647</u>	<u>(19,123)</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	18,123	27,244	18,975	(8,269)
Support services:				
Student services	-	35	35	-
Instructional staff support	-	7,000	1,126	(5,874)
Total Expenditures	<u>18,123</u>	<u>34,279</u>	<u>20,136</u>	<u>(14,143)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,602</u>	<u>7,491</u>	<u>2,511</u>	<u>(4,980)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,412)	(4,637)	(2,511)	2,126
Total Other Financing Sources (Uses)	<u>(2,412)</u>	<u>(4,637)</u>	<u>(2,511)</u>	<u>2,126</u>
NET CHANGES IN FUND BALANCES	1,190	2,854	-	(2,854)
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	<u>\$ 1,190</u>	<u>\$ 2,854</u>	<u>\$ -</u>	<u>\$ (2,854)</u>

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL EDUCATION - HIGH RISK
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
REVENUES				
Federal Sources	\$ 25,949	\$ 17,370	\$ 17,370	\$ -
Total Revenues	25,949	17,370	17,370	-
EXPENDITURES				
Current:				
Support services:				
Student services	-	17,370	17,370	-
Total Expenditures	-	17,370	17,370	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	25,949	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	25,949	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ 25,949	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL EDUCATION - HIGH COST MFP
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original	Final		With Final
	Budget	Budget	Actual	Budget
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Support services:				
Student services	-	25,949	25,949	-
Total Expenditures	-	25,949	25,949	-
EXCESS (DEFICIENCY) OF REVENUES				
 OVER (UNDER) EXPENDITURES	-	(25,949)	(25,949)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	25,949	25,949
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	25,949	25,949
NET CHANGES IN FUND BALANCES	-	(25,949)	-	25,949
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ (25,949)	\$ -	\$ 25,949

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
TITLE II
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 222,883	\$ 341,641	\$ 256,285	\$ (85,356)
Total Revenues	<u>222,883</u>	<u>341,641</u>	<u>256,285</u>	<u>(85,356)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	6,420	7,500	4,466	(3,034)
Support services:				
Instructional staff support	181,118	284,716	222,985	(61,731)
Central services	-	-	383	383
Total Expenditures	<u>187,538</u>	<u>292,216</u>	<u>227,834</u>	<u>(64,382)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>35,345</u>	<u>49,425</u>	<u>28,451</u>	<u>(20,974)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(24,398)	(37,925)	(28,451)	9,474
Total Other Financing Sources (Uses)	<u>(24,398)</u>	<u>(37,925)</u>	<u>(28,451)</u>	<u>9,474</u>
NET CHANGES IN FUND BALANCES	10,947	11,500	-	(11,500)
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	<u>\$ 10,947</u>	<u>\$ 11,500</u>	<u>\$ -</u>	<u>\$ (11,500)</u>

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
TANF LA 4 PRESCHOOL FEDERAL
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 241,684	\$ 243,708	\$ 243,708	\$ -
Total Revenues	241,684	243,708	243,708	-
EXPENDITURES				
Current:				
Instruction:				
All other programs	214,855	216,654	216,654	-
Total Expenditures	214,855	216,654	216,654	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	26,829	27,054	27,054	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(26,829)	(27,054)	(27,054)	-
Total Other Financing Sources (Uses)	(26,829)	(27,054)	(27,054)	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
REAP
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Federal Sources	\$ 36,889	\$ 35,951	\$ 35,951	\$ -
Total Revenues	<u>36,889</u>	<u>35,951</u>	<u>35,951</u>	<u>-</u>
EXPENDITURES				
Current:				
Support services:				
Central services	-	31,960	31,962	2
Total Expenditures	<u>-</u>	<u>31,960</u>	<u>31,962</u>	<u>2</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>36,889</u>	<u>3,991</u>	<u>3,989</u>	<u>(2)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(4,038)	(3,991)	(3,989)	2
Total Other Financing Sources (Uses)	<u>(4,038)</u>	<u>(3,991)</u>	<u>(3,989)</u>	<u>2</u>
NET CHANGES IN FUND BALANCES	32,851	-	-	-
FUND BALANCES - Beginning	-	-	-	-
FUND BALANCES - Ending	\$ 32,851	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to financial statements.

CITY OF BOGALUSA SCHOOL BOARD
FIDUCIARY FUND DESCRIPTION
June 30, 2017

FIDUCIARY FUND - AGENCY FUND

Agency funds are established to account for all monies held by the School Board in an agency capacity. Disbursements are made only in accordance with the purpose for which assets are received.

School Activity Fund - The School Activity Agency Fund accounts are used to account for monies generated by the schools and organizations within the schools. While these 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.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF CHANGES IN
COMBINING ASSETS AND LIABILITIES - AGENCY FUND
For the Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 68,809	\$ 372,225	\$ 396,570	\$ 44,464
Total Assets	<u>\$ 68,809</u>	<u>\$ 372,225</u>	<u>\$ 396,570</u>	<u>\$ 44,464</u>
Liabilities:				
Amounts held				
for school activities	\$ 68,809	\$ 372,225	\$ 396,570	\$ 44,464
Total Liabilities	<u>\$ 68,809</u>	<u>\$ 372,225</u>	<u>\$ 396,570</u>	<u>\$ 44,464</u>

See independent auditors' report and accompanying notes to financial statements.

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

Agency Head Name	Superintendent Willie Breaux	Superintendent Lisa Tanner
Purpose	Amount	Amount
Salary	\$ 144,256	\$ 13,229
Benefits-health insurance	10,854	506
Benefits-retirement	31,955	-
Deferred compensation	-	-
Workers compensation	765	83
Benefits-life insurance	226	-
Benefits-long term disability	-	-
Car allowance	1,600	1,600
Vehicle provided by government	-	-
Cell phone	1,964	1,735
Dues	-	-
Vehicle rental	-	-
Per diem	-	-
Reimbursements	-	-
Travel	-	-
Registration fees	-	-
Conference travel	1,149	99
Unvouchered expenses	-	-
Meeting & conventions	-	-
Other	2,424	1,039
	\$ 195,193	\$ 18,291

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
For the Year Ended June 30, 2017

<u>Board Member</u>	<u>Compensation</u>
Adam Kemp	\$ 9,600
Paul Kates	9,600
Eleanor Duke	9,600
Calvin Hymel	9,600
Curtis Creel	10,800
Reverend Raymond E. Mims	9,600
Dr. Brad Williams	<u>9,600</u>
	<u>\$ 68,400</u>

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION (UNAUDITED)

This part of the City of Bogalusa School Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School Board's overall financial

<u>Contents</u>	<u>Tables</u>
Financial Trends	1 - 4
These schedules contain trend information to help the reader understand how the School Board's financial performance and well-being have changed over time.	
Revenue Capacity	5 - 9
These schedules contain information to help the reader assess the School Board's most significant local revenue source, the sales tax, as well as the property tax.	
Debt Capacity	10 - 14
These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue additional debt in the future.	
Demographic and Economic Information	15 - 16
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.	
Operating Information	17 - 19
These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.	

