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**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2015**

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**EAST FELICIANA PARISH SCHOOL BOARD**

**CLINTON, LOUISIANA**

**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**

**YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	I - III
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART I</b>	
Management's Discussion and Analysis	IV - IX
<b>BASIC FINANCIAL STATEMENTS</b>	
<u>Government-Wide Financial Statements</u> (GWFS)	
Statement of Net Position	1
Statement of Activities	2
<u>Fund Financial Statements</u> (FFS)	
<u>Governmental Funds:</u>	
Balance Sheet	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balance	5
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	6
<u>Fiduciary Funds:</u>	
Statement of Fiduciary Assets and Liabilities	7
<u>Notes to the Financial Statements</u>	8 - 37
<b>REQUIRED SUPPLEMENTAL INFORMATION - PART II</b>	
Major Fund Descriptions	38
Budgetary Comparison Schedules:	
General Fund	39 - 40
Operations and Maintenance Fund	41
Title I Fund	42
Capital Project Fund	43

Schedule of Funding Progress and Schedule of Employer Contributions – Other Post-Employment Benefit Plan	44
Schedule of East Feliciana School System’s Proportionate Share of Net Pension Liability	45
Schedule of East Feliciana School System Employer Contributions	46
Notes to Required Supplementary Information	47

**SUPPLEMENTAL INFORMATION:**

Schedule of Compensation, Benefits, and Other Payments to Superintendent	48
Non-Major Governmental Fund Descriptions	49
Combining Balance Sheet - Non-Major Governmental Funds	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	51 - 52
Fiduciary Fund Type - Descriptions	53
Combining Balance Sheet - Agency Funds	54
Schedule of Compensation Paid Board Members	55

**REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	56 - 57
Independent Auditors’ Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	58 - 60
Schedule of Expenditures of Federal Awards	61
Notes to Schedule of Expenditures of Federal Awards	62
Schedule of Findings and Questioned Costs	63 - 66
Summary Schedule of Prior Audit Findings	67 - 71

**PERFORMANCE MEASUREMENT DATA**

Independent Accountants' Report on Applying Agreed-Upon Procedures	72 - 76
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)	77 - 78
Performance and Statistical Data	79 - 89

**INDEPENDENT AUDITORS' REPORT**

The Members of the  
East Feliciana Parish School Board  
Clinton, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board (School Board) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board, as of June 30, 2015, 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 Budgetary Comparison Schedules, the Schedule of Funding Progress and Schedule of Employer Contributions for Other Post-Employment Benefit Plans, the Schedule of Proportionate Share of Net Pension Liability, the Schedule of Employer Contributions, and the related supplementary notes presented on pages IV-IX, 38 through 43, 44, 45, 46 and 47 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 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 opinions on the financial statements that collectively comprise the East Feliciana Parish School Board's basic financial statements. The Combining Non-Major Fund Financial Statements, the Schedule of Compensation, Benefits, and Other Payments to the Superintendent and the 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 also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Combining Non-Major Fund Financial Statements, the Schedule of Compensation Paid to Board Members, the Schedule of Compensation, Benefits, and Other Payments to the Superintendent, and the 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 Non-Major Fund Financial Statements, the Schedule of Compensation Paid to Board Members, the Schedule of Compensation, Benefits, and Other Payments to the Superintendent, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The performance and statistical data 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 30, 2015, on our consideration of the East Feliciana Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 East Feliciana Parish School Board's internal control over financial reporting and compliance.

*Pastlethwaite & Netterville*

Baton Rouge, Louisiana  
December 30, 2015



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2015**

The Management's Discussion and Analysis of the East Feliciana Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2015. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

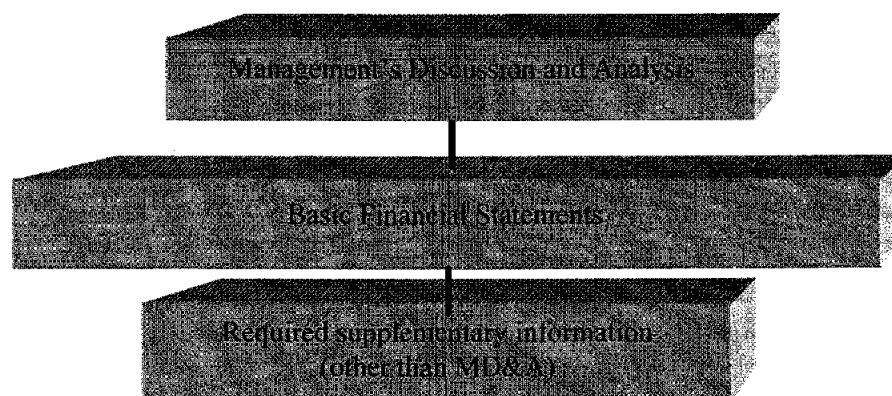
### FINANCIAL HIGHLIGHTS

- ★ The East Feliciana Parish School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2015 by approximately \$15,904,000.
- ★ Expenses exceeded revenues by approximately \$262,000 at the end of the year, indicating a slight decrease in the financial position of the School Board over prior year.
- ★ State MFP funding increased by approximately \$37,000 from the prior year.
- ★ The General Fund's fund balance increased from the prior year by approximately \$187,000 mainly as a result of an increase in sales tax revenues of approximately \$118,000.
- ★ The Operations and Maintenance Fund, which accounts for the proceeds of a 1% sales tax, has a fund balance of approximately \$1,002,000 which can be used for a variety of operating purposes. The School Board has used this fund to provide salary supplements and capital outlay for the past several years.

The School Board adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transaction for Contributions Made Subsequent to the Measurement Date, an amendment to GASB No. 68*. These statements required the School Board to recognize its proportionate share of the net pension liability for the defined benefit pension plans in which its employees participate. The effects of the implementation were applied directly to net position as of June 30, 2014, and thus the School Board restated its net position as of June 30, 2014. See Note 1n to the financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2015**

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to private sector business.

The *statement of net position* presents information on all of the School Board's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

**Fund financial statements.** A *fund* is a grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School Board can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Operations and Maintenance Fund, the Title I Fund, and the Capital Projects Fund, all of which are considered major funds.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2015**

**Fund financial statements (Continued)**

The remaining funds are combined into a single, aggregated presentation under the label of non-major governmental funds, which contains all other governmental funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The School Board's fiduciary funds consist of the School Activity Fund, which contains monies belonging to the schools, their students, and clubs and other activities, and the Sales Tax Fund, which accounts for the collection and distribution of parish-wide sales taxes.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FINANCIAL ANALYSIS OF THE ENTITY**

Condensed Statements of Net Position  
as of June 30, 2015 and 2014

	2015	2014 (as restated)
Cash and cash equivalents	\$ 3,290,618	\$ 3,960,746
Receivables	1,701,319	1,409,268
Prepaid expenses and other	58,738	65,276
Capital assets, net	9,044,001	9,503,339
Total assets	14,094,676	14,938,629
Deferred outflows of resources related to pension liability	3,251,926	2,818,228
Total assets and deferred outflows of resources	\$ 17,346,602	\$ 17,756,857
Accounts, salaries and other payables	1,628,275	1,917,295
Unearned revenue	-	164,499
Revenue bonds payable	1,230,989	1,341,002
Net post employment benefit obligation	3,548,970	2,724,268
Compensated absences and claims liabilities	361,813	427,696
Net pension liability	22,927,236	26,824,556
Total liabilities	29,697,283	33,399,316
Deferred inflows of resources related to pension liability	3,553,348	-
Net Position:		
Net investment in capital assets	7,813,012	8,296,277
Restricted	1,698,905	1,735,143
Unrestricted	(25,415,946)	(25,673,879)
Total net position	(15,904,029)	(15,642,459)
Total liabilities, deferred inflows of resources, and net position	\$ 17,346,602	\$ 17,756,857

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2015**

**FINANCIAL ANALYSIS OF THE ENTITY (Continued)**

- Cash and cash equivalents decreased by approximately \$670,000 or 17% over the prior year. These assets, consisting of cash in local financial institutions comprise approximately 23% of total assets.
- Receivables have increased by approximately \$292,000 or 21% over the prior year due to the timing of receipt of grant reimbursement requests near year end.
- Total liabilities have decreased by approximately \$3.7 million while deferred inflows of resources have increased by \$3.5 million. More information regarding long-term debt, the net pension liability, and the net post-employment benefit obligation can be found in Notes 6, 8, and 9 to the financial statements.

Condensed Statements of Revenues and Expenses  
for the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Program revenues</b>		
Charges for services	\$ 66,918	\$ 76,244
Operating grants	4,301,534	5,646,312
<b>General revenues</b>		
Property taxes	2,666,239	2,567,422
Sales taxes	3,475,693	3,239,745
Earnings on investments	135,379	5,257
MFP	11,691,884	11,655,242
Other	<u>344,787</u>	<u>299,253</u>
Total revenues	<u>22,682,434</u>	<u>23,489,475</u>
<b>Expenses</b>		
<b>Instruction:</b>		
Regular education	8,152,969	7,994,987
Special education	2,399,677	2,578,961
Vocational education	266,445	276,368
Other education	403,186	471,882
<b>Support Services:</b>		
Pupil support	702,360	771,785
Instructional staff	1,177,597	1,425,483
General administrative	908,430	2,092,528
School administrative	1,029,372	1,250,463
Business and central services	310,799	286,511
Plant operation and maintenance	2,350,447	1,894,759
Transportation	1,508,859	1,406,366
Food service	1,411,706	1,261,138
Central services	112,911	107,861
Interest charged on long-term debt	24,189	5,282
Appropriation to the charter school	<u>2,185,057</u>	<u>1,869,518</u>
Total expenses	<u>22,944,004</u>	<u>23,693,892</u>
Excess of (deficiency) of revenues over/under expenses	<u>\$ (261,570)</u>	<u>\$ (204,417)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2015**

**FINANCIAL ANALYSIS OF THE ENTITY (Continued)**

**Change in Net Position**

- MFP, which accounts for 52% of total revenues for 2015, increased by approximately \$37,000.
- Sales taxes, which account for 15% of total revenues for 2015, increased by approximately \$236,000.
- Operating grant revenues, comprising approximately 19% of total revenues for 2015, decreased by approximately \$1,345,000 due to reductions in federal grant revenues.
- Expenses decreased by approximately \$750,000 or 3% over the previous year, and were primarily related to budget reductions as a result of federal funding cuts offset with an increase in the appropriation to the charter school of approximately \$315,000.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2015, the East Feliciana Parish School Board had approximately \$9 million invested in a broad range of capital assets, including land, building, and equipment. (See Table below).

This amount represents a decrease (including additions and deductions) of approximately \$459,000 over last year due to depreciation expense of approximately \$573,000 and net additions of approximately \$114,000.

Capital Assets at Year-end  
(Net of Accumulated Depreciation)

	2015	2014
Land	\$ 1,199,768	\$ 1,199,768
Buildings and Improvements	7,654,628	8,075,485
Equipment	189,605	190,016
Construction-in-Progress	-	38,070
Totals	\$ 9,044,001	\$ 9,503,339

**Long-term debt**

At June 30, 2015, the School Board had \$1,231,000 in bonds for the purpose of construction, rehabilitation and renovations. Long-term liabilities also consist of compensated absences payable of \$337,000, net other post-employment benefit obligation of \$3,549,000, a claims liability of \$25,000, and a net pension liability of \$22,927,000. Details regarding long-term debt can be found in Notes 6, 8, and 9 to the financial statements.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Over the course of the year, the General Fund operating budget was amended. The amendment of the operating budget is a customary practice and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant changes during 2015 were as follows:

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2015**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS (Continued)**

**Revenues:**

The General Fund budget was amended from the original projections to reflect increases in sales and use taxes (\$100,000), ad valorem taxes (\$43,000), MFP (\$80,000) and other revenues for the sale of 16<sup>th</sup> section real estate. The General Fund budget was also amended to reflect decreases in restricted grants (\$190,000).

**Expenditures:**

Budgeted expenditures were amended to reflect increased amounts incurred for regular and vocational education programs, instructional staff services, general administration services, and plant operation and maintenance. Budgeted expenditures were amended to reflect decreased amounts incurred for special education programs, school administration services, and student transportation services.

**ANALYSIS OF FUND BALANCES**

The General Fund's fund balance of \$2,063,000 represents amounts restricted for future salary and benefits expenditures of \$1,425,000 and unassigned amounts of \$638,000, and equals approximately 13% of the General Fund's annual expenditures. Best practices recommend that governments maintain no less than general fund balances equal to 10% of annual expenditures. The Operations and Maintenance Fund's fund balance of \$1,002,000 is also available for a broad range of uses, including operating costs paid by the General Fund. The Capital Project Fund's fund balance of \$42,000 represents amounts restricted for capital projects. The majority of the non-major funds' combined fund balance of \$232,000 is restricted for federal and state grant programs, and school food services.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The East Feliciana Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Sales tax revenues are budgeted to decrease approximately 9% from the 2015 budgeted amount.
- Ad-valorem tax revenues are expected to increase by 3%.
- The General Fund operating budget was adopted to operate at a \$191,000 surplus.
- Health insurance and retirement benefit payments are expected to increase on an individual basis.
- State funding through MFP is expected increase approximately 1% from the prior year.
- Appropriation of funds to the charter school is expected to increase significantly.

