

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2017

With Supplemental Information Schedules

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2017

With Supplemental Information Schedules

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**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2017

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**Gragson, Casiday & Guillory, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

RAYMOND GUILLORY, JR., C.P.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
GRAHAM A. PORTUS, E.A.  
KATHRYN BLESSINGTON, C.P.A.  
JACKLYN BARLOW, C.P.A.  
BRIAN MCCAIN, C.P.A.

**INDEPENDENT AUDITORS' REPORT**

November 20, 2017

To the Members of  
The Jefferson Davis Parish School Board  
Jennings, 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 Jefferson Davis Parish School Board (School Board), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 School Board, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

145 East Street • Lake Charles, LA 70601  
Mailing Address: P.O. Drawer 1847 • Lake Charles, LA 70602-1847  
phone: 337.439.1986 • fax: 337.439.1366 • [www.gcgcpa.com](http://www.gcgcpa.com)



To the Members of  
The Jefferson Davis Parish School Board  
November 20, 2017

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5-14), budgetary comparison information (pages 62-64), schedule of funding progress- postemployment healthcare and life insurance benefits (page 66), and the additional pension/retirement information (pages 67-69) 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.

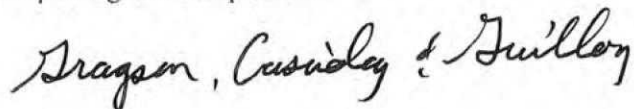
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplemental information section (pages 72 to 103) which includes the combining and individual nonmajor fund financial statements, and other information required by the State of Louisiana are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards (pages 104 to 105) is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the other information required by the State of Louisiana, 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 and individual nonmajor fund financial statements, the information required by the State of Louisiana, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2017, on our consideration of the School Board's internal control over financial reporting and on our test of its compliance with certain provision 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 School Board's internal control over financial reporting and compliance.



GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

The Management's Discussion and Analysis (MD&A) of the Jefferson Davis Parish School Board is intended to provide both an overview and review of the School Board's financial activities for the fiscal year ended June 30, 2017. The intent of the MD&A is to provide a meaningful discussion to interested financial statement users of the School Board's overall financial performance taken as a whole. Therefore, it should be read in conjunction with the School Board's financial statements, the notes to the financial statements, and any related supplementary information.

The MD&A is an element of the required supplementary information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* that was issued in June 1999. Certain comparative information between the current fiscal year (2016-2017) and the prior fiscal year (2015-2016) is required to be presented in the MD&A, and it is shown in the accompanying discussion.

**Financial Highlights For The 2016-2017 Fiscal Year**

- Net position decreased by (\$172,160) for the fiscal year ended June 30, 2017. At June 30, 2017, the School Board's net position is a total of (\$42,550,721). The large negative balance in Net Assets was caused by the implementation of Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* that was first used in the 14-15 fiscal year.
- The total net change in fund balance for the School Board was an increase of \$3,298,057 that was comprised of the following:

Decrease in General Fund	\$ (200,028)
Increase in all other governmental funds	<u>3,498,085</u>
Net decrease in total fund balance	<u>\$ 3,298,057</u>

- Sales taxes collected for the General Fund increased by \$159,660 for the 2016-2017 year, making it a record year for collections. Given the current state of Louisiana's economy, particularly in the oilfield sector, the School Board believes itself to be fortunate to show a gain from the previous year.
- Ad valorem taxes collected for the General Fund showed a slight increase of \$87,393 during 2016-2017. Property tax valuations appear stable upon examination of the recent 2016 reassessment. The property tax valuations caused by the 2016 reassessment were mixed in that some districts saw increases in assessed valuations and some districts saw a decline. General Fund ad valorem tax collections should remain stable for the immediate future.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