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 1 - NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 6,295,137	\$ 5,842,473	\$ 5,458,998	\$ 5,545,882	\$ 5,040,352	\$ 3,474,670	\$ 4,204,897	\$ 3,436,584	\$ 2,314,851	\$ 2,065,681
Restricted	-	-	556,212	570,712	6,688,250	2,660,964	1,788,164	2,232,377	2,692,147	3,158,690
Unrestricted	5,402,219	6,883,285	6,393,932	6,443,489	(330,524)	4,774,968	3,562,982	(29,508,043)	(29,126,514)	(30,164,479)
Total governmental activities, net position	\$ 11,697,356	\$ 12,725,758	\$ 12,409,142	\$ 12,560,083	\$ 11,398,078	\$ 10,910,602	\$ 9,556,043	\$ (23,839,082)	\$ (24,119,516)	\$ (24,940,108)

Source: City of Bogalusa School Board Annual Financial Reports

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 2 - CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 9,771,947	\$ 9,930,846	\$ 10,487,449	\$ 9,273,468	\$ 9,131,111	\$ 8,754,152	\$ 8,111,724	\$ 6,875,842	\$ 6,373,922	\$ 6,249,393
Special programs	3,473,572	3,374,119	3,526,159	3,362,118	2,974,395	2,933,105	2,766,849	2,923,562	2,543,247	2,494,137
Vocational programs	541,436	446,883	423,920	577,603	371,849	421,269	399,011	441,887	337,221	296,195
Adult programs	-	23,838	-	-	-	-	-	-	-	-
All other programs	2,204,395	2,114,722	1,656,869	2,705,924	2,633,425	2,433,891	1,865,250	1,713,298	1,727,228	1,607,777
Support services:										
Student services	1,512,389	1,528,618	1,950,877	2,274,735	2,160,862	2,266,486	2,565,272	2,540,826	2,377,743	2,346,101
Instructional staff support	2,239,367	2,507,009	2,470,443	2,554,520	2,421,656	2,128,188	2,447,691	2,385,150	1,847,495	1,624,408
General administration	848,407	688,874	753,209	955,067	960,937	1,236,199	1,179,837	1,187,197	1,119,576	1,244,189
School administration	1,267,618	1,322,471	1,576,999	1,544,281	1,625,635	1,568,125	1,745,425	1,332,670	1,351,372	1,565,283
Business services	452,206	530,413	504,874	520,734	485,710	570,181	640,192	559,024	548,339	644,931
Plant services	2,159,110	2,107,179	2,032,352	1,497,870	2,166,157	1,808,644	2,144,495	2,102,549	1,918,843	1,778,892
Student transportation services	1,035,578	1,114,312	1,227,304	1,206,106	1,253,060	1,256,867	1,153,807	1,135,689	1,114,830	1,096,861
Central services	206,147	216,214	210,437	273,387	293,131	364,358	836,216	558,696	581,678	578,442
Food services	1,692,077	1,674,704	1,873,756	1,681,162	1,604,435	1,615,478	1,626,774	1,475,750	1,345,566	1,426,048
Community services programs	143,399	203,614	200,291	11,282	12,912	13,083	13,151	20,643	12,082	8,012
Summer feeding	-	-	-	-	14,510	-	-	-	-	-
Interest on long-term debt	27,811	14,490	14,500	14,500	-	65,490	60,574	69,064	51,000	51,000
Construction and land improvement	444,391	115,231	97,420	-	-	-	-	-	-	-
Loss on disposal	-	-	-	-	-	-	-	-	69,184	-
Total governmental activities expenses	28,019,850	27,913,537	29,006,859	28,452,757	28,109,785	27,435,516	27,556,268	25,321,847	23,319,326	23,011,669
Total primary government expenses	<u>\$ 28,019,850</u>	<u>\$ 27,913,537</u>	<u>\$ 29,006,859</u>	<u>\$ 28,452,757</u>	<u>\$ 28,109,785</u>	<u>\$ 27,435,516</u>	<u>\$ 27,556,268</u>	<u>\$ 25,321,847</u>	<u>\$ 23,319,326</u>	<u>\$ 23,011,669</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Food services	\$ 90,379	\$ 96,381	\$ 74,076	\$ 80,424	\$ 77,637	\$ 52,009	\$ 44,254	\$ 20,670	\$ 11,070	\$ 11,373
Operating grants and contributions:	5,991,941	6,267,909	6,967,222	6,703,632	4,931,960	5,074,118	4,999,249	4,693,750	4,317,833	4,212,823
Capital grants and contributions:	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	6,082,320	6,364,290	7,041,298	6,784,056	5,009,597	5,126,127	5,043,503	4,714,420	4,328,903	4,224,196
Total primary government program revenues	<u>\$ 6,082,320</u>	<u>\$ 6,364,290</u>	<u>\$ 7,041,298</u>	<u>\$ 6,784,056</u>	<u>\$ 5,009,597</u>	<u>\$ 5,126,127</u>	<u>\$ 5,043,503</u>	<u>\$ 4,714,420</u>	<u>\$ 4,328,903</u>	<u>\$ 4,224,196</u>

(continued)

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 2 - CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense)/revenue										
Governmental activities	\$ (21,937,530)	\$ (21,549,247)	\$ (21,965,561)	\$ (21,668,701)	\$ (23,100,188)	\$ (22,309,389)	\$ (22,512,765)	\$ (20,607,427)	\$ (18,990,423)	\$ (18,787,473)
Total primary government net expense	<u>\$ (21,937,530)</u>	<u>\$ (21,549,247)</u>	<u>\$ (21,965,561)</u>	<u>\$ (21,668,701)</u>	<u>\$ (23,100,188)</u>	<u>\$ (22,309,389)</u>	<u>\$ (22,512,765)</u>	<u>\$ (20,607,427)</u>	<u>\$ (18,990,423)</u>	<u>\$ (18,787,473)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 4,143,074	\$ 4,375,006	\$ 4,419,571	\$ 4,799,367	\$ 4,738,599	\$ 4,756,030	\$ 4,784,247	\$ 5,229,618	\$ 5,154,990	\$ 5,240,361
Sales and use taxes	2,953,617	2,416,311	2,334,972	2,310,643	2,415,009	2,506,955	2,633,466	2,871,736	2,682,546	2,691,282
Grants and contributions not restricted for specific purposes:										
Minimum Foundation Program	14,201,350	14,768,870	13,579,045	13,919,502	14,140,707	14,085,781	12,766,369	10,417,796	9,782,116	8,624,282
Community disaster loan forgiveness	-	-	-	-	-	-	609,286	-	-	-
State revenue sharing (unrestricted)	225,351	218,155	214,245	214,465	216,332	212,477	208,827	204,302	190,230	196,515
Interest and investment earnings	158,857	62,774	50,276	39,672	33,392	44,834	31,478	20,356	43,716	46,251
Other Income - donated assets	-	-	-	-	-	-	-	-	-	799,000
Miscellaneous	603,873	736,533	1,050,836	535,993	375,832	215,836	163,196	326,105	603,333	369,190
Total governmental activities	<u>22,286,122</u>	<u>22,577,649</u>	<u>21,648,945</u>	<u>21,819,642</u>	<u>21,919,871</u>	<u>21,821,913</u>	<u>21,196,869</u>	<u>19,069,913</u>	<u>18,456,931</u>	<u>17,966,881</u>
Total primary government	<u>\$ 22,286,122</u>	<u>\$ 22,577,649</u>	<u>\$ 21,648,945</u>	<u>\$ 21,819,642</u>	<u>\$ 21,919,871</u>	<u>\$ 21,821,913</u>	<u>\$ 21,196,869</u>	<u>\$ 19,069,913</u>	<u>\$ 18,456,931</u>	<u>\$ 17,966,881</u>
Changes in Net Position										
Governmental activities	\$ 348,592	\$ 1,028,402	\$ (316,616)	\$ 150,941	\$ (1,180,317)	\$ (487,476)	\$ (1,315,896)	\$ (1,537,514)	\$ (533,492)	\$ (820,592)
Total primary government	<u>\$ 348,592</u>	<u>\$ 1,028,402</u>	<u>\$ (316,616)</u>	<u>\$ 150,941</u>	<u>\$ (1,180,317)</u>	<u>\$ (487,476)</u>	<u>\$ (1,315,896)</u>	<u>\$ (1,537,514)</u>	<u>\$ (533,492)</u>	<u>\$ (820,592)</u>