**CONTACTING THE EAST FELICIANA PARISH SCHOOL BOARD'S MANAGEMENT**

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mr. Tommy LeJeune, CPA, Faulk & Winkler, LLC, c/o East Feliciana Parish School Board, 12732 Silliman Street, Clinton, LA 70722, (225) 683-8277.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2015**

**ASSETS**

Cash and cash equivalents	\$ 3,290,618
Sales tax receivable	285,782
Due from governments	869,988
Due from external party (fiduciary fund)	545,549
Inventory	43,416
Other assets	15,322
Capital assets:	
Land and construction in progress	1,199,768
Buildings and equipment, net of accumulated depreciation	7,844,233

TOTAL ASSETS 14,094,676

**DEFERRED OUTFLOWS OF RESOURCES - related to pension liability** 3,251,926

**LIABILITIES**

Accounts, salaries and other payables	1,628,275
Long-term liabilities:	
Due within one year	209,764
Due in more than one year	27,859,244

TOTAL LIABILITIES 29,697,283

**DEFERRED INFLOWS OF RESOURCES - related to pension liability** 3,553,348

**NET POSITION**

Net investment in capital assets	7,813,012
Restricted for:	
Capital improvements	41,790
School food services	177,056
Federal and state grant programs	54,881
Salaries and benefits	1,425,178
Unrestricted	(25,415,946)
TOTAL NET POSITION	<u>\$ (15,904,029)</u>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit	
<b><u>Functions/Programs</u></b>				
<b>Instruction:</b>				
Regular education programs	\$ 8,152,969	\$ -	\$ 1,307,765	\$ (6,845,204)
Special education programs	2,399,677	-	384,917	(2,014,760)
Vocational education programs	266,445	-	42,739	(223,706)
Other education programs	403,186	-	64,672	(338,514)
<b>Support Services:</b>				
Pupil support services	702,360	-	112,661	(589,699)
Instructional staff services	1,177,597	-	188,891	(988,706)
General administration services	908,430	-	145,715	(762,715)
School administration services	1,029,372	-	165,115	(864,257)
Business and central services	310,799	-	49,853	(260,946)
Plant operation and maintenance	2,350,447	-	377,020	(1,973,427)
Transportation	1,508,859	-	242,026	(1,266,833)
Food service	1,411,706	66,918	1,202,049	(142,739)
Central services	112,911	-	18,111	(94,800)
Interest charges on long-term debt	24,189	-	-	(24,189)
Appropriation to charter school	2,185,057	-	-	(2,185,057)
<b>Total Governmental Activities</b>	<b>22,944,004</b>	<b>66,918</b>	<b>4,301,534</b>	<b>(18,575,552)</b>
<b>General Revenues</b>				
<b>Taxes:</b>				
Ad-valorem taxes				2,666,239
Sales and use taxes				3,475,693
State revenue sharing				72,824
<b>Grants and contributions not restricted to specific purposes:</b>				
Minimum Foundation Program				11,691,884
Interest and investment earnings				135,379
Miscellaneous				271,963
				<b>18,313,982</b>
				(261,570)
				<b>(15,642,459)</b>
				<b>\$ (15,904,029)</b>

The accompanying notes are an integral part of this statement.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2015**

	General	Operations and Maintenance	Title I	Capital Projects	Non-major Governmental	Total
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 792,901	\$ 1,721,710	\$ 156,626	\$ 146,214	\$ 473,167	\$ 3,290,618
Sales tax receivable	142,891	142,891	-	-	-	285,782
Due from other funds	2,714,446	-	-	-	-	2,714,446
Due from other governments	-	-	173,984	-	612,116	786,100
Inventory	-	-	-	-	43,416	43,416
Other	4,966	-	523	-	9,833	15,322
<b>TOTAL ASSETS</b>	<b>\$ 3,655,204</b>	<b>\$ 1,864,601</b>	<b>\$ 331,133</b>	<b>\$ 146,214</b>	<b>\$ 1,138,532</b>	<b>\$ 7,135,684</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Liabilities:						
Accounts payable	\$ 64,508	\$ 2,533	\$ -	\$ .1	\$ 12,648	\$ 79,690
Salaries and benefits payable	1,527,865	-	20,720	-	-	1,548,585
Due to other funds	-	860,114	310,413	104,423	893,947	2,168,897
<b>TOTAL LIABILITIES</b>	<b>1,592,373</b>	<b>862,647</b>	<b>331,133</b>	<b>104,424</b>	<b>906,595</b>	<b>3,797,172</b>
Fund balances:						
Nonspendable	-	-	-	-	43,416	43,416
Spendable:						
Restricted for:						
Federal and state grant programs	-	-	-	-	54,881	54,881
School food services	-	-	-	-	133,640	133,640
Capital projects	-	-	-	41,790	-	41,790
Salaries and benefits	1,425,128	-	-	-	-	1,425,128
Assigned to operations and maintenance	-	1,001,954	-	-	-	1,001,954
Unassigned	637,703	-	-	-	-	637,703
<b>TOTAL FUND BALANCES</b>	<b>2,062,831</b>	<b>1,001,954</b>	<b>-</b>	<b>41,790</b>	<b>231,937</b>	<b>3,338,512</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,655,204</b>	<b>\$ 1,864,601</b>	<b>\$ 331,133</b>	<b>\$ 146,214</b>	<b>\$ 1,138,532</b>	<b>\$ 7,135,684</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

Total Fund Balances at June 30, 2015 - Governmental Funds		\$	3,338,512
Amounts reported for governmental activities in the statement of net position is different due to the following:			
Some revenue receivables were not collected within sixty days after year-end and, therefore, are not available soon enough to pay for current period expenditures.			83,888
Deferred inflows and outflows of resources related to the net pension liability are not payable or receivable, respectively, in the current period and therefore not reported in the governmental funds			
Deferred outflows of resources related to pension liability			3,251,926
Deferred intflows of resources related to pension liability			(3,553,348)
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds			
Cost of capital assets at June 30, 2015	22,971,561		
Less: Accumulated depreciation as of June 30, 2015:			
Buildings and improvements	(12,841,291)		
Movable property	(1,086,269)		
			9,044,001
Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds			
Long-term liabilities at June 30, 2015:			
Revenue bonds	(1,230,989)		
Claims liability	(25,000)		
Net post employment benefit obligation	(3,548,970)		
Compensated absences payable	(336,813)		
Net pension liability	(22,927,236)		
			(28,069,008)
Total Net Position at June 30, 2015 - Governmental Activities		\$	(15,904,029)

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FISCAL YEAR ENDED JUNE 30, 2015**

	General	Operations and Maintenance	Title I	Capital Projects	Non-major Governmental	Total
<b>REVENUES</b>						
Local sources:						
Ad valorem taxes	\$ 2,582,351	\$ -	\$ -	\$ -	\$ -	\$ 2,582,351
Sales and use tax	1,737,847	1,737,846	-	-	-	3,475,693
Earnings on investments	135,179	175	-	-	25	135,379
Other	271,963	-	-	-	66,918	338,881
State sources:						
Unrestricted grants-in-aid, MFP	11,672,433	-	-	-	19,451	11,691,884
Revenue sharing	72,824	-	-	-	-	72,824
Restricted grants-in-aid	174,788	-	-	-	457,341	632,129
Federal grants	-	-	876,703	-	2,792,702	3,669,405
<b>TOTAL REVENUES</b>	<b>16,647,385</b>	<b>1,738,021</b>	<b>876,703</b>	<b>-</b>	<b>3,336,437</b>	<b>22,598,546</b>
<b>EXPENDITURES</b>						
Current:						
Instruction:						
Regular education programs	7,185,566	-	15,135	-	932,158	8,132,859
Special education programs	1,196,917	-	202,802	-	995,134	2,394,853
Vocational education programs	242,559	-	10,411	-	13,475	266,445
Other education programs	194,811	-	204,216	-	-	399,027
Support:						
Pupil support services	694,033	-	-	-	7,195	701,228
Instructional staff services	809,369	-	269,726	-	91,116	1,170,211
General administration services	898,869	-	73,548	-	-	972,417
School administration services	1,025,637	-	-	-	-	1,025,637
Business and central services	309,958	-	-	-	-	309,958
Plant operation and maintenance	1,666,793	33,145	-	77,035	-	1,776,973
Transportation	1,508,615	-	-	-	-	1,508,615
Food services	149,097	-	-	-	1,260,125	1,409,222
Central services	112,911	-	-	-	-	112,911
Appropriation to charter school	2,185,057	-	-	-	-	2,185,057
Debt service - principal	110,013	-	-	-	-	110,013
Debt service - interest	24,189	-	-	-	-	24,189
Capital outlay	76,750	14,240	-	15,115	7,810	113,915
<b>TOTAL EXPENDITURES</b>	<b>18,391,144</b>	<b>47,385</b>	<b>775,838</b>	<b>92,150</b>	<b>3,307,013</b>	<b>22,613,530</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,743,759)</b>	<b>1,690,636</b>	<b>100,865</b>	<b>(92,150)</b>	<b>29,424</b>	<b>(14,984)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,931,149	-	-	-	-	1,931,149
Transfers out	-	(1,829,178)	(100,865)	-	(1,106)	(1,931,149)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,931,149</b>	<b>(1,829,178)</b>	<b>(100,865)</b>	<b>-</b>	<b>(1,106)</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>						
	187,390	(138,542)	-	(92,150)	28,318	(14,984)
<b>FUND BALANCES - beginning of year</b>	<b>1,875,441</b>	<b>1,140,496</b>	<b>-</b>	<b>133,940</b>	<b>203,619</b>	<b>3,353,496</b>
<b>FUND BALANCES - end of year</b>	<b>\$ 2,062,831</b>	<b>\$ 1,001,954</b>	<b>\$ -</b>	<b>\$ 41,790</b>	<b>\$ 231,937</b>	<b>\$ 3,338,512</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2015**

Excess of Revenues and Other Financing Sources over Expenditures and Other Uses - Total Governmental Funds	\$	(14,984)
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Amounts reported for governmental activities in the statement of activities  
are different due to the following:

Because some revenues will not be collected within sixty days after year-end, they are not considered "available" revenues in the governmental funds.		83,888
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Governmental funds report capital outlays 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.

Capital outlay and other expenditures capitalized, net	\$ 113,915	
Depreciation expense for year ended June 30, 2015	<u>(573,253)</u>	(459,338)

The issuance of long-term debt (e.g. bond, leases) provides current  
financial resources to governmental funds. In the statement of net position,  
however, issuing debt increases long-term liabilities and does not affect the  
statement of activities.

Principal payments on debt		110,013
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Expenses reported in the statement of activities do not require the  
use of current financial resources and therefore are  
not reported as expenditures in governmental funds

Net other post employment benefit obligation	(824,702)	
Change in compensated absences liability	65,883	
Change in net pension liability	<u>777,670</u>	<u>18,851</u>

Change in Net Position - Governmental Activities	\$	<u>(261,570)</u>
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The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2015**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 1,300,788
Sales tax receivable	<u>424,922</u>
 TOTAL ASSETS	 <u>\$ 1,725,710</u>
 <b><u>LIABILITIES</u></b>	
Accounts payable	\$ 221,388
Due to other funds	545,549
Amounts held for school clubs and activities	169,595
Due to other governments	<u>789,178</u>
 TOTAL LIABILITIES	 <u>\$ 1,725,710</u>

The accompanying notes are an integral part of this statement

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**General Information**

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of East Feliciana Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplements to their salaries. The School Board is currently comprised of 12 members who are elected from 7 districts for a term of four years.

During the fiscal year ended June 30, 2015, the School Board operated 6 schools within the parish with a total enrollment of approximately 1,800 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

**1. Summary of Significant Accounting Policies**

**a. Reporting Entity**

The School Board complies with U.S. Generally Accepted Accounting Principles (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement No. 14, *The Financial Reporting Entity*, as amended by both GASB No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB No. 61, *The Financial Reporting Entity Omnibus* establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity.

The School Board also has no *component units*, as defined by the standards. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government, over which the School Board exercises no oversight responsibility, such as the parish police jury, 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.

**b. Basis of Presentation**

The School Board's *Basic Financial Statements* consist of the government-wide statements (on all of the non-fiduciary activities) and the fund financial statements (individual major fund, combined non-major funds, and the combined fiduciary funds.) The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental entities.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

**Government-Wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary type activities. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity over the long term and the change in aggregate economic position resulting from the activities of the fiscal period.

All programs of the School Board are considered to be *governmental activities* since all of the activities are normally supported by taxes and intergovernmental revenues, rather than fees for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities are derived 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 taxpayers.