- Sales taxes and ad valorem taxes collected for debt service by the School Board increased by \$192,077, which represents a 3½% growth over the previous year. This modest increase will likely remain stable through the next fiscal year.
- The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, which was approximately \$36.6 million for the 16-17 fiscal year. This is an increase in funding of approximately \$0.6 million from the previous year. The MFP funding calculation is based to a large extent upon the verified student enrollment in existence at October 1 times an applied per pupil contribution amount. The adjusted base per pupil contribution for the 2016-2017 fiscal year remained at \$3,961 per student.
- There were no across-the-board pay raises granted this year due to a lack of sufficient sources of recurring funds being made available to the School Board.
- The School Board received a significant amount of funds from federal grant programs. The School Food Service/Child Nutrition program received approximately \$2.73 million in federal funds during 2016-2017. Title I, a program to assist the education of economically disadvantaged children, received approximately \$1.74 million during the same time period. The School Board also received federal special education funds through the IDEA program of about \$1.45 million. Federal LA-4 TANF funds for preschool education in the amount of \$0.67 million were received. Other federal grants received during the year target such areas as the education of migrant children, teacher training and hiring, and technology acquisition and development.

**Using This Annual Financial Report**

This annual financial report consists of a series of financial statements and the associated notes to those statements. These statements are organized so that the reader can understand the operations of the School Board as an entire operating entity. The Basic Financial Statements Section, consisting of the Statement of Net Position and the Statement of Activities (see pages 16 and 17), provide highly consolidated financial information for the entire School Board taken as a whole. The Statement of Net Position and the Statement of Activities present an aggregate view of the School Board's financial position, and they seek to answer the question, "Is the School Board as a whole better off or worse off as a result of last year's activities?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the basis of accounting used by most private-sector entities. All of the revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the School Board's net position and changes in it. You can think of the School Board's net position, which is the difference between the assets and liabilities, as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position

**REQUIRED SUPPLEMENTAL INFORMATION**

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



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

is one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in the property or sales tax base within Jefferson Davis Parish, the maintenance needs and condition of the School Board's facilities, the cost of unfunded mandates passed onto the School Board, and other external factors of this nature in order to assess the overall financial health of the School Board.

The School Board's educational mission is defined as "governmental activities" in the Statement of Net Position and the Statement of Activities. In this context, "governmental activities" represent the basic functions of the School Board, including all instructional services, support services, and child nutrition programs. These activities are primarily financed through state MFP funding, other federal and state grants, and local sales and property taxes.

The next section of the annual report is the Fund Financial Statements section, beginning on page 19 that provides a more in-depth reporting of the School Board's financial position and results of operations of the most significant funds – not the School Board as a whole. Some funds are required to be established by State law and some by bond covenants. Other funds are established to show that the School Board is meeting its legal responsibilities for the specific uses of certain taxes, grants, and other such monies. These statements as presented should be familiar to those who have read published governmental financial statements published in previous years.

The Fund Financial Statements segregate the School Board's operations into two types of funds, governmental funds and fiduciary funds. Governmental funds are established to account for most of the School Board's basic services, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported under the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the educational services that it provides. These statements indicate the sources and uses of funds, as well as those resources available for spending in future years. The relationship between *governmental activities*, as shown in the Statement of Net Position and Statement of Activities, and *governmental funds* is described in a reconciliation schedule (see Statement D) in the Fund Financial Statements section.

The School Board is the trustee, or fiduciary, for the Jefferson Davis Parish sales tax collections and the school activity funds. The School Board serves as the sales tax collector for Jefferson Davis Parish and maintains sales tax collections that are due to the other taxing districts located in the parish. Also, the School Board's thirteen schools have their own operating funds that are held in trust for the operations of the schools. The Fiduciary Funds Statement of Net Position (see Statement G) provides some information as to the amount of funds held in trust. More detail of the specific amount of funds held in trust by the sales tax collection department and the schools is provided in Schedules 10, 11-1, and 11-2 on pages 99-101.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

**The School Board As A Whole**

The total net position of the School Board as of June 30, 2017 (as stated on the Statement of Net Position, Statement A on page 16) was (\$42.6) million, which is a decrease of (\$ 0.2) million from the previous year. The makeup of this amount is summarized below in Table 1.