Source: City of Bogalusa School Board Annual Financial Reports

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	527,222	541,712	556,212	570,712	-	-	-	-	-	-
Committed	-	-	-	4,000,000	3,595,563	3,595,563	2,738,420	1,858,961	1,385,763	188,058
Unassigned	7,112,349	8,268,142	8,343,048	3,824,358	3,204,509	3,166,901	2,451,513	1,478,755	901,796	770,713
Total general fund	<u>\$ 7,639,571</u>	<u>\$ 8,809,854</u>	<u>\$ 8,899,260</u>	<u>\$ 8,395,070</u>	<u>\$ 6,800,072</u>	<u>\$ 6,762,464</u>	<u>\$ 5,189,933</u>	<u>\$ 3,337,716</u>	<u>\$ 2,287,559</u>	<u>\$ 958,771</u>
All other governmental funds										
Nonspendable	\$ 47,907	\$ 50,144	\$ 67,450	\$ 65,861	\$ 75,907	\$ 66,443	\$ 52,612	\$ 42,939	\$ 71,451	\$ 73,214
Restricted	60,543	185,094	203,825	183,926	6,711,767	2,660,964	1,788,164	2,233,979	2,695,023	3,162,455
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	28,510	4,471	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental fi	<u>\$ 108,450</u>	<u>\$ 235,238</u>	<u>\$ 271,275</u>	<u>\$ 249,787</u>	<u>\$ 6,816,184</u>	<u>\$ 2,731,878</u>	<u>\$ 1,840,776</u>	<u>\$ 2,276,918</u>	<u>\$ 2,766,474</u>	<u>\$ 3,235,669</u>

Source: City of Bogalusa School Board Annual Financial Reports

Note: The fund balance classifications for the fiscal years 2007 through 2010 have been modified as a result of the implementation of GASB 54 during the fiscal year ended June 30, 2011.

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 4 - CHANGES IN FUNDS BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Ad valorem taxes	\$ 4,143,074	\$ 4,375,006	\$ 4,419,571	\$ 4,799,367	\$ 4,738,599	\$ 4,756,030	\$ 4,784,247	\$ 5,229,618	\$ 5,154,990	5,240,361
Sales and use taxes	2,953,617	2,416,311	2,334,972	2,310,643	2,415,009	2,506,955	2,633,466	2,871,736	2,682,546	2,691,282
Interest earnings	158,857	62,774	50,276	39,672	33,392	44,834	31,478	20,356	43,716	46,251
Charges for services	90,379	96,381	74,076	66,965	71,597	52,009	44,254	20,670	11,070	11,373
Other	597,418	712,475	1,022,331	594,668	375,832	82,832	64,070	96,325	121,317	138,889
Minimum Foundation Program	14,201,350	14,768,870	13,579,045	13,919,502	14,140,707	14,085,781	12,766,369	10,417,796	9,782,116	8,624,282
Other state sources	1,622,197	1,555,850	1,197,635	617,313	463,741	633,877	729,037	769,955	674,010	765,255
Federal Grants	4,663,394	4,962,557	6,012,337	6,259,243	4,690,591	4,785,722	4,578,165	4,262,536	4,225,064	3,788,262
Total revenues	28,430,286	28,950,224	28,690,243	28,607,373	26,929,468	26,948,040	25,631,086	23,688,992	22,694,829	21,305,955
Expenditures										
Current:										
Instruction	15,719,381	15,789,964	15,682,740	15,489,714	14,811,070	13,996,582	12,554,466	11,835,019	11,164,631	10,274,051
Support services	11,456,025	11,672,567	12,741,381	12,166,631	12,884,506	12,423,456	13,714,881	13,012,563	12,273,993	11,840,497
Capital outlay	606,979	228,465	140,679	1,336,991	80,893	4,442,329	1,670,282	87,918	18,864	-
Debt service:										
Principal	-	-	-	107,508	116,065	114,612	104,090	100,503	-	-
Interest	589	-	-	32,207	23,650	69,458	51,000	69,064	51,000	51,000
Bond Issuance Cost	-	-	-	-	41,885	-	-	-	-	-
Total expenditures	27,782,974	27,690,996	28,564,800	29,133,051	27,958,069	31,046,437	28,094,719	25,105,067	23,508,488	22,165,548
Excess of revenues over (under) expenditures	647,312	1,259,228	125,443	(525,678)	(1,028,601)	(4,098,397)	(2,463,633)	(1,416,075)	(813,659)	(859,593)
Other financing sources (uses)										
Transfers in	233,098	244,612	407,761	388,743	1,400,183	1,004,431	1,404,404	1,437,128	1,473,258	1,132,567
Transfers out	(233,098)	(244,612)	(407,761)	(388,743)	(1,400,183)	(1,004,431)	(1,404,404)	(1,437,128)	(1,473,258)	(1,132,567)
Issuance of debt	-	-	-	-	6,000,000	-	-	-	-	-
Capital leases	-	37,843	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	37,843	-	-	6,000,000	-	-	-	-	-
Net change in fund balances	\$ 647,312	\$ 1,297,071	\$ 125,443	\$ (525,678)	\$ 4,971,399	\$ (4,098,397)	\$ (2,463,633)	\$ (1,416,075)	\$ (813,659)	\$ (859,593)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.50%	0.50%	0.69%	0.59%	0.68%	0.22%	0.23%