**Fund Financial Statements**

Emphasis of fund financial reporting is on the major funds. Non-major funds (by category) or fund type are summarized into a single column. The major funds of the School Board consist of the General fund, the Operations and Maintenance fund, the Title I fund, and the Capital Projects fund.

The daily accounts and operations of the School Board are organized and maintained on the basis of funds and account groups, 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, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The funds of the School Board are classified into two broad categories: Governmental and Fiduciary.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

**Governmental Fund Types:**

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is on the determination of changes in short-term financial position, rather than upon net income. The following are the School Board's governmental fund types:

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

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant programs established for various educational objectives as well as a fund to account for the proceeds of a 1% sales tax dedicated to operations.

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

**Capital Projects Fund** - The Capital Projects Fund was established to account for capital improvements, including construction of new facilities and renovations.

**Fiduciary Fund Type - Agency Funds:**

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

c. **Basis of Accounting/Measurement Focus**

**Government-Wide Financial Statements (GWFS)**

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

**Fund Financial Statements (FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Agency Fund type is accounted for on a flow of economic resources measurement focus (accrual basis). With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in fund balances.

The following paragraphs describe the revenue recognition practices under the modified accrual basis of accounting:

**Revenues**

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The Board definition of available generally means expected to be received within sixty days of the end of the fiscal year.

Non-exchange transactions, in which the Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations and are generally recognized upon becoming both measurable and available. Property taxes are considered measurable in the calendar year of the tax levy and are considered available if collected soon enough to meet the availability criteria. Sales taxes and gross receipts business taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types.

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

c. **Basis of Accounting/Measurement Focus** (continued)

**Expenditures**

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine month period but can be paid over a period up to twelve months.

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, while the cost of leave privileges not requiring current resources is recorded as a long-term debt.

Expenditures under construction contracts are recognized when earned by the contractor.

Principal and interest on long-term debt are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are not recorded in the funds.

d. **Budget Practices**

The proposed budgets for fiscal year 2015 were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2015 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, were made available to the public.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expended is not automatically re-appropriated in the next year.

The School Board is authorized to transfer amounts between line items within any fund. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in a public meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

e. **Cash, Cash Equivalents, and Investments**

Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents include cash on hand and cash on deposit with the fiscal agent bank. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

f. **Inventory**

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities provided by the United States Department of Agriculture. The commodities are recorded as revenues and expenditures when consumed. All inventory items purchased are valued at the lower of cost or market (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

g. **Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets of \$5,000.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. 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. Useful lives vary from 5 to 15 years for equipment, 10 to 30 years for building and land improvements, and 40 years for buildings.

h. **Government-wide Net Position**

Government-wide assets are divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that is restricted by the Board's creditors, by state enabling legislation, by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Spendable:
  - Restricted - amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
  - Committed - amounts that can be used only for specific purposes determined by a formal action by School Board ordinance or resolution.
  - Assigned - amounts that are designated by the Board for a particular
  - Unassigned - all amounts not included in other spendable classifications.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

**i. Annual, Sick and Sabbatical Leave**

All twelve-month employees earn annual leave based on the date of employment in accordance with the following schedule:

<u>Years of Service</u>	<u># of Annual Leave Days</u>
0 - 5	10 days
6 - 15	15 days
16 +	20 days

Annual leave may be accumulated and carried forward as earned up to a maximum of 30 days. Upon retirement or separation of employment, all unused accumulated vacation leave is paid to all eligible employees or to their estates.

All School Board employees earn 8 to 18 days of sick leave each year, which can be accumulated without limitation depending upon length of service with the School Board. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation or for professional and cultural improvement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**i. Annual, Sick and Sabbatical Leave (continued)**

Sabbatical leave benefits are recorded as an expenditure of the period in which paid. The cost of leave privileges, computed in accordance with Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

**j. Sales Taxes**

The East Feliciana Parish School Board levies a combined two percent sales and use tax within East Feliciana Parish consisting of:

- A one percent sales and use tax renewed on October 21, 1995 for the ten years beginning June 30, 1998. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries. The remainder of the proceeds is to be used for the operations, including maintenance and improvement, of school buildings and sites of the public schools in East Feliciana Parish. This tax was renewed on July 1, 2008 for a period of ten years.
- An additional one percent sales tax was approved by voters of the Parish on October 17, 1981 and expiring on December 31, 2007. This sales tax was dedicated to capital improvements of the public school system of East Feliciana Parish, payment of any indebtedness incurred in making capital improvements, and payment of maintenance and operational expenses of the School Board. This tax was renewed effective January 1, 2008 for a period of ten years. Ninety-one percent of this tax was dedicated by the School Board for the payment of salary supplements during the year ended June 30, 2015.

The sales tax department of the School Board also collects sales and use taxes levied by the East Feliciana Parish Police Jury. The Police Jury pays the School Board a collection fee that is negotiated annually. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

**k. Pension Plans**

The East Feliciana Parish School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 8. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

i. **Estimates**

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

m. **Subsequent Events**

In preparing the financial statements, the School Board has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which is the date the financial statements were available to be issued, December 30, 2015.

n. **Current Year Adoption of New Accounting Standard and Restatement of Net Position**

The East Feliciana Parish School System adopted Government Accounting Standards Board (GASB) Statement Number 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and Statement Number 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The net effect to the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASBs 68 and 71 is as follows:

	<u>Governmental Activities</u>
Total Net Position, June 30, 2014 as previously reported	\$ 8,363,869
Net Pension Liability at June 30, 2014	(26,824,556)
Deferred Outflow of Resources	2,818,228
Total Net Position, June 30, 2014, Restated	<u>\$ (15,642,459)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**2. Property Taxes**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings be assessed at 10% of "use" value; and all other property be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. The Sheriff of East Feliciana Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts.

Property taxes are recognized as revenue in the fiscal year for which they are levied. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Tax bills are mailed in November/December. If taxes are not paid by the due date of December 31, they bear interest at one percent per month until paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

The following is a summary of parish-wide authorized and levied ad-valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional, Levied September, 2002	5.00	3.34	None
School Board Salary, Levied January 2007	17.00	17.00	2016

**3. Cash**

The School Board's cash and cash equivalents consist entirely of deposits in local financial institutions. At year end, the carrying amount of the School Board's deposits was \$4,591,406 which includes \$1,300,788 held in an agency capacity for sales tax and school activities. The bank balance was \$5,348,672.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in event of financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The School Board's deposits were not subject to custodial credit risk at June 30, 2015.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**4. Due From/To Other Funds**

Individual balances due from/to other funds at year end are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 2,714,446	\$ -
Operations and Maintenance	-	860,114
Title I	-	310,413
Capital Projects	-	104,423
Non-major Governmental Funds	-	893,947
Agency Fund- Sales Tax Collections	-	545,549
 Total	 <u>\$ 2,714,446</u>	 <u>\$ 2,714,446</u>

Balances are a result of advances made by the general fund for expenditures of the federal grant programs, and sales tax collections owed to the general fund from the tax collection agency fund.

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2015, are as follows:

	<u>Land</u>	<u>Building and Improvements</u>	<u>Furniture and Equipment</u>	<u>Construction in Process</u>	<u>Total</u>
Cost at June 30, 2014	\$ 1,199,768	\$ 20,399,194	\$ 1,232,914	\$ 38,070	\$ 22,869,946
Additions	-	96,725	55,260	-	151,985
Deletions	-	-	(12,300)	(38,070)	(50,370)
 Cost at June 30, 2015	 <u>1,199,768</u>	 <u>20,495,919</u>	 <u>1,275,874</u>	 <u>-</u>	 <u>22,971,561</u>
 Accumulated depreciation, at June 30, 2014	 -	 (12,323,710)	 (1,042,897)	 -	 (13,366,607)
Additions	-	(517,581)	(55,672)	-	(573,253)
Deletions	-	-	12,300	-	12,300
 Accumulated depreciation, at June 30, 2015	 <u>-</u>	 <u>(12,841,291)</u>	 <u>(1,086,269)</u>	 <u>-</u>	 <u>(13,927,560)</u>
 Capital assets, net of accumulated depreciation, at June 30, 2015	 <u>\$ 1,199,768</u>	 <u>\$ 7,654,628</u>	 <u>\$ 189,605</u>	 <u>\$ -</u>	 <u>\$ 9,044,001</u>

Depreciation expense of \$573,253 was charged to the plant operation and maintenance function in the statement of activities.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. Long-term Debt**

The following is a summary of the changes in long-term debt for the year ended June 30, 2015:

	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015	Amount due within one year
Claims and assessments	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -
Compensated absences	402,696	658,933	(724,816)	336,813	85,097
Revenue bond	685,000	-	(65,000)	620,000	70,000
Qualified School construction bonds	656,002	-	(45,013)	610,989	54,667
Net other postemployment benefit obligation	2,724,268	824,702	-	3,548,970	-
Net pension liability	<u>26,824,556</u>	<u>2,292,827</u>	<u>(6,190,147)</u>	<u>22,927,236</u>	<u>-</u>
	<u>\$ 31,317,522</u>	<u>\$ 3,776,462</u>	<u>\$ (7,024,976)</u>	<u>\$ 28,069,008</u>	<u>\$ 209,764</u>

All long-term debt will be liquidated primarily from the general fund.

For the purpose of construction, rehabilitation, and renovations, the School System issued \$820,000 of bonds payable through the federally sponsored Qualified School Construction Bond Program during the year ended June 30, 2011. The bond bears interest at .80% (coupon rate) and interest is to be paid on March 15, June 15, September 15, and December 15 each year commencing September 15, each year commencing September 15, 2011, and ending June 15, 2026. Principal payments are to be paid on June 15 of each year.

On July 19, 2013, the School Board issued a \$750,000 bond for various capital expenditures planned for 2014. The series 2013 bonds bear interest at 2.34% and are secured by a pledge of property taxes. Interest payments are made semi-annually on March 15, and September 15, while principal payments are made on March 15, annually. The bonds mature on March 15, 2023.

The bond issues outstanding at June 30, 2015, is as follows:

Bond Issue	Original Issue	Interest Rate	Final Due Date	Interest to Maturity	Principal Outstanding
Qualified School Construction Bonds, Series 2011, dated June 22, 2011	\$ 820,000	.8%	June 15, 2026	\$ 28,864	\$ 610,989
Revenue Bonds, Series 2013 dated July 2013	<u>750,000</u>	2.34%	March 15, 2023	<u>67,628</u>	<u>620,000</u>
	<u>\$ 1,570,000</u>			<u>\$ 96,492</u>	<u>\$ 1,230,989</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. Long-term Debt (continued)**

Principal and interest payments are due as follows:

2016	\$	124,667	\$	19,319	\$	143,986
2017		124,666		17,243		141,909
2018		129,666		15,168		144,834
2019		129,666		12,977		142,643
2020		134,667		10,783		145,450
2021-2024		468,666		19,690		488,356
2025-2026		118,991		1,312		120,303
Total	\$	<u>1,230,989</u>	\$	<u>96,492</u>	\$	<u>1,327,481</u>

The School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the net assessed value of taxable property. At June 30, 2015, the net assessed value of taxable property for the parish was \$136,214,578, which would result in a \$47,675,102 bonded debt limit.

**7. Operating Leases**

The School Board contracts with individual bus owners and a third party vendor on an annual basis for a period of one school year. The School Board had 28 operating lease agreements for the use of buses with various individual bus owners and one third party vendor for the year ended June 30, 2015. Lease payments vary between \$9,000 and \$16,000 per year for each operating lease agreement. Total payments under the agreements were \$362,600 for the school year ended June 30, 2015.

**8. Defined Benefit Pension Plans**

The East Feliciana Parish School Board (the School System) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana. Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

TRSL:  
 8401 United Plaza Blvd.  
 P. O. Box 94123  
 Baton Rouge, Louisiana 70804-  
 9123  
 (225) 925-6446  
 www.trsl.org

LSERS:  
 8660 United Plaza  
 Blvd.  
 Baton Rouge, LA  
 70804  
 (225) 925-6484  
 www.lasers.net

LASERS:  
 8401 United Plaza Blvd.  
 P. O. Box 44213  
 Baton Rouge, Louisiana 70804-  
 4213  
 (225) 925-0185  
 www.lasersonline.org

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

The School System implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the School System to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

**Plan Descriptions:**

**Teachers' Retirement System of Louisiana (TRSL)**

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. The School System has participants in TRSL's Regular Plan and in Plan A. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761. Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of creditable service, 2) at the age of 55 with at least 25 years of creditable service, or 3) at any age with at least 30 years of creditable service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Final average salary is based upon the member's highest successive 36 months (highest successive 60 months for members employed after January 1, 2011).

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 payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, 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 upon the account balance.

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

Survivor benefits are provided for in LRS 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service credit regardless of when earned. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if he had retired on the date of his death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

**Louisiana School Employees' Retirement System (LSERS)**

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3½% of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2½% of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service.

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 the DROP Plan, 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 the System. 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 DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program 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.