**Table 1**  
**Net Position of the Jefferson Davis Parish School Board**  
**June 30, 2017 and June 30, 2016**  
**(in millions)**

	<b>Governmental Activities at</b>	
	<b><u>June 30, 2017</u></b>	<b><u>June 30, 2016</u></b>
Current and other assets	\$ 35.8	\$ 32.7
Capital assets	<u>36.8</u>	<u>36.7</u>
Total assets	<u>72.6</u>	<u>69.4</u>
 Add: Deferred outflows of resources	 <u>18.9</u>	 <u>14.7</u>
 Total Assets and Deferred Outflows	 <u>91.5</u>	 <u>84.1</u>
 Long-term debt outstanding	 (117.3)	 (110.6)
Other liabilities	<u>( 6.3)</u>	<u>(6.5)</u>
Total liabilities	<u>(123.6)</u>	<u>(117.1)</u>
 Deduct: Deferred inflows of resources	 <u>(10.5)</u>	 <u>(9.4)</u>
 Total Liabilities and Deferred Inflows	 <u>(134.1)</u>	 <u>(126.5)</u>
 Net position:		
Invested in capital assets, net of debt	19.6	22.3
Restricted	13.8	10.1
Unrestricted	<u>(76.0)</u>	<u>(74.8)</u>
Total net position	<u>\$ (42.6)</u>	<u>\$ (42.4)</u>

Fluctuations in the amount of all accounts in the above-presented net position during 2016-2017 are considered to be normal and are explained in Table 2, except for the Long-Term Debt Outstanding. As mentioned earlier, the implementation GASB Statement # 68 has required the School Board to record its share of the unfunded accrued liability of the state's employee pension plans on the Statement of Net Position. This required a prior-period adjustment at the end of the 14-15 fiscal year that caused the significant change in financial position. Please see Note # 9, Pension/Retirement and Note # 11, Long-Term Debt and Obligations, located in the Notes to the Basic Financial Statements for additional information about GASB# 68 compliance.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

As reported in the Statement of Activities (Statement B on page 17), the School Board's net position increased by \$1.6 million during the fiscal year ended June 30, 2016 (which is summarized in Table 2).

**Table 2**  
**Changes in Net Position of the Jefferson Davis Parish School Board**  
**Fiscal Years Ended June 30, 2017 and June 30, 2016**  
**(in millions)**

	<b>Governmental Activities at</b>	
	<b><u>June 30, 2017</u></b>	<b><u>June 30, 2016</u></b>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 0.7	\$ 0.8
Operating grants and other contributions	8.7	8.4
General Revenues:		
Property taxes	8.0	8.1
Sales taxes	11.0	11.0
Other taxes	0.3	0.3
State minimum foundation funding (MFP)		
Net of transfers to charter schools/state	36.5	35.9
Interest and investment earnings	0.2	0.2
Miscellaneous	0.9	1.1
Total revenues	\$ 66.3	\$ 65.8
<b>Program Expenses</b>		
Instructional services	36.4	35.1
Support services	23.9	23.4
Non-instructional services	4.5	4.2
Interest on long-term debt	0.6	0.6
Depreciation expense not included above	1.1	1.1
Total expenses	\$ 66.5	\$ 64.4
<b>Increase (decrease) in net position</b>	\$ (0.2)	\$ 1.4
Net position, beginning balance	(42.4)	(44.0)
Prior period adjustment	-	0.2
Net position, ending balance	\$ (42.6)	\$ (42.4)

Explanations of significant differences are as follows:

- Transfers of funds from the Educational Excellence Fund account maintained on behalf of the School Board by the Louisiana Office of the Treasury declines as the funds invested in that program through Treasurer's Office run out. The balance in that fund should be eliminated in the next fiscal year.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

- Net funding for educational programs received from the state through the MFP program showed a slight increase in 2016-17 due to a modest increase in student count.
- As mentioned earlier, the implementation GASB Statement # 68 has required the School Board to record its share of the unfunded accrued liability of the state's employee pension plans on the Statement of Net Position.

All other fluctuations in revenues and expenses shown in Table 2 between the 2016-2017 and the 2015-2016 fiscal years are considered normal in scope and nature.

Table 3 (see below) presents both the total cost of each of the School Board's largest categories of expenses and their related net cost (total cost less revenues generated by the activities) for both the 2016-2017 and 2015-2016 fiscal years. The presentation of the net cost shows the financial burden that was placed on the School Board's taxpayers by these functions. As reported in the Statement of Activities, the total cost of the School Board's governmental activities was \$65.5 million in fiscal year 2016-2017, however, not all of this cost was borne by the parish taxpayers. Of this amount, \$0.7 million was paid by those who used or benefited from the services rendered, and \$8.8 million of the cost of services was financed from federal and state grants. As a result, the taxpayers of Jefferson Davis Parish paid a net cost of \$57.1 million for K-12 public education services during fiscal year 2016-2017.