Source: City of Bogalusa School Board Annual Financial Reports

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 5 - GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>Fiscal Year</u>	<u>Ad Valorem Tax</u>	<u>Sales and Use Tax</u>	<u>Total</u>
2008	\$ 4,143,074	\$ 2,953,617	\$ 7,096,691
2009	4,375,006	2,416,311	6,791,317
2010	4,419,571	2,334,972	6,754,543
2011	4,799,367	2,310,643	7,110,010
2012	4,738,599	2,415,009	7,153,608
2013	4,756,030	2,506,955	7,262,985
2014	4,784,247	2,633,466	7,417,713
2015	5,229,618	2,871,736	8,101,354
2016	5,154,990	2,682,546	7,837,536
2017	5,240,361	2,691,282	7,931,643

Source: City of Bogalusa School Board Annual Financial Reports

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 6 - ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Real Property Assessed Value	Other Property Assessed Value	Total Assessed Value	Amount of Homestead Exemption	Total Taxable Assessed Value	Total Direct Tax Rate
2008	104,042,560	90,007,020	194,049,580	56,762,010	137,287,570	62.71
2009	115,240,670	96,062,610	211,303,280	62,251,907	149,051,373	62.81
2010	118,277,620	94,843,240	213,120,860	62,864,920	150,255,940	62.81
2011	127,838,840	96,354,900	224,193,740	63,396,609	160,797,131	62.75
2012	128,000,956	96,767,895	224,768,851	64,954,906	159,813,945	62.81
2013	128,398,140	93,551,137	221,949,277	63,341,125	158,608,152	62.81
2014	129,727,540	91,343,210	221,070,750	62,728,625	158,342,125	62.81
2015	131,278,340	93,169,800	224,448,140	63,636,820	160,811,320	62.81
2016	134,932,480	103,016,640	237,949,120	62,025,560	175,923,560	62.81
2017	142,924,780	103,843,580	246,768,360	61,382,268	185,386,092	63.04

Source: Washington Parish Assessor's Office

Note: Property in the Parish is reassessed every four years. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value. These values represent the Parish's assessed value since the School Board's data broken into real estate and commercial was not readily available.

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 7 - PROPERTY TAX RATES (PER \$1,000 PF ASSESSED VALUATION)
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

		Other Governments (Parishwide)				Other Governments (Special Districts)						
	School Board	Parish	Law		Washington	FLA			Property	LTC	Council	Total
Fiscal	Direct tax	Council	Enforcement	Assessor	Parish	Parishes	Fire	Hospital	Tax	Assessment	on	Direct &
Year	Millage	Millage	Millage	Millage	Schools	Juvenile	Districts	Tax	per acre	Fee	Aging	Overlapping
							RANGE					
2008	62.71	51.29	10.96	5.37	120.60	3.00	179.32	9.50	0.08	0.25	-	443.08
2009	62.81	51.29	10.47	5.13	115.67	3.00	175.22	9.50	0.08	0.25	2.80	436.22
2010	62.81	51.29	10.96	5.13	97.67	3.00	182.46	6.00	0.08	0.25	2.80	422.45
2011	62.75	51.29	10.96	5.37	95.17	3.00	183.77	6.00	0.08	0.25	2.80	421.44
2012	62.81	51.29	10.96	5.37	88.67	2.75	183.76	6.00	0.08	0.25	2.80	414.74
2013	62.81	51.29	10.96	5.29	84.17	2.75	163.53	21.50	0.08	0.25	2.80	405.43
2014	62.81	51.29	10.96	5.37	76.67	2.75	155.07	18.00	0.08	0.25	2.80	386.05
2015	62.81	51.29	10.96	5.37	65.17	2.75	152.62	18.00	0.08	0.25	2.80	372.10
2016	62.81	51.29	10.96	5.37	65.17	2.75	152.62	18.00	0.08	0.25	2.80	372.10
2017	63.04	51.29	10.96	5.37	43.67	2.75	160.50	17.96	0.08	0.55	2.80	358.97
<u>Components of the 2017 Total Direct Tax Rate:</u>												
Constitutional				6.43								
Construction, operation, and maintenance				5.04								
Salaries & benefits				12.05								
Operations				3.12								
Special leeway maintenance				7.79								
Operations				22.15								
Operations				6.46								
Total School Board Millage				63.04								

Source: Respective Taxing Jurisdiction

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 8 - PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2017			2008		
	Taxable	Rank	% of Total	Taxable	Rank	% of Total
	Assessed Value		Taxable Assessed Value	Assessed Value		Taxable Assessed Value
Temple - Inland - Papermill	\$ 26,870,190	1	14.5%	\$ 19,672,040	1	14.3%
Entergy Louisiana, LLC	6,871,700	2	3.7%	1,371,550	5	1.0%
Tin, Inc.	4,601,000	3	2.5%	-	-	-
Parkway Pipeline, LLC	2,866,220	4	1.5%	-	-	-
Temple - Inland - Box Plan	2,391,900	5	1.3%	3,691,910	3	2.7%
Calpine Corporation	1,638,260	6	0.9%	-	-	-
Florida Gas Transmission	1,091,640	7	0.6%	-	-	-
Wal-Mart Real Estate	1,125,280	8	0.6%	-	-	-
Wal-Mart Real Estate	1,077,850	9	0.6%	-	-	-
Bell South Telecommunications	960,500	10	0.5%	1,076,440	6	0.8%
Gaylord Container Corporation	-	-	-	4,460,860	2	3.2%
Gaylord Chemical Corporation	-	-	-	2,395,220	4	1.7%
Wal-Mart Louisiana, LLC	-	-	-	636,590	7	0.5%
Capital One	-	-	-	604,580	8	0.4%
Parish National Bank	-	-	-	586,390	9	0.4%
Resource Bank	-	-	-	472,620	10	0.3%
TOTALS	\$ 49,494,540		26.7%	\$ 34,968,200		25.3%

Source: Washington Parish Assessor's Office

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 9 - PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 4,608,023.58	\$ 4,143,074	89.91%	\$ 15,667	\$ 4,158,741	90.25%
2009	4,877,919.50	4,375,006	89.69%	21,951	4,396,957	90.14%
2010	4,913,910	4,419,571	89.94%	8,845	4,428,416	90.12%
2011	5,209,908	4,799,367	92.12%	-	4,799,367	92.12%
2012	5,144,500	4,738,599	92.11%	-	4,738,599	92.11%
2013	4,873,980	4,756,030	97.58%	-	4,756,030	97.58%
2014	5,253,950	4,784,247	91.06%	34,209	4,818,456	91.71%
2015	5,716,804	5,229,618	91.48%	37,979	5,267,597	92.14%
2016	5,598,139	5,154,990	92.08%	22,874	5,177,864	92.49%
2017	5,710,030	5,240,361	91.77%	17,092	5,257,453	92.07%

Source: Washington Parish Tax Collector's Office

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 10 - RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of personal Income	Per Capita
	Revenue Bonds	Capital Leases	CDL Loan			
2008	-	501,579	\$ 512,222	\$ 1,013,801	0.10%	22.57
2009	-	889,704	527,222	1,416,926	0.13%	31.19
2010	-	804,314	541,712	1,346,026	0.11%	29.47
2011	-	658,922	556,212	1,215,134	0.09%	25.76
2012	-	519,207	570,712	1,089,919	0.09%	23.41
2013	6,000,000	379,492	585,822	6,965,314	0.54%	149.25
2014	6,000,000	204,593	599,712	6,804,305	0.52%	146.58
2015	6,000,000	100,503	-	6,100,503	0.45%	131.80
2016	6,000,000	-	-	6,000,000	0.42%	129.63
2017	6,000,000	-	-	6,000,000	0.41%	129.56

Source: City of Bogalusa School Board Annual Financial Reports

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 11 - RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Less: Amounts</u> <u>Available in Debt</u> <u>Service Fund</u>	<u>Total</u>	<u>Percentage of</u> <u>Estimated</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per</u> <u>Capita</u>
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Note: The City of Bogalusa School Board does not have any general bonded debt outstanding.