LRS 11:1147 provides that members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2½% of his average compensation multiplied by his years of creditable service, but not less than 33⅓% of his average compensation for members employed prior to July 1, 2006 and 3% of his average compensation multiplied by his years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age. Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members salary are available for surviving spouses and minor children of members with at least five years of service.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

**Louisiana State Employees' Retirement System (LASERS)**

The Louisiana State Employees' Retirement System (LASERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. The School System has participants in this plan who began service under the LASER plan and later transferred to employment with the School System. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification. The substantial majority of members may retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The computation of retirement benefits are provided for in LRS 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of creditable service.

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 the System'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) 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.

Eligibility requirements and benefit computations for disability benefits are provided for in LRS 11:461. All members with ten or more years of creditable service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

Provisions for survivor's benefits are provided for in LRS 11:471-478. Under these statutes, the deceased member 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 minimum service 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.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

**Funding Policy**

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

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2015, for the School System and covered employees were as follows:

	<u>School System</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	28.00%	8.00%
Plan A	33.10%	9.10%
School Employees' Retirement System	33.00%	7.50%- 8.00%
State Employees' Retirement System	37.00%	7.50% - 8.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Teachers' Retirement System:			
Regular Plan	\$ 2,471,094	\$ 2,479,297	\$ 2,398,637
School Employees' Retirement System	322,763	322,347	347,660
State Employees' Retirement System	-	16,584	14,927

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

The following schedule lists the School System's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2014 measurement date. The School System uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2015 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2014 along with the change compared to the June 30, 2013 rate.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The School System's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension Liability at June 30, 2014</u>	<u>Rate at June 30, 2014</u>	<u>Increase (Decrease) to June 30, 2013 Rate</u>
Teachers' Retirement System	\$ 21,024,672	0.2057%	0.0038%
School Employees' Retirement System	1,739,552	0.3001%	(0.0334)%
State Employees' Retirement System	163,012	0.0026%	0.0002%
	<u>\$ 22,927,236</u>		

The following schedule list each pension plan's recognized pension expense plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the School System for the year ended June 30, 2015:

	<u>Pension Expense</u>	<u>Amortization</u>	<u>Total</u>
Teachers' Retirement System	\$ 1,845,597	\$ 86,694	\$ 1,932,291
School Employees' Retirement System	51,088	14,908	65,996
State Employees' Retirement System	12,667	5,233	17,900
	<u>1,909,352</u>	<u>106,835</u>	<u>\$ 2,016,187</u>

(Continued)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

At June 30, 2015, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (299,400)
Changes of assumptions	59,242	-
Net difference between projected and actual earnings on pension plan investments	-	(3,072,519)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	398,827	(181,429)
Employer contributions subsequent to the measurement date	2,793,857	-
Total	<u>\$ 3,251,926</u>	<u>\$ (3,553,348)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 2,829,640	\$ (2,895,860)
School Employees' Retirement System (LSERS)	411,820	( 633,960)
State Employees' Retirement System (LASERS)	10,466	(23,528)
	<u>\$ 3,251,926</u>	<u>\$ (3,553,348)</u>

The School System reported a total of \$2,793,857 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2014 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2016. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 2,471,094
School Employees' Retirement System (LSERS)	322,763
State Employees' Retirement System (LASERS)	-
	<u>\$ 2,793,857</u>



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

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

<u>Year</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
2016	\$ (634,328)	\$ (180,176)	\$ (1,375)	\$ (815,879)
2017	(634,328)	(180,176)	(1,375)	(815,879)
2018	(634,328)	(92,277)	(5,156)	(731,761)
2019	(634,328)	(92,277)	(5,156)	(731,761)
	<u>\$ (2,537,312)</u>	<u>\$ (544,906)</u>	<u>\$ (13,062)</u>	<u>\$ (3,095,280)</u>

(Continued)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

A summary of the actuarial methods and assumptions used for each pension plan as of June 30, 2014 are as follows:

	TRSL	LSERS	LASERS																		
<b>Valuation Date</b>	June 30, 2014	June 30, 2014	June 30, 2014																		
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal																		
<b>Actuarial Assumptions:</b>																					
<b>Expected Remaining</b>																					
<b>Service Lives</b>	5 years	3 years	3 years																		
<b>Investment Rate of Return</b>	7.75% net of investment expenses	7.25% net of investment expenses	7.75% per annum.																		
<b>Inflation Rate</b>	2.5% per annum	2.75%	3.0% per annum																		
<b>Mortality</b>	Mortality rates were projected 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.	<b>Non-disabled members</b> - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.  <b>Disabled members</b> - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
<b>Termination, Disability, and Retirement</b>	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.																		
<b>Salary Increases</b>	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study of the Plan's members. The annual salary growth rates are based upon the members' years of service.	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:																		
			<table border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Member Type</th> <th style="text-align: left;">Lower Range</th> <th style="text-align: left;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td>4.00%</td> <td>13.00%</td> </tr> <tr> <td>Judges</td> <td>3.00%</td> <td>5.50%</td> </tr> <tr> <td>Corrections</td> <td>3.60%</td> <td>14.50%</td> </tr> <tr> <td>Hazardous Duty</td> <td>3.60%</td> <td>14.50%</td> </tr> <tr> <td>Wildlife</td> <td>3.60%</td> <td>14.50%</td> </tr> </tbody> </table>	Member Type	Lower Range	Upper Range	Regular	4.00%	13.00%	Judges	3.00%	5.50%	Corrections	3.60%	14.50%	Hazardous Duty	3.60%	14.50%	Wildlife	3.60%	14.50%
Member Type	Lower Range	Upper Range																			
Regular	4.00%	13.00%																			
Judges	3.00%	5.50%																			
Corrections	3.60%	14.50%																			
Hazardous Duty	3.60%	14.50%																			
Wildlife	3.60%	14.50%																			
<b>Cost of Living Adjustments</b>	None	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.	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.																		

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2007 and ending June 30, 2012.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
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 expense 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.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2014:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	0.50%
Domestic equity	31.0%	51.0%	27.0%	4.71%	2.76%	4.69%
International equity	19.0%	-	30.0%	5.69%	-	5.83%
Domestic fixed income	14.0%	30.0%	11.0%	2.04%	0.99%	2.34%
International fixed income	7.0%	-	2.0%	2.80%	-	4.00%
Alternatives	29.0%	13.0%	23.0%	5.94%	0.71%	8.09%
Global asset allocation	-	-	7.0%	-	-	3.42%
Real assets	-	6.0%	-	-	0.32%	-
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	n/a	4.78%	5.78%
Inflation					<u>2.75%</u>	
Expected Arithmetic Nominal Return					<u>7.53%</u>	

n/a - amount not provided by Retirement System

***Discount Rate***

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 the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.75%, 7.25% and 7.75, respectively for the year ended June 30, 2014.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. Defined Benefit Pension Plans (continued)**

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the School System's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the School System's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<b>TRSL</b>			
Rates	6.75%	7.75%	8.75%
EFPSB Share of NPL	\$ 26,777,989	\$ 21,024,672	\$ 16,128,316
<b>LSERS</b>			
Rates	6.25%	7.25%	8.25%
EFPSB Share of NPL	\$ 2,405,657	\$ 1,739,552	\$ 1,074,811
<b>LASERS</b>			
Rates	6.75%	7.75%	8.75%
EFPSB Share of NPL	\$ 209,077	\$ 163,012	\$ 123,967

**Payables to the Pension Plan**

The East Feliciana Parish School Board recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2015 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the retirement systems at June 30, 2015 is as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TRSL	\$ 830,459	\$ 949,015
LSERS	37,332	51,557
LASERS	7,835	8,966
	<u>\$ 875,626</u>	<u>\$ 1,009,538</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**9. Post-employment Health Care Benefits**

Effective with the Fiscal Year beginning July 1, 2008, East Feliciana Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45).

**Plan Description** – East Feliciana 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 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 45) for financial reporting purposes and for this valuation. The OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility for purposes of this valuation, and we have assumed that 12.5% of post-Medicare eligibility retirees elect that plan. 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 65 and 20 years of service. The remainder of employees are covered by the Louisiana School Employees' Retirement System (LASERS) whose retirement (D.R.O.P. entry) eligibility provisions are the same as TRSL except that they are also eligible to retire at age 60 and 10 years of service.

Life insurance coverage under the OGB program is available to retirees by election. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94 GAR mortality table described 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, East Feliciana School Board recognized the cost of providing post-employment medical and life insurance benefits (East Feliciana 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 2015 and 2014, East Feliciana School Board's portion of health care and life insurance funding cost for retired employees totaled \$767,854 and \$824,993, respectively.

Effective July 1, 2008, East Feliciana School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

(Continued)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

9. **Post-employment Health Care Benefits** (continued)

**Annual Required Contribution** – East Feliciana School Board’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. 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 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<b><u>2015</u></b>	<b><u>2014</u></b>
Normal cost	\$ 589,936	\$ 433,679
30-year UAL amortization amount	1,051,194	1,043,198
Annual required contribution (ARC)	<u>\$ 1,641,130</u>	<u>\$ 1,476,877</u>

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

	<b><u>2015</u></b>	<b><u>2014</u></b>
Beginning Net OPEB Obligation	\$ 2,724,268	\$ 2,110,006
Annual required contribution	1,641,130	1,476,877
Interest on Net OPEB Obligation	108,971	84,400
ARC Adjustment	<u>(157,545)</u>	<u>(122,022)</u>
OPEB Cost	1,592,556	1,439,255
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(767,854)</u>	<u>(824,993)</u>
Change in Net OPEB Obligation	824,702	614,262
Ending Net OPEB Obligation	<u>\$ 3,548,970</u>	<u>\$ 2,724,268</u>

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

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of Annual Cost Contributed</u></b>	<b><u>Net OPEB Obligation (Asset)</u></b>
June 30, 2015	\$ 1,592,556	48.22%	\$ 3,548,970
June 30, 2014	\$ 1,439,255	57.32%	\$ 2,724,268
June 30, 2013	\$ 1,393,682	54.81%	\$ 2,110,006

(Continued)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

9. **Post-employment Health Care Benefits** (continued)

**Funded Status and Funding Progress** – In 2015 and 2014, East Feliciana School Board made no contributions to its post-employment benefits plan other than retiree premiums. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the Based on the July 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2015, was \$18,904,524 which is defined as that portion, as determined by a particular actuarial cost method (East Feliciana 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.

		<u>2015</u>		<u>2014</u>
Actuarial Accrued Liability (AAL)	\$	18,904,524	\$	18,760,680
Actuarial Value of Plan Assets (AVP)		-		-
Unfunded Act. Accrued Liability (UAAL)	\$	<u>18,904,524</u>	\$	<u>18,760,680</u>
Funded Ratio (AVP/AAL)		0.00%		0.00%
Covered Payroll (active plan members)	\$	10,389,679	\$	10,946,156
UAAL as a percentage of covered payroll		181.95%		171.39%

**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 East Feliciana School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between East Feliciana 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 East Feliciana 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.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

9. **Post-employment Health Care Benefits** (continued)

**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 four 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 one year delay. Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate)** – GASB Statement 45 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.

**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 45 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.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**10. Receivables**

Receivables as of June 30, 2015 for the governmental funds are as follows:

	<u>General Fund</u>	<u>Operations and Maintenance</u>	<u>Title I</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Sales tax	\$ 142,891	\$ 142,891	\$ -	\$ -	\$ 285,782
Grants	-	-	173,984	612,116	986,100
Other	<u>83,888</u>	-	-	-	<u>83,888</u>
Total	<u>\$ 226,779</u>	<u>\$ 142,891</u>	<u>\$ 173,984</u>	<u>\$ 612,116</u>	<u>\$ 1,155,770</u>

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance.

**11. Interfund Transfers**

Interfund transfers for the year ended June 30, 2015, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,931,149	\$ -
Operations and Maintenance	-	1,829,178
Title I	-	100,865
Non-major Governmental Funds	-	<u>1,106</u>
Total	<u>\$ 1,931,149</u>	<u>\$ 1,931,149</u>

Transfers between funds generally consist of two types: 1) Transfers to the general fund from the federal grant funds for indirect cost reimbursements; 2) Transfers from the operations and maintenance fund to the general fund for salary supplements.

**12. Litigation, Claims and Contingencies**

The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board. However, a liability of \$25,000 equal to the insurance policy deductible is recorded as a long-term liability in the statement of net position to cover any contingent losses.

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with the OMB Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations". Additionally, these programs are subject to state and federal monitoring examinations which could result in disallowed costs having to be returned to the granting agency. Management believes that further examinations would not result in material disallowed costs.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**13. Changes in Agency Funds**

A summary of the changes in agency funds (amounts due to others) due to taxing authorities and amounts due to others for school activity accounts follows:

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
Balance at June 30, 2014	\$ 144,616	\$ 1,458,375	\$ 1,602,991
Additions	499,458	8,144,677	8,644,135
Reductions	<u>(474,479)</u>	<u>(8,046,937)</u>	<u>(8,521,416)</u>
Balance at June 30, 2015	<u>\$ 169,595</u>	<u>\$ 1,556,115</u>	<u>\$ 1,725,710</u>

**14. State Required Disclosure – Tax Collections Remitted to Other Taxing Authorities**

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2015, the School Board withheld \$42,500 for administrative fees. This resulted in a distribution of \$4,412,628 of normal sales tax collections to the Police Jury during the year ended June 30, 2015.