**Table 3**  
**Changes in Total Cost and Net Cost of Governmental Activities**  
**Fiscal Years Ended June 30, 2017 and June 30, 2016**  
**(in millions)**

	<u><b>Total Cost of Services</b></u>		<u><b>Net Cost of Services</b></u>	
	<u><b>06/30/17</b></u>	<u><b>06/30/16</b></u>	<u><b>06/30/17</b></u>	<u><b>06/30/16</b></u>
Regular education programs	\$ 24.2	\$ 22.8	\$ 24.0	\$ 22.6
Special education programs	5.6	5.6	4.1	4.9
All other instructional programs	6.6	6.6	3.6	3.1
Instructional staff support services	3.2	3.1	2.4	2.3
School administrative services	4.4	4.2	4.4	4.2
Plant operations and maintenance	6.3	6.4	6.3	6.3
Student transportation services	3.3	3.0	3.3	3.0
School food and nutrition services	4.5	4.2	1.5	1.4
Interest on long-term debt	0.6	0.6	0.6	0.6
All other programs and services	7.8	7.9	6.9	6.8
Totals	<u>\$ 66.5</u>	<u>\$ 64.4</u>	<u>\$ 57.1</u>	<u>\$ 55.2</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
Jennings, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

**The School Board's Funds**

The School Board uses funds to control and manage money for particular purposes, such as dedicated expenditures of taxes or grant programs. The fund financial statements contained in this annual report allow the School Board to demonstrate its stewardship and control of resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the overall financial health of the School Board.

The School Board ended its fiscal year on June 30, 2017 with a total combined fund balance of \$29.3 million. Table 4 provides a summary of the makeup of the \$29.3 million by fund category:

**Table 4**  
**Summary of Fund Balances of the Jefferson Davis Parish School Board**  
**Fiscal Year Ended June 30, 2017**  
**(in millions)**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total All Funds</u>
Nonspendable	\$ 0.6	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.8
Restricted	-	2.5	3.0	7.6	13.1
Committed	9.3	-	-	-	9.3
Assigned	3.5	-	-	-	3.5
Unassigned	2.6	-	-	-	2.6
Totals	<u>\$ 16.0</u>	<u>\$ 2.7</u>	<u>\$ 3.0</u>	<u>\$ 7.6</u>	<u>\$ 29.3</u>

The fund balance in the Capital Projects Funds represents the excess of funding received from bond sales over the amount of construction expenditures incurred to date. The districts with residual capital projects fund balance are Consolidated School District # 1 (Welsh) and School District # 3 (Hathaway). School District # 8 (Lacassine) passed a \$4 million bond issue in 2016, with the bulk of the construction on the capital projects estimated to be completed by mid-2018.

**General Fund Budgetary Highlights**

Over the course of the year, the School Board revises its budget to take into consideration any significant changes in revenues or expenditures. Louisiana Revised Statute 36:1311 requires a budget amendment if either expected revenues are less than budgetary goals by 5% or more or if anticipated expenditures are greater than budgetary goals by 5% or more. The School Board adopted the original budget on August 18, 2016. The first budget revision was adopted in March 2017, and the final budget revision was adopted in June 2017.

Schedule 1, on pages 62 and 63 of this annual report, shows the School Board's original and final budgets compared with the actual operating results. The School Board performed better in its General Fund than what was originally budgeted. The School Board utilizes conservative

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

budgeting practices in establishing its original budget. Revenues are forecasted at safe, conservative levels while expenditures are budgeted with worst-case scenarios in mind. In particular, the School Board utilizes a strict staffing formula whereby salaried positions are eliminated with declines in the amount of students, which causes a drop in state funding. This is done to ensure that the original budget of the School Board will be able to sustain its needed level of operations with anticipated available resources whose existence can be established with a reasonable amount of certainty.