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 12 - DIRECT & OVERLAPPING GOVERNMENTAL DEBT
June 30, 2017
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Bogalusa School Board	<u>\$ 6,000,000</u>	100%	<u>\$ 6,000,000</u>
Overlapping:			
Washington Parish Council	-	100%	-
Washington Parish School Board	<u>7,798,000</u>	100%	<u>7,798,000</u>
Subtotal, overlapping debt	<u>7,798,000</u>		<u>7,798,000</u>
Total direct and overlapping debt	<u><u>\$ 13,798,000</u></u>		<u><u>\$ 13,798,000</u></u>

Source: Respective government entities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Parish. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Washington Parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 13 - LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 36,414,896	\$ 40,334,235	\$ 41,397,167	\$ 44,743,594	\$ 44,800,335	\$ 44,939,349	\$ 45,404,639	\$ 45,947,419	\$ 47,226,368	\$ 50,023,673
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 36,414,896</u>	<u>\$ 40,334,235</u>	<u>\$ 41,397,167</u>	<u>\$ 44,743,594</u>	<u>\$ 44,800,335</u>	<u>\$ 44,939,349</u>	<u>\$ 45,404,639</u>	<u>\$ 45,947,419</u>	<u>\$ 47,226,368</u>	<u>\$ 50,023,673</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value \$ 142,924,780

(1) Debt Limit - 10% of Assessed Value 14,292,478

Deduct - Amount of debt applicable to debt limit -

Source: City of Bogalusa School Board

(Note 1) State law allows a maximum of 10% of assessed valuation for total bonded general obligation debt.

Legal Debt Margin \$ 14,292,478

**CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 14 - SUMMARY OF REVENUE COVERAGE
NON-GENERAL OBLIGATION DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Community Disaster Loan (CDL)

Fiscal Year	Gross Revenues	Expenses	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$ 28,430,286	\$ 27,782,974	\$ 647,312	-	-	-	-
2009	28,950,224	27,690,996	1,259,228	-	-	-	-
2010	28,690,243	28,564,800	125,443	-	-	-	-
2011	28,607,373	29,133,051	(525,678)	-	-	-	-
2012	26,929,468	27,958,069	(1,028,601)	-	-	-	-
2013	26,948,040	31,046,437	(4,098,397)	-	-	-	-
2014	25,631,086	28,094,719	(2,463,633)	-	-	-	-
2015	23,688,992	25,105,067	(1,416,075)	-	-	-	-
2016	22,694,829	23,508,488	(813,659)	-	-	-	-
2017	21,305,955	22,165,548	(859,593)	-	-	-	-

Note: The Community Disaster Loan (CDL) is secured by a pledge of the general revenues of the School Board. The principal and interest of the CDL was forgiven in February 2014.

Source: City of Bogalusa School Board CAFR

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 15 - DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Parish Population (1)</u>	<u>Parish Total Personal Income (1)</u>	<u>Parish Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>	<u>School Enrollment (3)</u>
2008	44,920	1,049,555,800	23,365	5.2%	2,280
2009	45,430	1,117,824,000	24,605	6.1%	2,302
2010	45,669	1,197,112,000	26,213	9.5%	2,255
2011	47,168	1,290,788,000	27,366	10.2%	2,234
2012	46,549	1,276,710,016	27,427	9.8%	2,157
2013	46,670	1,294,525,000	27,738	6.8%	2,031
2014	46,419	1,297,596,000	27,954	6.0%	1,747
2015	46,384	1,362,371,000	29,372	8.8%	1,710
2016	46,286	1,429,403,000	30,882	8.6%	1,675
2017	46,310	1,462,363,000	31,578	6.6%	1,505

(1) Source: Bureau of Economic Analysis

(2) Source: Bureau of Labor Statistics

(3) Source: Louisiana Believes

**CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 16 - PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

<u>2017 Employer</u>	<u>Industry Type</u>	<u>2008 Employer</u>	<u>Industry Type</u>
General Dynamics	Call Center	Washington Parish School Board	Government
Washington Parish School System	Government	Temple Inland Corporation	Manufacturing
International Paper	Manufacturing	City of Bogalusa School Board	Government
Our Lady of Angels Hospital	Healthcare	Washington Correctional Facility	Government
Rayburn Correctional Center	Government	LSU Health Sciences Center	Healthcare
Bogalusa City Schools	Government	Windmill Nurseries	Agriculture
Riverside Medical Center	Healthcare	Winn Dixie Louisiana, Inc.	Retail
Wal-Mart	Retail	City of Bogalusa	Government
City of Bogalusa	Government	Riverside Medical Center	Healthcare
Washington Parish Sheriff's Office	Government	SITEL	Call Center

Source: Washington Economic Development Foundation

Note: The table for principal employers should report the total employees for each employer and the percentage of total employment that each employer represents. This information is not available.

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 17 - FULL-TIME EQUIVALENT EMPLOYEES BY POSITION
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Classroom teachers	169	168	177	169	161	148	134	130	126	96
Service Worker	60	57	60	56	67	60	71	71	71	49
Teacher Aides	67	59	52	51	48	46	39	39	39	39
Clerical	34	34	36	30	29	26	25	25	25	25
Therapists/Counselors	27	22	22	19	12	13	13	13	13	13
Other Personnel	12	16	20	18	16	15	14	14	14	14
Supervisors	17	19	18	17	10	10	8	8	8	8
Principals	6	7	9	8	8	7	4	2	2	2
School Board Member	7	7	7	7	7	7	7	7	7	7
Skilled craftsman	6	6	6	6	7	6	5	5	5	5
Librarians	2	2	2	4	2	2	2	2	2	2
Sabbatical leave	3	3	2	4	3	1	1	1	1	1
Superintendent	1	1	1	1	1	1	1	1	1	1
Asst. Principals	<u>2</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total	<u>413</u>	<u>403</u>	<u>413</u>	<u>392</u>	<u>373</u>	<u>344</u>	<u>327</u>	<u>323</u>	<u>319</u>	<u>267</u>