**REQUIRED SUPPLEMENTAL INFORMATION**

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**BUDGETARY COMPARISON SCHEDULES**  
**MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2015**

Budgetary comparison schedules are reported for the following general and special revenue funds:

**General Fund**

The General Fund accounts for all financial transactions except those required to be accounted for in another fund.

**Operations and Maintenance Fund**

The Operations and Maintenance Fund accounts for the proceeds of a one cent sales tax. The School Board has uses the proceeds to fund salary supplements and capital improvements. In October 2005, the voters of East Feliciana Parish approved the continuation of this 1% sales tax for a period of ten years, commencing on January 1, 2008. The tax has been used as follows:

- 91% is to be used for the purpose of paying salaries and benefits for all employees of the School System,
- 9%, for maintaining and operating public schools in East Feliciana Parish.

**Title I**

The Title I fund accounts for the federally funded Title I program which is aimed at improving low achieving schools or students with emphasis on at-risk students. The program is overseen by the Louisiana Department of Education.

**Capital Projects Fund**

These funds account for various major capital improvements.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE**

**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad-valorem	\$ 2,640,000	\$ 2,683,000	\$ 2,582,351	\$ (100,649)
Sales and use	1,500,000	1,600,000	1,737,847	137,847
Earnings on investments	650	650	135,179	134,529
Other	221,550	433,050	271,963	(161,087)
State sources:				
Unrestricted grants-in-aid	11,700,000	11,780,000	11,672,433	(107,567)
Revenue sharing	75,000	75,000	72,824	(2,176)
Restricted grants-in-aid	219,850	29,800	137,106	107,306
Federal sources:				
Grants-in-aid	125,000	125,000	37,682	(87,318)
Total revenues	<u>16,482,050</u>	<u>16,726,500</u>	<u>16,647,385</u>	<u>(79,115)</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	6,957,785	6,995,285	7,185,566	(190,281)
Special education programs	1,318,726	1,086,099	1,196,917	(110,818)
Vocational education programs	241,630	261,510	242,559	18,951
Other education programs	90,522	214,812	194,811	20,001
Support services:				
Pupil support services	780,500	774,780	694,033	80,747
Instructional staff services	683,773	756,223	809,369	(53,146)
General administration services	741,687	843,187	898,869	(55,682)
School administration services	1,262,673	1,090,673	1,025,637	65,036
Business administration services	311,645	382,345	309,958	72,387
Plant operation and maintenance	1,705,845	1,776,545	1,666,793	109,752
Transportation	1,464,020	1,450,520	1,508,615	(58,095)
Food services	109,273	135,343	149,097	(13,754)
Central services	93,350	93,100	112,911	(19,811)
Appropriations to charter school	2,141,815	2,375,000	2,185,057	189,943
Debt service - principal	-	-	110,013	(110,013)
Debt service - interest	-	-	24,189	(24,189)
Capital outlay	50,000	20,000	76,750	(56,750)
Total expenditures	<u>17,970,744</u>	<u>18,255,422</u>	<u>18,391,144</u>	<u>(325,665)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,488,694)</u>	<u>\$ (1,528,922)</u>	<u>\$ (1,743,759)</u>	<u>\$ (404,780)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE**

**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Other financing sources (uses):</u></b>				
Operating transfers in	<u>1,521,219</u>	<u>1,673,269</u>	<u>1,931,149</u>	<u>257,880</u>
Total other financing sources (uses)	<u>1,521,219</u>	<u>1,673,269</u>	<u>1,931,149</u>	<u>257,880</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	32,525	144,347	187,390	43,043
FUND BALANCES - beginning of year	<u>1,875,441</u>	<u>1,875,441</u>	<u>1,875,441</u>	<u>-</u>
FUND BALANCES - end of year	<u>\$ 1,907,966</u>	<u>\$ 2,019,788</u>	<u>\$ 2,062,831</u>	<u>\$ 43,043</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**OPERATIONS AND MAINTENANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Sales and use	\$ 1,500,000	\$ 1,600,000	\$ 1,737,846	\$ 137,846
Earnings on investments	2,500	2,500	175	(2,325)
Total revenues	1,502,500	1,602,500	1,738,021	135,521
<b><u>Expenditures:</u></b>				
Current:				
Support services:				
Plant operation and maintenance	75,000	75,000	33,145	41,855
Debt service	130,000	-	-	-
Capital outlay	-	-	14,240	(14,240)
Total expenditures	205,000	75,000	47,385	27,615
Excess of revenues over expenditures	1,297,500	1,527,500	1,690,636	163,136
<b><u>Other financing uses:</u></b>				
Operating transfers out	(1,297,500)	(1,527,500)	(1,829,178)	(301,678)
Total other financing uses	(1,297,500)	(1,527,500)	(1,829,178)	(301,678)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(138,542)	(138,542)
FUND BALANCES - beginning of year	1,140,496	1,140,496	1,140,496	-
FUND BALANCES - end of year	\$ 1,140,496	\$ 1,140,496	\$ 1,001,954	\$ (138,542)



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**TITLE I FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Federal grants	\$ 2,195,905	\$ 1,625,905	\$ 876,703	\$ (749,202)
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	161,110	-	15,135	(15,135)
Vocational education programs	-	-	10,411	(10,411)
Special education programs	414,280	650,390	202,802	447,588
Other education programs	414,280	339,280	204,216	135,064
Instructional staff services	368,250	343,250	269,726	73,524
General administration services	719,235	219,235	73,548	145,687
Total expenditures	2,077,155	1,552,155	775,838	776,317
Excess of revenues over expenditures	118,750	73,750	100,865	27,115
<b><u>Other financing uses:</u></b>				
Operating transfers out	(118,750)	(73,750)	(100,865)	(27,115)
Total other financing uses	(118,750)	(73,750)	(100,865)	(27,115)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-
FUND BALANCES - beginning of year	-	-	-	-
FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**CAPITAL PROJECTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Plant operation and maintenance	-	-	77,035	(77,035)
Capital outlay	-	133,940	15,115	118,825
	-	(133,940)	(92,150)	41,790
Excess (deficiency) of revenues over expenditures	-	(133,940)	(92,150)	41,790
FUND BALANCES - beginning of year	133,940	133,940	133,940	-
FUND BALANCES - end of year	<u>\$ 133,940</u>	<u>\$ -</u>	<u>\$ 41,790</u>	<u>\$ 41,790</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**OTHER POST EMPLOYMENT BENEFITS PLAN**  
**RETIREE HEALTH AND LIFE INSURANCE**  
**YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) - Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/2015	7/1/2014	\$ -	\$ 18,904,524	\$ 18,904,524	0%	\$ 10,389,679	181.95%
6/30/2014	7/1/2012	-	18,760,680	18,760,680	0%	10,946,156	171.39%
6/30/2013	7/1/2012	-	18,039,115	18,039,115	0%	11,769,771	153.27%
6/30/2012	7/1/2010	-	17,145,015	17,145,015	0%	12,685,052	135.16%
6/30/2011	7/1/2010	-	16,485,591	16,485,591	0%	13,051,527	126.31%
6/30/2010	7/1/2009	-	13,613,573	13,613,573	0%	9,556,501	142.45%
6/30/2009	7/1/2009	-	13,613,573	13,613,573	0%	8,883,192	153.25%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
6/30/2015	\$ 1,592,556	\$ 767,854	48.22%	\$ 824,702	\$ 3,548,970
6/30/2014	1,439,255	824,994	57.32%	614,262	2,724,268
6/30/2013	1,393,682	763,883	54.81%	629,799	2,110,006
6/30/2012	1,350,478	853,419	63.19%	497,059	1,480,207
6/30/2011	1,307,078	790,203	60.46%	516,875	983,148
6/30/2010	1,042,256	837,286	80.33%	204,970	466,273
6/30/2009	1,077,012	815,709	75.74%	261,303	261,303

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of East Feliciana School System's Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2015 (\*)**

	2015		
	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Employer's Proportion of the Net Pension Liability (Asset)			
	0.2057%	0.3001%	0.0026%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 21,024,672	\$ 1,739,552	\$ 163,013
Employer's Covered-Employee Payroll	\$ 8,999,354	\$ 818,965	\$ 52,983
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	233.6242%	212.4086%	307.6704%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.7000%	76.1800%	65.0000%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

(\*) The amounts presented have a measurement date of the previous fiscal year end.

The three Retirement Systems reported in this schedule are as follows:

TRSL = Teachers' Retirement System of Louisiana

LSERS = Louisiana School Employees' Retirement System

LASERS = Louisiana State Employees' Retirement System

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of East Feliciana Parish School System Contributions  
For the Year Ended June 30, 2015**

	2015		
	TRSL	LSERS	LASERS
Contractually Required Contribution <sup>1</sup>	\$ 2,471,094	\$ 322,763	\$ -
Contributions in Relation to Contractually Required Contribution <sup>2</sup>	2,471,094	322,763	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll <sup>3</sup>	\$ 8,825,336	\$ 978,070	\$ -
Contributions as a % of Covered Employee Payroll	28.0000%	33.0000%	0.0000%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

***For reference only:***

- <sup>1</sup> *Employer contribution rate multiplied by employer's covered employee payroll*
- <sup>2</sup> *Actual employer contributions remitted to TRSL, LSERS, LASERS*
- <sup>3</sup> *Employer's covered employee payroll amount for the fiscal year ended June 30, 2015*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Notes to Required Supplementary Information  
For the Year Ended June 30, 2015**

**Changes of Benefit Terms include:**

Teachers Retirement System of Louisiana

- A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.

Louisiana School Employees Retirement System

- There were no changes of benefit terms for the year ended June 30, 2015

Louisiana State Employees' Retirement System

- A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and,
- Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

**Changes of Assumptions**

Teachers Retirement System of Louisiana

- There were no changes of benefit assumptions for the year ended June 30, 2015.

Louisiana School Employees Retirement System

- There were no changes of benefit assumptions for the year ended June 30, 2015.

Louisiana State Employees' Retirement System

- There were no changes of benefit assumptions for the year ended June 30, 2015.

**SUPPLEMENTAL INFORMATION**

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO SUPERINTENDENT**

**June 30, 2015**

**Agency Head: Dr. Henderson Lewis**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 128,477
Benefits - retirement	35,974
Car allowance	6,000
Reimbursements	4,201
Travel	127
Registration fees	425
Conference travel	398
	<hr/>
	\$ 175,601
	<hr/> <hr/>



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**  
**JUNE 30, 2015**

**Title II**

The Title II fund accounts for a federally funded program aimed at enhancing and improving teacher quality. This program is overseen by the Louisiana Department of Education.

**Individuals with Disabilities Education Act (IDEA) Funds**

This Special Revenue Fund accounts for those expenditures related to providing children with disabilities special education and related services designed to meet their unique needs. These expenditures are funded through Special Education (IDEA) federal grants.

**Temporary Assistance to Needy Families (TANF) Funds**

This Special Revenue Fund accounts for those expenditures related to providing assistance to needy families with children which are funded from the TANF federal grant program.

**Other Federal Funds**

This Special Revenue Fund accounts for the federal awards not included in the Federal Funds described above.

**State Grants**

This Special Revenue Fund accounts for the various State awards including 8(G), Lincs, Millinium Trust Fund and other awards.

**School Food Service Fund**

The School Food Service Fund is used to account for the operations of the school food service program. The purposes of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults. The program is subsidized by grants from the U.S. Department of Agriculture and the Louisiana Department of Education.