Source: City of Bogalusa School Board

**CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 18 - OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenses</u>	<u>Cost Per Pupil</u>	<u>Percent Change</u>	<u>Teaching Staff</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>Percent Change Enrollment</u>	<u>Student Attendance Percentage</u>
2008	2,280	\$ 28,019,850	\$ 12,289	13.94%	236	2,111	92.6%	-6.55%	0.11%
2009	2,302	27,913,537	12,126	-1.33%	227	2,136	92.8%	1.18%	0.22%
2010	2,255	29,006,859	12,863	6.08%	229	2,084	92.4%	-2.43%	-0.43%
2011	2,234	28,452,757	12,736	-0.99%	220	2,078	93.0%	-0.29%	0.65%
2012	2,157	28,109,785	13,032	2.32%	209	2,051	95.1%	-1.30%	2.26%
2013	2,031	27,435,516	13,508	3.66%	194	1,905	93.8%	-7.12%	-1.37%
2014	1,747	27,556,268	15,773	16.77%	173	1,661	95.1%	-12.81%	1.39%
2015	1,710	25,321,847	14,808	-6.12%	169	1,622	94.8%	-2.35%	-0.28%
2016	1,675	23,319,326	13,922	-5.98%	165	1,591	95.0%	-1.91%	0.17%
2017	1,505	23,011,669	15,290	9.83%	135	1,360	90.4%	-14.52%	-4.89%

Source: City of Bogalusa School Board

CITY OF BOGALUSA SCHOOL BOARD
BOGALUSA, LOUISIANA
TABLE 19 - SCHOOL BUILDING INFORMATION
June 30, 2017
(UNAUDITED)

Schools	Year Opened	Square Footage
Bogalusa High School	1955	161,357
Central Elementary School	1954	91,741
Byrd Avenue Elementary School	1960	24,980
Denhamtown Elementary School	1960	24,980

Source: City of Bogalusa School Board

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS AND
UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the
City of Bogalusa School Board
Bogalusa, 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 the City of Bogalusa School Board (the "School Board"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 27, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cam, Riggs & Ingram, L.L.C.

December 27, 2017

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

Members of the
City of Bogalusa School Board
Bogalusa, Louisiana

Report on Compliance for the Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the School Board's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Cam, Riggs & Ingram, L.L.C.

December 27, 2017

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	ARRA Funds	Expenditures
<u>U.S. Department of Agriculture</u>				
Passed through Louisiana Department of Agriculture and Forestry:				
Food Distribution (non-cash)	10.565	-		\$ 98,850
Passed through Louisiana Department of Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	-		393,375
National School Lunch Program	10.555	-		625,545
Summer Food Service Program	10.559	-		37,853
Child Nutrition Cluster Total				<u>1,056,773</u>
Fresh Fruit & Vegetable Program	10.582	-		22,974
Total United States Department of Agriculture				<u>\$ 1,178,597</u>
<u>U.S. Department of Education</u>				
Passed through Louisiana Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	17-T1-66		\$ 1,410,314
Title I Sch Improvement 1003A Professional Development	84.010A	17-TA-66		23,293
Title I Total				<u>1,433,607</u>
Title II, Part A, Teacher and Principal Training & Recruiting Fund	84.367A	15-50-66		256,285
Rural and Low Income Schools - Rural Ed Achievement Program (11-12)	84.358B	15-RE-66		35,951
Special Education Cluster				
Special Education Grants to States - IDEA - Part B	84.027A	17-B1-66		434,431
Special Education - Preschool Grant	84.173A	17-P1-66		22,647
Special Education - High Risk Pool	84.027A	17-RH-66		17,370
Early Childhood Network Pilot IDEA 619	84.027A	17-C3-66		1,100
Special Education Cluster Total				<u>475,548</u>
Vocational Education - Basic Grants to States Carl Perkins	84.048A	17-02-66		23,632
Total United States Department of Education				<u>\$ 2,225,023</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Louisiana Department of Education:				
CCDF Cluster				
Early Childhood Lead Agency CCDF	93.575	17-CO-66		\$ 4,500
Passed through Louisiana Office of Family Support				
TANF Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	17-36-66		243,708

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	ARRA Funds	Expenditures
<u>U.S. Department of Health and Human Services (Continued)</u>				
Passed through Louisiana Department of Education:				
<i>Medicaid Cluster</i>				
Prevention Health Services - Medicaid	93.778	-		68,976
Total U.S. Department of Health and Human Services				\$ 317,184
<u>U.S. Department of the Army</u>				
Direct Program:				
Junior Reserve Officers Training Corps.	12.U00	-		\$ 71,925
Total United States Department of the Army				\$ 71,925
Total Federal Financial Assistance				\$ 3,792,729

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF BOGALUSA SCHOOL BOARD
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Bogalusa School Board (the “School Board”). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2017. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies. The School Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School Board has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applicable against federal grant funds to the extent of revenue available when they properly apply to the grant. 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*. Therefore, some amounts are presented in, or used in the preparation of, the basic financial statements.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2017

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the City of Bogalusa School Board (the "School Board").
2. No material weaknesses or significant deficiencies in internal control over financials reporting are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the School Board were reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs were reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*.
5. The *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance* for the School Board expresses an unmodified opinion on all major federal programs.
6. The *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance* disclosed no findings that are required to be reported in accordance with Section 200.516 of the Uniform Guidance.
7. The following programs were identified as major programs:

Name of Federal Program (or Cluster) Title I	CFDA No. 84.010
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8. The threshold for distinguishing Type A and Type B programs was \$750,000.
9. The School Board qualified as a low-risk auditee.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2017

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings reported in this section.

C. FINDINGS AND QUESTIONED COSTS RELATED TO THE MAJOR FEDERAL PROGRAM

There were no findings reported in this section.

CITY OF BOGALUSA SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2017

SECTION I FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statement audit in the prior year.

SECTION II FINDINGS AND QUESTIONED COSTS RELATED TO THE MAJOR FEDERAL PROGRAM

There were no findings related to major federal awards programs in the prior year.

CITY OF BOGALUSA SCHOOL BOARD
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2017

SECTION I- FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

There were no findings pertaining to the financial statement audit noted during the year ended June 30, 2017.

SECTION II- FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings pertaining to major Federal award programs noted during the year ended June 30, 2017.

STATE REPORTING SECTION

SCHEDULES REQUIRED BY STATE LAW

**(R.S. 24:514 - PERFORMANCE AND
STATISTICAL DATA)**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the
City of Bogalusa School Board
Bogalusa, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of City of Bogalusa School Board (School Board) 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. Management of the School Board is responsible for its 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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.

Education Levels of Public School Staff (Schedule 2)

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

Number and Type of Public Schools (Schedule 3)

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

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

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

Public School Staff Data: Average Salaries (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.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

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 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) (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.

iLEAP Tests (Schedule 9)

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.

No exceptions were found as a result of applying the above procedures.

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

This report is intended solely for the use of management of City of Bogalusa School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cam, Riggs & Ingram, L.L.C.

December 27, 2017

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 1: GENERAL FUND INSTRUCTIONAL AND
SUPPORT EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES
For the Year Ended June 30, 2017

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom teacher salaries	\$ 5,394,618	
Other instructional staff activities	285,424	
Instructional staff employee benefits	2,619,608	
Purchased professional and technical services	53,464	
Instructional materials and supplies	126,241	
Instructional equipment	<u>-</u>	
Total Teacher and Student Interaction Activities		\$ 8,479,355

Other Instructional Activities		21,345
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Pupil Support Services	1,391,438	
Less: equipment for pupil support services	<u>-</u>	
Net Pupil Support Services		1,391,438

Instructional Staff Services	728,376	
Less: Equipment for instructional staff services	<u>-</u>	
Net Instructional Staff Services		728,376

School Administration	1,473,117	
Less: Equipment for school administration	<u>-</u>	
Net School Administration		<u>1,473,117</u>

Total General Fund Instructional Expenditures		<u>\$ 12,093,631</u>
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Total General Fund Equipment Expenditures		<u>\$ 41,759</u>
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional ad valorem taxes	\$ 508,315
Renewable ad valorem tax	4,644,193
Debt service ad valorem tax	-
Up to 1% of collections by the Sheriff on taxes other than school taxes	87,853
Sales and use taxes	<u>2,691,282</u>
Total Local Taxation Revenue	<u>\$ 7,931,643</u>

State Revenue in Lieu of Taxes:

Revenue sharing - constitutional tax	\$ 196,515
Total State Revenue in Lieu of Taxes	<u>\$ 196,515</u>

Nonpublic Textbook Revenue	<u>\$ 14,713</u>
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Nonpublic Transportation Revenue	<u>\$ -</u>
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CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 2: EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
As of October 1, 2016

	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
Category	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0.0%	1	4.3%	-	0.0%	-	0.0%
Bachelor's Degree	64	62.7%	18	78.3%	-	0.0%	-	0.0%
Master's Degree	22	21.6%	-	0.0%	8	88.9%	-	0.0%
Master's Degree + 30	16	15.7%	4	17.4%	1	11.1%	-	0.0%
Specialist in Education	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Ph. D. or Ed. D.	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	102	100%	23	100%	9	100%	0	0%

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 3: NUMBER AND TYPE OF PUBLIC SCHOOLS
For the Year Ended June 30, 2017

Type	Number
Elementary	3
Middle/Jr. High	0
Secondary	1
Combination	0
Total	4

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 4: EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS
AND FULL-TIME CLASSROOM TEACHERS
As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	1	0	2	3	6
Principals	0	0	0	0	1	2	0	3
Classroom Teachers	34	8	23	11	12	14	23	125
Total	34	8	23	12	13	18	26	134

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 5: PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES
For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$47,112	\$46,350
Average Classroom Teachers' Salary Excluding Extra Compensation	\$47,017	\$46,254
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	124	122

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

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 6: CLASS SIZE CHARACTERISTICS
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	65.6%	126	33.9%	65	0.0%	-	1.0%	1
Elementary Activity Classes	79.4%	27	14.7%	5	0.0%	-	5.9%	2
Middle/Jr. High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High	65.5%	199	21.4%	65	13.2%	40	0.0%	-
High Activity Classes	66.7%	28	21.4%	9	7.1%	3	4.8%	2
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	0.0%		0.0%		0.0%		0.0%	-

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 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.

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 7: LOUISIANA EDUCATIONAL ASSESSMENT
PROGRAM (LEAP)
For the Years Ended June 30, 2017, 2016 and 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	≤1	1	≤1	3	1
Mastery	17	19	18	12	21	18
Basic	24	30	36	22	33	33
Approaching Basic	31	35	35	42	37	34
Unsatisfactory	28	16	10	24	6	14
Total	100	100	100	100	100	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2	≤1	1	≤1	N/A	≤1
Mastery	8	2	14	7	N/A	2
Basic	38	42	45	14	N/A	63
Approaching Basic	30	45	32	27	N/A	25
Unsatisfactory	22	11	8	52	N/A	10
Total	100	100	100	100	-	100

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3	≤1	1	≤1	1	1
Mastery	20	15	14	≤1	7	5
Basic	33	40	35	10	16	17
Approaching Basic	32	35	25	47	45	31
Unsatisfactory	12	10	25	43	31	46
Total	100	100	100	100	100	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	≤1	1	3	N/A	1
Mastery	≤1	4	3	9	N/A	1
Basic	23	24	19	16	N/A	23
Approaching Basic	36	39	37	34	N/A	32
Unsatisfactory	41	33	40	38	N/A	43
Total	100	100	100	100	-	100

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 9: iLEAP TESTS
For the Years Ended June 30, 2017, 2016 and 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	≤1	1	≤1	2	1
Mastery	19	16	13	20	20	9
Basic	21	26	22	37	32	26
Approaching Basic	33	28	37	21	26	46
Unsatisfactory	27	30	27	22	20	18
Total	100	100	100	100	100	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	2	1	≤1	N/A	≤1
Mastery	10	11	4	5	N/A	7
Basic	41	38	22	17	N/A	50
Approaching Basic	28	27	40	39	N/A	26
Unsatisfactory	21	22	33	39	N/A	17
Total	100	100	100	100	-	100

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	1	1	≤1	1	1
Mastery	19	22	18	12	14	14
Basic	34	36	30	35	38	27
Approaching Basic	28	30	36	38	36	44
Unsatisfactory	19	11	15	15	11	14
Total	100	100	100	100	100	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	1	1	≤1	N/A	1
Mastery	4	5	7	2	N/A	5
Basic	24	35	27	15	N/A	46
Approaching Basic	41	35	41	29	N/A	32
Unsatisfactory	31	24	24	54	N/A	16
Total	100	100	100	100	-	100

CITY OF BOGALUSA SCHOOL BOARD
SCHEDULE 9: iLEAP TESTS (CONTINUED)
For the Years Ended June 30, 2017, 2016 and 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	1	1	≤1	1	1
Mastery	12	13	13	≤1	3	5
Basic	30	33	38	14	14	21
Approaching Basic	38	34	32	43	45	50
Unsatisfactory	20	19	16	43	37	23
Total	100	100	100	100	100	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	1	1	≤1	N/A	1
Mastery	4	1	4	2	N/A	5
Basic	29	32	35	21	N/A	38
Approaching Basic	34	43	37	27	N/A	34
Unsatisfactory	33	23	23	50	N/A	22
Total	100	100	100	100	-	100

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	4	1	≤1	≤1	1
Mastery	25	19	6	4	4	3
Basic	24	26	17	23	17	30
Approaching Basic	33	34	43	44	58	45
Unsatisfactory	18	17	33	29	21	21
Total	100	100	100	100	100	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	≤1	≤1	1	≤1	N/A	≤1
Mastery	6	10	1	4	N/A	2
Basic	24	24	29	26	N/A	24
Approaching Basic	40	40	38	22	N/A	35
Unsatisfactory	30	26	31	48	N/A	39
Total	100	100	100	100	-	100

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of
City of Bogalusa School Board
Bogalusa, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of City of Bogalusa School Board (the "School Board") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 01, 2016 through June 30, 2017. The School Board is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

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

We obtained the written policies and verified that they addressed the areas as follows:

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

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

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

No written contracting policy noted. See management's response below.