**SRCL**

The Striving Reader Comprehensive Literacy Program (SRCL) accounts for those expenditures for comprehensive literacy development and education program to advance literacy skills for students.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	Special Revenue							Total
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL	School Food Service	
<b><u>ASSETS</u></b>								
Cash and cash equivalents	\$ 6,626	\$ 30,799	\$ 37,248	\$ 15,744	\$ 24,695	\$ 42,374	\$ 315,681	\$ 473,167
Due from other governments	39,148	83,007	138,510	94,883	102,266	81,895	72,407	612,116
Inventory	-	-	-	-	-	-	43,416	43,416
Other	2,394	-	-	-	6,750	685	4	9,833
<b>TOTAL ASSETS</b>	<b>\$ 48,168</b>	<b>\$ 113,806</b>	<b>\$ 175,758</b>	<b>\$ 110,627</b>	<b>\$ 133,711</b>	<b>\$ 124,954</b>	<b>\$ 431,508</b>	<b>\$ 1,138,532</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>								
Liabilities:								
Accounts payable	\$ -	\$ 34	\$ -	\$ 1,447	\$ 11,167	\$ -	\$ -	\$ 12,648
Due to other funds	48,168	113,772	175,758	109,180	67,663	124,954	254,452	893,947
<b>TOTAL LIABILITIES</b>	<b>48,168</b>	<b>113,806</b>	<b>175,758</b>	<b>110,627</b>	<b>78,830</b>	<b>124,954</b>	<b>254,452</b>	<b>906,595</b>
Fund balances:								
Nonspendable	-	-	-	-	-	-	43,416	43,416
Spendable:								
Restricted for:								
State grant programs	-	-	-	-	54,881	-	-	54,881
School food services	-	-	-	-	-	-	133,640	133,640
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,881</b>	<b>-</b>	<b>177,056</b>	<b>231,937</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 48,168</b>	<b>\$ 113,806</b>	<b>\$ 175,758</b>	<b>\$ 110,627</b>	<b>\$ 133,711</b>	<b>\$ 124,954</b>	<b>\$ 431,508</b>	<b>\$ 1,138,532</b>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue						Total Non-Major Governmental
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL	
<b><u>REVENUES</u></b>							
Local sources:							
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25
Other Revenues	-	-	-	-	-	-	66,918
State sources:							
Unrestricted grants-in-aid, MFP	-	-	-	-	-	-	19,451
Restricted grants-in-aid	-	-	126,531	-	330,810	-	-
Federal grants	49,011	534,507	143,689	277,109	-	586,337	1,202,049
<b>TOTAL REVENUES</b>	<b>49,011</b>	<b>534,507</b>	<b>270,220</b>	<b>277,109</b>	<b>330,810</b>	<b>586,337</b>	<b>1,288,443</b>
<b><u>EXPENDITURES</u></b>							
Current:							
Instruction:							
Regular education programs	511	-	79,131	-	216,972	635,544	-
Special education programs	23,383	464,510	162,347	252,906	91,988	-	-
Vocational education programs	-	-	-	13,475	-	-	-
Support:							
Pupil support services	-	-	-	-	7,195	-	-
Instructional staff services	25,117	51,181	-	163	14,655	-	-
Food services	-	-	-	-	-	-	1,260,125
Capital outlay	-	7,810	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>49,011</b>	<b>523,501</b>	<b>241,478</b>	<b>266,544</b>	<b>330,810</b>	<b>635,544</b>	<b>1,260,125</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 11,006</b>	<b>\$ 28,742</b>	<b>\$ 10,565</b>	<b>\$ -</b>	<b>\$ (49,207)</b>	<b>\$ 28,318</b>

(continued)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NON-MAJOR FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue						Total Other Governmental	
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL		School Food Service
<b><u>OTHER FINANCING (USES)</u></b>								
Operating transfers (out)	\$ -	\$ (11,006)	\$ (28,742)	\$ (10,565)	\$ -	\$ 49,207	\$ -	\$ (1,106)
<b><u>DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u></b>	-	-	-	-	-	-	28,318	28,318
FUND BALANCES - beginning of year	-	-	-	-	54,881	-	148,738	203,619
FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -	\$ 54,881	\$ -	\$ 177,056	\$ 231,937

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**FIDUCIARY FUND TYPE – DESCRIPTIONS**  
**JUNE 30, 2015**

**AGENCY FUNDS**

**Sales Tax Fund**

Collection, custodianship and disbursement of sales taxes for the entire parish are accounted for in this fund. The sales taxes consist of a two percent sales and use tax levied by the School Board and a two percent sales and use tax levied by the East Feliciana Parish Police Jury. Since these taxes are remitted to the beneficiary government (including the School Board's General Fund and Operations and Maintenance Fund), this fund is considered to be a collection agent.

**School Activity Funds**

The activities of the various school accounts are accounted for in the School Activity Funds. While the funds are under the supervision of the School Board, these funds belong to the individual schools or their student bodies and are not available for use in operations.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**COMBINING BALANCE SHEET - AGENCY FUNDS**  
**JUNE 30, 2015**

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 169,595	\$ 1,131,193	\$ 1,300,788
Sales tax receivable	-	424,922	424,922
	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>169,595</u>	\$ <u>1,556,115</u>	\$ <u>1,725,710</u>
 <b><u>LIABILITIES</u></b>			
Accounts payable	\$ -	\$ 221,388	\$ 221,388
Due to other funds	-	545,549	545,549
Amounts held for school clubs and activities	169,595	-	169,595
Due to other governments	-	789,178	789,178
	<hr/>	<hr/>	<hr/>
Total liabilities	\$ <u>169,595</u>	\$ <u>1,556,115</u>	\$ <u>1,725,710</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**

**FOR THE YEAR ENDED JUNE 30, 2015**

Micheal Bradford	\$ 7,200
Paul Kent	6,600
Broderick Brooks	6,550
Richard Terrell	6,550
Beth Dawson	6,500
Melvin Hollins	6,500
Mitch Harrell	6,450
Rhonda Matthews	6,450
Joyce Kent	3,300
Timothy Corcoran	3,300
J. Curtis Jelks	3,300
Debra Haynes	3,300
Rufus Nesbit	3,250
Olivia Harris	3,200
Derald Spears	3,150
John Cupit	<u>3,050</u>
	<u>\$ 78,650</u>

**REPORTS ON COMPLIANCE AND**  
**INTERNAL CONTROL**



**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**

East Feliciana Parish School Board  
Clinton, 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 East Feliciana Parish School Board (the School Board) as of and for the year ended June 30, 2015, 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 30, 2015.

**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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003.

### **East Feliciana Parish School Board's Response to Findings**

East Feliciana School Board Parish School Board's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Portlethwaite & Netterville*

Baton Rouge, Louisiana  
December 30, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

East Feliciana Parish School Board  
Clinton, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited East Feliciana Parish School Board (the School Board)'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have direct and material effect on each of School Board's major federal programs for the year ended June 30, 2015. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the East Feliciana Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 2015-004. Our opinion on each major federal program is not modified with respect to this matter.

The School Board's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-004 and 2015-005 that we consider to be significant deficiencies.

The School Board's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 30, 2015

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/ Pass-Through Grantor/ <u>Program Name</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>			
Pass-through program from Louisiana Department of Education:			
National School Lunch Program	N/A	10.555 <sup>1</sup>	\$ 748,201
School Breakfast Program	N/A	10.553 <sup>1</sup>	323,445
Child and Adult Care Program	N/A	10.558	64,912
Food Distribution Program (Food Commodities)	N/A	10.565 <sup>1</sup>	<u>65,491</u>
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>1,202,049</u>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>			
Pass-through program from Louisiana Department of Education:			
Title I Grants to Local Education Agencies	10-T1-19	84.01 <sup>2</sup>	876,703
Striving Readers Comprehensive Literacy	28-12-SN-19C	84.371C	586,337
Title II - Improving Teacher Quality	10-50-19	84.367	49,011
LA Rehab services	N/A	84.126A	61,874
Math and Science Partnership	N/A	84.413A	4,259
Believe and Succeed	N/A	84.010A <sup>2</sup>	165,557
Special Education - Grant to States	10-B1-19	84.027 <sup>3</sup>	435,395
Special Education - Preschool Grants	10-P1-19	84.173 <sup>3</sup>	16,549
Vocational Education - Basic Secondary	10-02-19	84.048	13,417
Rural Education Achievement Program	28/-11-RE-19	84.358	<u>93,876</u>
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>2,302,978</u>
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Pass-through program from Louisiana Department of Health and Human Services:			
Block Grant for Prevention and Treatment of Substance Abuse (Grand IDEAS)		93.959	20,689
Temporary Assistance for Needy Families (TANF)		93.558	<u>143,689</u>
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>164,378</u>
Total Expenditures of Federal Awards			\$ <u>3,669,405</u>

See the accompanying notes to the schedule of expenditures of federal awards

- <sup>1</sup> Child Nutrition Cluster
- <sup>2</sup> Title I Grants Cluster
- <sup>3</sup> Special Education Cluster

**EAST FELICIANA PARISH SCHOOL BOARD**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of East Feliciana Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2015, the organization had food commodities totaling \$30,893 in inventory. The value of commodities received and used during the period ended June 30, 2015, totaled \$65,491.

**NOTE C - RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS**

The expenditures listed in the accompanying schedule are reported in the following funds in the East Feliciana Parish School Board's June 30, 2015, basic financial statements and combining schedules. Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with the revenue reported.

Federal NCLB - Title I Funds	\$ 876,703
Federal NCLB - Title II Funds	49,011
Federal IDEA Funds	534,507
Striving Readers Comprehensive Literacy	586,337
Other Federal Funds	277,109
TANF	143,689
School Food Service Fund	1,202,049
	<hr/>
Balance at June 30, 2015	\$ 3,669,405

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ none reported  
  x   yes

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ none reported  
  x   yes

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

\_\_\_\_\_ no  
  x   yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.027A, 84.173A	Special Education Cluster (IDEA)
84.010 84.010A	Title I Grants to Local Education Agencies Believe and Succeed – 1003(a)

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The East Feliciana Parish School Board did not qualify as a low-risk auditee.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

**B. Findings - Financial Statement Audit**

**2015 - 001      Approval of Purchase Orders**

- Criteria:**            A system of internal controls should be in place to provide reasonable assurance of purchases and authorization of cash disbursements. In accordance with the School Board policy, purchase orders are required to precede ordering of materials and supplies and prepared on items purchased in the name of the School Board. Separate purchase orders are required for each vendor. All purchases made by any school and paid by school funds shall have a purchase order signed by the principal. All school purchase orders in excess of \$250 must be signed by the Superintendent.
- Condition(s):**        While performing our testing of controls over the cash disbursement process, we noted that in a sample of 25 transactions, 6 invoices were dated prior to the approval of the purchase order. *This is a repeat finding from the prior year.*
- Cause:**                Purchase order approvals occurring subsequent to payment of invoices is a result of personnel turnover and a lack of training over internal control procedures over cash disbursements.
- Effect:**                Without proper implementation of established controls, there is a potential for excess spending and misappropriation of public funds.
- Recommendation:**    The School Board should provide training to all employees in the cash disbursement process and reinforce the established policies which include not allowing any purchases to be made prior to a purchase orders being approved.

**View of Responsible Official and Planned Corrective Action:**

*The School Board believes this matter typically occurs in rare instances and involves small, routine purchases. This matter has been discussed with purchasing managers again and they have been reminded that purchase orders shall be prepared prior to the purchase of goods and that the preparation of purchase orders subsequent to the actual purchase will no longer be acceptable.*

**2015 - 002      Procurement**

- Criteria:**            LA Revised Statute 38:2212.1 (A)(1)(b) requires obtaining at least three telephone or facsimile quotations for materials and supplies costing more than \$10,000 but not exceeding \$30,000. A confirmation of the accepted offer shall be retained.
- Condition(s):**        The School Board personnel performed an internet search of vehicles for sale instead of obtaining the telephone or facsimile quotes per the state statute.
- Cause:**                The School Board personnel believed the internet search was sufficient to meet the requirements of the statute.
- Effect:**                The School Board is out of compliance with the statute referenced to above. As a result, the School Board may not be receiving the lowest price for its goods and services.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

**B. Findings - Financial Statement Audit (continued)**

**2015 - 002      Procurement (continued)**

**Questioned Costs:** The questioned costs would be the difference between the quoted price received and the price paid for the vehicle. That cost is undetermined.

**Recommendation:** The School Board should ensure that controls are put in place to comply with the above requirements.

**View of Responsible Official and Planned Corrective Action:**

*The School Board personnel researched the vehicle and standard prices and believes the purchase price of the vehicle was lower than the price would have been if quotes for a new vehicle were obtained. The School Board has discussed this matter with purchasing managers and re-educated them on the state statute to ensure no further violations of the statute.*

**2015 - 003      Budget Law Violation**

**Criteria:** The Local Government Budget Act (LGBA), found in R.S. 39:1301-1315, directs political subdivisions of the State as to the manner in which the budget of the political subdivisions shall be adopted, implemented, and amended. A governing authority must adopt a budget amendment if there is a 5% or greater shortage in revenue or a 5% or greater overage in expenditures in the general fund or a special revenue fund.

**Condition(s):** At the end of the current fiscal year, the Operations and Maintenance Fund's actual expenditures and financing uses exceeded budgeted amounts by 17% and a budget amendment was not adopted in accordance with the criteria noted above.

**Cause:** Funds were transferred out of the Operations and Maintenance Fund over to the General Fund near year end which resulted in the budget violation.

**Effect:** The School Board is not in compliance with amendment requirements of the Local Government Budget Act.

**Recommendation:** The School Board should more accurately estimate the transfers required from other funds subsequent to year end to allow sufficient time for the budget amendments to be adopted which are necessary to ensure compliance with the requirements above.

**View of Responsible Official and Planned Corrective Action:**

*The School Board notes this violation was the result of transfers to the general fund in excess of budgeted amounts. However, transfers from the Operations and Maintenance Fund to the General Fund are generally based on sales tax collections. As a result, higher than expected sales tax revenues were the primary cause of this violation. The School Board believes this is an isolated incident and will continue to monitor budgeted and actual amendments.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

**C. Findings – Major Federal Award Programs**

*CFDA#10.555 and CFDA 10.553 Child Nutrition Cluster*

**2015 -004 Special Tests and Provisions – Verification of Free and Reduced Price Applications**

**Criteria:** Under the compliance requirements of the program, by November 15th of each school year, the local education agency (LEA) must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals. The local education agency must follow-up on children whose eligibility status has changed as the result of the verification activities to put them in the appropriate category.

**Condition(s):** The verification procedures were not adequately performed. The School Board selected a sample of applications for verification as required by the regulations. However, based on the responses received from applicants, the School Board did not make the appropriate changes to eligibility status for 2 out of the 19 applications tested. ***This is a repeat finding from the prior year.***

**Cause:** The above condition is a result of software application errors and a lack of internal controls over this compliance area.

**Effect:** The School Board may provide free or reduced-price meals to children who were not eligible to receive them.

**Questioned Costs:** \$248

**Recommendation:** We recommend the School Board implement and document the required secondary review of applications selected for verification. Also, the School Board should investigate further the software application errors that occurred during the fiscal year.

**View of Responsible Official:**

*The District is reviewing this matter for resolution. In particular, the software application will require further review to ensure data is entered correctly and reports are generated accurately. Management also will implement a testing on a sample basis during the current fiscal year.*

*CFDA#10.555 and CFDA 10.553 Child Nutrition Cluster*

**2015 -005 Allowable Costs – Approval of Purchase Orders**

See finding over approval of purchase orders (2015-001).

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

**B. Findings - Financial Statement Audit**

**2014 - 001      Physical Count of Inventory**

- Criteria:**            A physical inventory count of all possessions of the School Board is to be taken at the building level annually. The Principals are the designated custodians at the school level.
- Condition(s):**        Out of a sample of 6 schools, 4 schools did not perform an annual inventory during the fiscal year in accordance with the current established policy.
- Cause:**                As a result of budgetary cuts at the School Board, a designated individual was not assigned this task.
- Effect:**                Without timely inventory counts there is an opportunity for misappropriation of assets and opportunity for inventory records to be inaccurate.
- Recommendation:**    The School Board should take a more proactive approach to ensure that the assets of the School Board are counted on an annual basis to avoid having adjustments at the time of the annual audit.

**Current Status:**        **Resolved.**

**2014 - 002      Approval of Purchase Orders**

- Criteria:**            A system of internal controls should be in place to provide reasonable assurance of purchases and authorization of cash disbursements. In accordance with the School Board policy, purchase orders are to be prepared on items purchased in the name of the School Board. Separate purchase orders are prepared for each vendor. All purchases made by any school and paid by school funds shall have a purchase order signed by the principal. All school purchase orders in excess of \$250 must be signed by the Superintendent.
- Condition(s):**        While performing our testing of controls over the cash disbursement process, we noted that invoices were paid prior to the approval of the purchase order in the following instances:
- 9 out of a sample of 40 transactions from cash disbursements of all funds; and
  - 9 out of a sample of 37 transactions from the Special Education Program cluster

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

**B. Findings - Financial Statement Audit (continued)**

**2014 - 002      Approval of Purchase Orders (continued)**

Condition(s): (continued)

We also noted that another individual, other than the Superintendent, was approving purchases orders as evidenced by an employee initialing next to the signature approval denoting they signed on behalf of the Superintendent. We noted these approvals in the following instances:

- 2 out of a sample of 40 transactions selected from all funds;
- 8 out of a sample of 37 transactions selected from the National School Lunch Program Cluster expenditures; and
- 3 out of a sample of 37 transactions selected from the Special Education Program Cluster expenditures

Cause: Purchase order approvals occurring subsequent to payment of invoices is a result of personnel turnover and a lack of training over internal control procedures over cash disbursements. The Superintendent has provided verbal approval of transactions when he is unavailable and allowed employees to authorize transactions using his signature.

Effect: Without proper implementation of established controls, there is a potential for excess spending and misappropriation of public funds. The use of verbal authorizations leads to the uncertainty as to whether the transaction was actually approved by the Superintendent and unauthorized purchases may occur without the proper approval.

Recommendation: The School Board should provide training to all employees in the cash disbursement process and reinforce the established policies which include not allowing any payments to be made prior to a purchase orders being approved. The School Board should consider a change to the current policy and authorize another individual, in the Superintendent's absence to approve purchase orders.

Current Status: **Partially Resolved.** The Superintendent no longer provides verbal authorization of purchase orders in his absence. However, purchase order approvals still occurred subsequent to the invoice date. See finding 2015-001.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

**C. Findings – Major Federal Award Programs**

*CFDA#10.555 and CFDA 10.553 Child Nutrition Cluster*

**2014 -003**      **Special Tests and Provisions – Verification of Free and Reduced Price Applications**

**Criteria:**              Under the compliance requirements of the program, by November 15th of each school year, the local education agency (LEA) must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals. The local education agency must follow-up on children whose eligibility status has changed as the result of the verification activities to put them in the appropriate category.

**Condition(s):**        The verification procedures were not adequately performed. The School Board selected a sample of applications for verification as required by the regulations. However, based on the responses received from applicants, the School Board did not make the appropriate changes to eligibility status for 3 out of the 14 applications tested.

**Cause:**                The above condition is a result of software application errors and a lack of internal controls over this compliance area.

**Effect:**                The School Board may provide free or reduced-price meals to children who were not eligible to receive them.

**Questioned Costs:**    \$345

**Recommendation:**    We recommend the School Board implement and document the required secondary review of applications selected for verification. Also, the School Board should investigate further the software application errors that occurred during the fiscal year.

**Current Status:**      Not resolved. See finding 2015-004.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

*CFDA#10.555 and CFDA 10.553 Child Nutrition Cluster*

**2014 -004**

**Eligibility**

Criteria: Children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at reduced price. Children who have been determined ineligible for free or reduced price school meals pay the full price, set by the SFA, for their meals. In accordance with federal regulations a child's eligibility for free or reduced price meals may be established by the submission of an annual application or statement which furnishes such information such as family income and family sizes which is submitted each year. Local education agencies determine eligibility by comparing the data reported by the child's household to published income eligibility guidelines.

Condition(s): We selected 40 applications to determine whether the child met the eligibility criteria for free or reduced price school meals. Our testing identified the following 2 discrepancies in eligibility:

- An incorrect application was used in processing a student's eligibility
- One application tested showed that information was not entered correctly resulting in the student being identified as eligible for free rather than reduced priced school meals

Cause: During the fiscal year, the School Board implemented a new software program for which inexperience and insufficient training caused errors in student data and eligibility classification. In addition, no internal controls were established to validate data entries made by clerks of applications to ensure proper classification of free, reduced or full price eligibility.

Effect: The School Board may provide free or reduced-price meals to children who were not eligible to receive them.

Questioned Costs: \$434

Recommendation: We recommend the School Board to implement and document the required secondary review of applications into the computer system. Also, the School Board may consider training to the employees on compliance guidelines on the National School Lunch Program.

**Current Status:** Resolved.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

*CFDA#84.027 and CFDA 84.173 Special Education Cluster*

**2014 -005**            **Allowable Costs – Approval of Purchase Orders**

See finding over approval of purchase orders (2014-002).

**Current Status:**            **Partially Resolved.**    The Superintendent no longer provides verbal authorization of purchase orders in his absence. However, purchase order approvals still occurred subsequent to the invoice date. See finding 2015-001 and 2015-004.



**PERFORMANCE MEASUREMENT DATA**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Members of the  
East Feliciana Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of East Feliciana Parish 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 East Feliciana Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants.

The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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)**

**Procedure #1**

P&N 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 among 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
- Nonpublic Transportation Revenue

**Results of procedure # 1**

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

## **Education Levels of Public School Staff (Schedule 2)**

### **Procedure # 2**

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

### **Results of Procedure # 2**

No differences were noted between the number of full-time classroom teachers per schedule 4 and schedule 2, nor between the schedules and the October 1<sup>st</sup> payroll records.

### **Procedure # 3**

We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule and to school board supporting payroll records as of October 1<sup>st</sup>.

### **Results of procedure # 3**

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2, nor between the schedules and the October 1<sup>st</sup> payroll records.

### **Procedure # 4**

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

### **Results of Procedure # 4:**

In our sample of 25 employees, we noted 1 discrepancy existed between the aforementioned listing and the schedule. There was no experience or support in the personnel file for the employee selected.

## **Number and Type of Public Schools (Schedule 3)**

### **Procedure # 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.

### **Results of Procedure # 5**

We noted no discrepancies between the schools as listed in the "Class Size Data Report" and the list of schools on the application.

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

### **Procedure #6**

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

### **Results of Procedure # 6**

In our sample of 25 employees, there was 1 discrepancy existed between the aforementioned listing and the schedule. There was no experience or support in the personnel file for the employee selected.

## **Public Staff Data (Schedule 5)**

### **Procedure # 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.

### **Results of procedure # 7**

In our sample of 25 teachers, we noted no discrepancies.

### **Procedure # 8**

We recalculated the average salaries and full-time equivalents reported in the schedule to determine mathematical accuracy.

### **Results of procedure # 8**

No differences were noted.

## **Class Size Characteristics (Schedule 6)**

### **Procedure # 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 1 roll books for those classes and determined if the class was properly classified on the schedule.

Results of Procedure # 9

Of the 10 classes selected, we noted the following differences in 6 classes between the roll book counts and the number reported in Schedule 6:

<u>Number of Students Reported</u>	<u>Roll Book Counts</u>	<u>Difference</u>
21	23	2
19	21	2
87	91	4
26	28	2
22	23	1
15	17	2

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

Procedure # 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 East Feliciana Parish School Board.

Results of Procedure # 10

No differences were noted.

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

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

**The iLEAP Tests (Schedule 9)**

Procedure # 12

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

Results of Procedure # 12

No differences were noted.

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

This report is intended solely for the use of management of East Feliciana Parish 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.

*Postlethwait & Netterville*

Baton Rouge, Louisiana

December 30, 2015

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

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

**JUNE 30, 2015**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

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

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data: Average Salaries**

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - Graduation Exit Examination (GEE)**

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

**Schedule 9 -iLEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.



**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2015**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 4,811,321	
Other Instructional Staff Activities	927,912	
Instructional Staff Employee Benefits	3,336,004	
Purchased Professional and Technical Services	331,198	
Instructional Materials and Supplies	220,768	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		9,627,203

Other Interaction Activities 1,607,668

Pupil Support Activities	678,598	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		678,598

Instructional Staff Services	572,422	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		572,422

School Administration	972,661	
Less: Equipment for School Administration	-	
Net School Administration		972,661

Total General Fund Instructional Expenditures 13,458,552

Total General Fund Equipment Expenditures -

**Certain Local Revenue Sources**

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	438,075	
Renewable Ad Valorem Tax	2,144,276	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	100,148	
Sales and Use Taxes	1,826,523	
Total Local Taxation Revenue		4,509,022

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	133,416	
Earnings from Other Real Property	1,503	
Total Local Earnings on Investment in Real Property		134,919

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	72,824	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		72,824

Nonpublic Textbook Revenue 674

Nonpublic Transportation Revenue -

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**Education Levels of Public School Staff  
As of October 1, 2014**

**Schedule 2**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.00%	0	0.00%	0	0.00%	0	
Bachelor's Degree	64	71.11%	42	97.67%	0	0.00%	0	
Master's Degree	18	20.00%	1	2.33%	6	50.00%	0	
Master's Degree + 30	4	4.44%	0	0.00%	5	41.67%	0	
Specialist in Education	2	2.22%	0	0.00%	0	0.00%	0	
Ph. D. or Ed. D.	2	2.22%	0	0.00%	1	8.33%	0	
<b>Total</b>	<b>90</b>	<b>100.00%</b>	<b>43</b>	<b>100.00%</b>	<b>12</b>	<b>100.00%</b>	<b>0</b>	

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**Schedule 3**

**Number and Type of Public Schools  
For the Year Ended June 30, 2015**

<b>Type</b>	<b>Number</b>
Elementary	3
Middle/Jr. High	1
Secondary	1
Combination	1
<b>Total</b>	<b>6</b>

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

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**Experience of Public Principals and Full-time Classroom Teachers  
As of October 1, 2014**

**Schedule 4**

	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	2	1	0	2	0	5
Principals	0	0	0	1	1	1	4	7
Classroom Teacher	56	19	21	10	11	7	9	133
<b>Total</b>	56	19	23	12	12	10	13	145

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**Public School Staff Data  
For the Year Ended June 30, 2015**

**Schedule 5**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	38,882.46	39,000.79
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	38,882.46	39,000.79
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	145	141

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**Class Size Characteristics  
As of October 1, 2014**

**Schedule 6**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	70.31%	161	13.97%	32	2.62%	6	13.10%	30
Elementary Activity Classes	50.00%	13	23.08%	6	0.00%	0	26.92%	7
Middle/Jr. High	87.23%	82	11.70%	11	1.06%	1	0.00%	0
Middle/Jr. High Activity Classes	42.86%	3	28.57%	2	0.00%	0	28.57%	2
High	53.97%	68	26.19%	33	18.25%	23	1.59%	2
High Activity Classes	25.00%	2	50.00%	4	25.00%	2	0.00%	0
Combination	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Other Regular	0.00%	0	0.00%	0	0.00%	0	0.00%	0

The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment for grades K-3 is 26 students and the maximum enrollment for 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.