- 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.

We noted the School Board credit card policy does not indicate how cards are to be controlled, allowable usages, documentation requirements, or required approval of purchases. See management's response below.

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

No exceptions were noted.

- 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.

We noted the School Board's Ethics policy does not mention a monitoring system or the requirement that all employees annually attest through signature verification that they have read the Board's Ethics policy. See management's response below.

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

We noted the Debt Service section in the School Board's Computer Assisted Policy Service (CAPS) does not mention compliance with EMMA reporting requirements, debt reserve requirements, or debt service. See management's response below.

Management's Response: The Bogalusa School Board will be updating its policies and procedures manual with Forethought Consulting who oversees its implementation of its policies. Although the district has some existing written policies, it wishes to be in compliance with the new AUP's going forward and will enact new policies in order to do so.

Board (or Finance Committee, if applicable)

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

We obtained and reviewed the board/committee minutes for the fiscal period, and:

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

No exceptions were noted.

- b) Reported 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).

No exceptions were noted.

- 1) If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, reported 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, reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No exceptions were noted.

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

No exceptions were noted.

Bank Reconciliations

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

We obtained a listing of the bank accounts from management and obtained a representation from management that the listing is complete.

4. Using the listing provided by management, we selected 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). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

We selected three (3) of the School System's eight (8) bank accounts. For each bank account we verified the following:

- a) Bank reconciliations have been prepared;

No exceptions were noted.

- 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

No exceptions were noted.

- 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.

We noted no documentation of management's research of outstanding reconciling items for one of its bank accounts (bank account ending 0080).

Management's Response: Bogalusa School Board will closely monitor outstanding checks in the bank reconciliation register to be in compliance with the policy.

Collections

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

We obtained the listing of the collection locations and a representation from management that the listing was complete.

6. Using the listing provided by management, we selected 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). For each cash collection location selected:

- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported 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.

We obtained written documentation and determined that each person collecting cash is (1) bonded, (2) not responsible for depositing cash in the bank, recording the related transaction, or reconciling the related bank account, (3) not required to share the same cash register or drawer with another employee.

- b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported 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.

We verified that the School Board has a formal process and written documentation to reconcile cash collections to the general ledger by a person who is not responsible for cash collections.

- c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - 1) Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.

During our review of collections, we noted seven (7) out of 48 receipts were not deposited within one day of collection with days ranging from 2 to five days.

Management's Response: Bogalusa School Board will monitor accounts to make sure timely deposits are in compliance.

- 2) Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and reported any exceptions.

Daily deposits were completely supported by documentation. No exceptions were noted.

- 7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported 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.

No exceptions were noted.

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

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.

We sorted and filtered the School Board's general ledger to create a listing of entity disbursements and obtained a representation from management that the listing is complete.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected 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. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:

We selected 25 disbursements, examined supporting documentation and verified the following:

- 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.

No exceptions were noted.

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

No exceptions were noted.

- 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.

No exceptions were noted.

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

No exceptions were noted.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who make the

final authorization for disbursements have no responsibility for initiating or recording purchases.

No exceptions were noted.

12. We inquired of management and observed 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 reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.

No exceptions were noted.

13. If a signature stamp or signature machine is used, we inquired 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. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

No exceptions were noted.

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

14. We obtained 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. We obtained management's representation that the listing is complete.

We obtained a listing of all credit, debit, fuel, and purchase cards and a representation from management that the listing is complete.

15. Using the listing prepared by management, we 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.

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

We selected the School System's only credit card, obtained the monthly statements, and selected the month with the largest dollar activity.

- a) We reported 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.

No exceptions were noted.

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

No exceptions were noted.

16. Using the monthly statements or combined statements selected under #15 above, we obtained 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).

We obtained supporting documentation for the statements selected in Step 15 and verified the following:

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

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

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

- b) For each transaction, we compared 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 reported any exceptions.

No exceptions were noted.

- c) For each transaction, we compared 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 reported any exceptions.

No exceptions were noted.

Travel and Expense Reimbursement

17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.

We obtained the general ledger detail and sorted and filtered for travel reimbursements. We obtained a representation from management that the listing was complete

18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.

We obtained the written policy and compared it to the established rates.

No exceptions were noted.

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

- a) We compared expense documentation to written policies and reported 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, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.

No exceptions were noted.

- b) We reported whether each expense is supported by:

- 1) 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.]

No exceptions were noted.

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

No exceptions were noted.

- 3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions were noted.

- c) We compared 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 reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).

No exceptions were noted.

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

No exceptions were noted.

Contracts

20. We obtain a listing of all contracts in effect during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.

We obtained a listing of all contracts in effect during the year ended June 30, 2017. We obtained management's representation that the listing was complete.

21. Using the listing above, we selected 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). We obtained the related contracts and paid invoices and:

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

No exceptions were noted.

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- 1) If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

No exceptions were noted.

- 2) If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.

No exceptions were noted.

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

No exceptions were noted.

- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions were noted.

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

No exceptions were noted.

Payroll and Personnel

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

We obtained a listing of employees and a representation from management that the listing was complete. We selected five employees and obtained their personnel files and performed the following:

- a) Reviewed 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.

We verified compensation was in accordance with the terms of the employment contracts for each of the five employees selected.

No exceptions were noted.

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

For each employee selected in Step 22a, we obtained management's approval of the employee's pay rate. If the employee's pay rate changed during the year, we obtained specific approval of the change.

No exceptions were noted.

23. We obtained attendance and leave records and randomly select one pay period in which leave was been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

We selected one pay period in which leave was taken and performed the following:

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

No exceptions were noted.

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

No exceptions were noted.

- c) Reported 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.

No exceptions were noted.

24. We obtained 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, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

We obtained a list of terminations and a representation that the list was complete. We selected termination payments and verified that they were made in accordance with the employee's contract and were approved by management.

No exceptions were noted.

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported 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.

We examined supporting documentation and verified that required payments of payroll taxes and retirement contributions as well as the required reporting forms were made in a timely manner.

No exceptions were noted.

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.

We confirmed with management that the employee's selected in Step 22 had taken the required ethics training.

No exceptions were noted.

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.

Management represented that no ethics violations were reported to them during the fiscal period.

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.

No exceptions were noted.

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.

No exceptions were noted.

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.

No exceptions were noted.

Other

31. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions were noted.

32. We observed and reported 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.

No exceptions were noted.

33. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

No exceptions were noted.

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

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

Cary Riggs & Ingram, L.L.C.

December 27, 2017