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century  
For the Year Ended June 30, 2015  
Grade 4**

**Schedule 7  
1 of 2**

District Achievement Level Results	Language Arts			Mathematics		
	2015	2014	2013	2015	2014	2013
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 4</b>						
Advanced	3.00%	1.34%	2.45%	1.00%	14.67%	6.13%
Mastery	41.00%	28.19%	22.09%	30.00%	23.33%	15.95%
Basic	28.00%	42.28%	40.49%	26.00%	30.67%	32.52%
Approaching Basic	23.00%	20.81%	25.77%	37.00%	16.67%	20.25%
Unsatisfactory	5.00%	7.38%	9.20%	6.00%	14.67%	25.15%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

District Achievement Level Results	Science			Social Studies		
	2015	2014	2013	2015	2014	2013
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 4</b>						
Advanced	4.00%	2.67%	1.23%	0.00%	0.00%	0.00%
Mastery	18.00%	10.67%	6.75%	9.00%	12.67%	7.32%
Basic	38.00%	50.00%	40.49%	53.00%	52.67%	50.00%
Approaching Basic	35.00%	29.33%	37.42%	22.00%	24.00%	23.78%
Unsatisfactory	5.00%	7.33%	14.11%	16.00%	10.67%	18.90%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

Schedule 7

**Louisiana Educational Assessment Program (LEAP) for the 21st Century  
For the Year Ended June 30, 2015**

**2 of 2**

**Grade 8**

District Achievement Level Results	Language Arts			Mathematics		
	2015	2014	2013	2015	2014	2013
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 8</b>						
Advanced	2.00%	1.97%	2.60%	0.00%	3.97%	3.25%
Mastery	33.00%	5.26%	14.94%	19.00%	7.28%	2.60%
Basic	34.00%	46.71%	40.91%	26.00%	49.01%	48.70%
Approaching Basic	21.00%	36.84%	35.71%	28.00%	25.83%	27.92%
Unsatisfactory	10.00%	9.21%	5.84%	27.00%	13.91%	17.53%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

District Achievement Level Results	Science			Social Studies		
	2015	2014	2013	2015	2014	2013
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 8</b>						
Advanced	0.00%	0.00%	1.95%	1.00%	0.66%	0.00%
Mastery	13.00%	8.61%	12.99%	11.00%	4.64%	8.44%
Basic	36.00%	39.74%	33.12%	36.00%	39.07%	53.90%
Approaching Basic	28.00%	35.76%	40.91%	29.00%	33.11%	20.13%
Unsatisfactory	23.00%	15.89%	11.04%	22.00%	22.52%	17.53%
Total	100.00%	100.00%	100.00%	99.00%	100.00%	100.00%



**EAST FELICIANA PARISH SCHOOL BOARD**  
Clinton, Louisiana

**For the Year Ended June 30, 2015**  
**Grades 10 and 11**

**Schedule 8**

**The GEE is no longer administered.**

**EAST FELICIANA PARISH SCHOOL BOARD  
CLINTON, LOUISIANA**

**Schedule 9  
1 of 3**

**/LEAP Tests  
For the Year Ended June 30, 2013**

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2013	2013	2013	2013
Students	Percent	Percent	Percent	Percent
<b>Grade 3</b>				
Advanced	6.67%	4.00%	4.67%	2.67%
Mastery	16.67%	22.67%	14.00%	16.67%
Basic	46.67%	37.33%	45.33%	40.67%
Approaching Basic	14.00%	21.33%	20.67%	20.00%
Unsatisfactory	16.00%	14.67%	15.33%	20.00%
Total	100%	100%	100%	100%

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2013	2013	2013	2013
Students	Percent	Percent	Percent	Percent
<b>Grade 5</b>				
Advanced	1.54%	6.82%	2.29%	0.00%
Mastery	16.92%	14.39%	21.37%	9.16%
Basic	44.62%	45.45%	32.82%	60.31%
Approaching Basic	20.77%	18.94%	32.82%	17.56%
Unsatisfactory	16.15%	14.39%	10.69%	12.98%
Total	100%	100%	100%	100%

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2013	2013	2013	2013
Students	Percent	Percent	Percent	Percent
<b>Grade 6</b>				
Advanced	0.79%	4.80%	2.40%	3.20%
Mastery	10.32%	11.20%	8.80%	6.40%
Basic	44.44%	60.80%	40.80%	40.00%
Approaching Basic	31.75%	16.80%	43.20%	28.80%
Unsatisfactory	12.70%	6.40%	4.80%	21.60%
Total	100%	100%	100%	100%

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2013	2013	2013	2013
Students	Percent	Percent	Percent	Percent
<b>Grade 7</b>				
Advanced	3.16%	0.00%	0.63%	0.63%
Mastery	6.33%	7.59%	8.23%	5.70%
Basic	39.87%	38.61%	31.01%	42.41%
Approaching Basic	40.51%	23.42%	36.08%	25.95%
Unsatisfactory	10.13%	30.38%	24.05%	25.32%
Total	100%	100%	100%	100%

**iLEAP Tests**  
**For the Year Ended June 30, 2014**

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2014	2014	2014	2014
Students	Percent	Percent	Percent	Percent
<b>Grade 3</b>				
Advanced	2.60%	4.55%	0.65%	0.00%
Mastery	27.27%	20.13%	15.58%	11.04%
Basic	37.01%	44.16%	46.10%	59.09%
Approaching Basic	16.23%	17.53%	25.32%	18.18%
Unsatisfactory	16.88%	13.64%	12.34%	11.69%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2014	2014	2014	2014
Students	Percent	Percent	Percent	Percent
<b>Grade 5</b>				
Advanced	0.75%	5.30%	1.52%	0.76%
Mastery	16.54%	16.67%	4.55%	3.03%
Basic	42.11%	53.03%	44.70%	53.03%
Approaching Basic	27.82%	15.91%	28.79%	31.82%
Unsatisfactory	12.78%	9.09%	20.45%	11.36%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2014	2014	2014	2014
Students	Percent	Percent	Percent	Percent
<b>Grade 6</b>				
Advanced	2.26%	5.97%	0.75%	0.00%
Mastery	19.55%	5.97%	10.53%	3.76%
Basic	43.61%	54.48%	45.86%	46.62%
Approaching Basic	18.05%	25.37%	36.09%	35.34%
Unsatisfactory	16.54%	8.21%	6.77%	14.29%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2014	2014	2014	2014
Students	Percent	Percent	Percent	Percent
<b>Grade 7</b>				
Advanced	4.51%	1.50%	2.26%	3.76%
Mastery	11.28%	8.27%	18.80%	12.78%
Basic	43.61%	55.64%	44.36%	42.11%
Approaching Basic	30.08%	22.56%	24.81%	30.08%
Unsatisfactory	10.53%	12.03%	9.77%	11.28%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

iLEAP Tests  
For the Year Ended June 30, 2015

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2015	2015	2015	2015
Students	Percent	Percent	Percent	Percent
<b>Grade 3</b>				
Advanced	2.00%	5.00%	6.00%	2.00%
Mastery	22.00%	16.00%	10.00%	12.00%
Basic	26.00%	24.00%	30.00%	42.00%
Approaching Basic	31.00%	32.00%	35.00%	32.00%
Unsatisfactory	20.00%	24.00%	19.00%	12.00%
Total	101%	101%	100%	100%

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2015	2015	2015	2015
Students	Percent	Percent	Percent	Percent
<b>Grade 5</b>				
Advanced	0.00%	6.00%	1.00%	4.00%
Mastery	22.00%	26.00%	9.00%	13.00%
Basic	35.00%	29.00%	36.00%	47.00%
Approaching Basic	34.00%	29.00%	34.00%	22.00%
Unsatisfactory	9.00%	10.00%	20.00%	14.00%
Total	100%	100%	100%	100%

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2015	2015	2015	2015
Students	Percent	Percent	Percent	Percent
<b>Grade 6</b>				
Advanced	1.00%	0.00%	0.00%	0.00%
Mastery	27.00%	18.00%	10.00%	4.00%
Basic	45.00%	32.00%	47.00%	48.00%
Approaching Basic	17.00%	37.00%	26.00%	27.00%
Unsatisfactory	10.00%	13.00%	17.00%	21.00%
Total	100%	100%	100%	100%

District Achievement Level	Language Arts	Mathematics	Science	Social Studies
Results	2015	2015	2015	2015
Students	Percent	Percent	Percent	Percent
<b>Grade 7</b>				
Advanced	2.00%	0.00%	3.00%	4.00%
Mastery	29.00%	9.00%	25.00%	14.00%
Basic	35.00%	41.00%	41.00%	44.00%
Approaching Basic	22.00%	37.00%	17.00%	24.00%
Unsatisfactory	12.00%	13.00%	14.00%	14.00%
Total	100%	100%	100%	100%

Please note that the grade 9 iLEAP has been dropped by the Department of Education, everything at that level was moved to end of course testing  
The Department of Education will be reviewing End of Course Testing and its potential inclusion for Assurance purposes in time for Assurance submissions next year

**EAST FELICIANA PARISH SCHOOL BOARD**

**REPORT TO MANAGEMENT**

**JUNE 30, 2015**

December 30, 2015

Members of the Board and Management of  
East Feliciana Parish School Board

In planning and performing our audit of the financial statements of the East Feliciana Parish School Board (the School Board) for the year ended June 30, 2015, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

However, during our audit, we became aware of the following matters that are opportunities for improving financial reporting, refining policies and procedures and enhancing compliance with laws and regulations. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 30, 2015 on the financial statements of the School Board.

**2015-A    Documentation of Controls in the Payroll Process**

**Condition:**

The School Board has established a control procedure whereby the Principal in each school must approve each payroll run before it is processed. When performing our walkthrough of controls over the payroll process, we noted the Principals did not have written documentation of their approval of the payroll runs selected for testing. However, the Principals verbally acknowledged their review and other evidence of this review was noted through correspondence with the payroll clerk in some instances.

**Recommendation:**

The School Board should implement an approval process whereby the principal must have written documentation of approval of each payroll run before the payroll can be processed.

**Management's Response:**

Management is in the process of updating its control procedures to include a requirement in which the principal must maintain written documentation of the approval of each payroll run prior to processing.

**2015-B    Review of School Food Application Input**

**Condition:**

During our review of the eligibility determinations for students participating in the Child Nutrition Program we noted several instances where income amounts were input into the system used to track eligibility status for the receipt of free or reduced meals incorrectly. While the input errors on those students did not change their eligibility status, there is a potential for an error to occur without proper internal controls over the review of data input into the system.

**Recommendation:**

The School Board should implement a review process whereby the input of student applications is performed on a sample basis to ensure income amounts are entered into the system correctly.

*Management's Response:*

Management agrees with the recommendation above and will implement the procedures in the next fiscal year.

**2015-C    Semi-Annual Certifications**

**Condition:**

In accordance with OMB Circular A-87, where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages should be supported by periodic certifications stating that the employees worked solely on that program for the period covered by the certification. These certifications should be prepared at least semi-annually and should be signed by the employee of supervisory official having first-hand knowledge of the work performed by the employee. We noted while auditing the Special Education program that evidence that a semi-annual certification for one employee who worked solely for that program was not maintained. In addition, while performing our testing for the Title I program we noted that semi-annual certifications were obtained but the funding percentages reported did not agree to the approved budgeted amounts.

While the above criteria was effective for federal awards received prior to December 26, 2014, new federal regulations have been issued and are effective for awards received subsequent to that date. Under, 2 CFR §200.430 standards for documentation of personnel expense are provided.

**Recommendation:**

We recommend that internal controls be established by the federal program directors to ensure forms are accurately completed and obtained on a timely basis. In addition, training on the new federal regulations should be provided to all employees responsible for the tracking of personnel expenses under federal awards.

*Management's Response:*

Management agrees with the recommendation above and will implement the procedures in the next fiscal year.

**2015-D    Administrative Access to IT Environment**

**Condition:**

We noted that certain accounting personnel have administrative access to the accounting system. With administrative system capabilities the opportunity exists to circumvent established internal controls without timely detection by management.

**Recommendation:**

We recommend a regular review of accounting system access not less than annually to determine if roles assigned are appropriate for each employee based on their assigned job functions and duties.

*Management's Response:*

Management agrees with the recommendation above and intends to review this matter to ensure access for all accounting personnel is appropriate based on their role within the organization and in accordance with the established internal controls.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the School System staff for their cooperation with us during the performance of the audit.

This letter is intended solely for the information and use of the East Feliciana Parish School Board, management of the School Board and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Postlethwaite & Metterville*