A comparison of the final budget revision with the actual operating results shows that the School Board did slightly better than budgeted by approximately \$1.0 million. There were three significant budget variances. The first is a positive variance in sales taxes of \$0.2 million due to significant increases in sales tax collections in the last two months of the fiscal year. A second positive variance of \$0.3 million was due to an increase in program reimbursements that occurred in the last month. The third variance is a positive amount of \$0.1 million in plant maintenance costs. All other variances are considered "normal" in amount and scope, and most of them resulted in small positive budget variances caused by cost reductions that comprised the remainder of the \$1.0 favorable budget variance.

The net decrease in fund balance of (\$0.2) million will be absorbed into the beginning General Fund Balance for the 2017-2018 fiscal year.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2017, the School Board had invested approximately \$36.7 million (net of accumulated depreciation) in a variety of capital assets, including land, buildings, furniture, vehicles, computers, and other such items. Table 5, shown below, summarizes the capital asset activity for the current and previous fiscal years.

**Table 5**  
**Balance in Capital Assets (net of depreciation)**  
**of the Jefferson Davis Parish School Board**  
**June 30, 2017 and 2016**  
**(in millions)**

	<u>2017</u>	<u>2016</u>
Land	\$ 1.5	\$ 1.5
Construction in Progress	1.1	0.0
Buildings	32.1	33.2
Furniture and equipment	0.7	0.6
Vehicles	<u>1.4</u>	<u>1.4</u>
Totals	<u>\$ 36.8</u>	<u>\$ 36.7</u>

All changes in net Capital Assets are considered customary and normal.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

**Debt**

At year-end, the School Board had \$110.6 million in long-term debt and obligations outstanding versus \$107.1 million last year. The 2015 presentation of Net Pension Liability below was restated from its presentation in last year's Management Discussion and Analysis due to a prior period adjustment to correct an error in the 2015 calculation. This is illustrated in Table 6 below:

**Table 6**  
**Outstanding Debt at Year-End of the Jefferson Davis Parish School Board**  
**June 30, 2017 and 2016**  
**(in millions)**

	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 17.3	\$ 15.6
Other post-employment benefits	19.0	16.4
Net pension liability	78.8	76.2
Compensated absences	<u>2.2</u>	<u>2.4</u>
Totals	<u>\$ 117.3</u>	<u>\$ 110.6</u>

This is the last year of the bi-annual reporting term for other post-employment that the School Board is required to disclose according to GASB Statement # 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. Please review Note # 18 in the Notes to the Basic Financial Statements for a full explanation of the increase in the reported Unfunded Accrued Liability.

There was one new issuance of general obligation bonds, that being a \$4.0 million issue from School District #8 (Lacassine) for the construction of two new classroom wings, the enlargement and refurbishment of the administration and cafeteria areas of the school, and the replacement of the HVAC systems. The construction generated by the bond issue is expected to be completed in 2018.

**Economic Factors And Next Year's Budget**

Jefferson Davis Parish is a rural community without much in the way of an industrial or business tax base, although there has been some new industrial development in the western part of the parish that has brightened the economic forecast. The Lacassine industrial complex expansions, the opening of a new high-speed rail loading facility, and other positive economic developments in Jefferson Davis Parish should combine to help combat the effects of the downturn in the oil industry in the local economy. Sales tax collections were unexpectedly strong last year, and the School Board is hopeful that this year's sales tax collection forecast will be at least as good as the 16-17 year. Ad valorem taxes continue to perform well as the result of slight increases in property values recorded after the 2016 reassessment. The recent roll forward of the property tax

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

millages across the parish, should allow for stability in the 2017 ad valorem tax collections. Overall, the local economic forecast appears to be cautiously optimistic.

The School Board will soon look at asking the public to support the issuance of new bonded indebtedness as the first of several bond issues that were originally passed over 15 years ago approaches retirement. School District # 8 (Lacassine) recently passed a \$4 million bond issue for the construction of two new classroom wings, cafeteria and administration area expansions, and other classroom enhancements. Construction on that project should be completed by the end of the 17-18 school year. Other districts will follow with similar bond propositions in the next few years.

Unfortunately, the state's sluggish recovery from the 2008 national recession and its questionable budgeting practices under the Jindal administration will continue to have a significant detrimental impact on the financial outlook of the School Board for the next few years. On average, the School Board is dependent upon the state MFP equalization funding formula for about 65% of its general fund educational budget. State revenue projections continue to be gloomy as the economy is lagging behind in recovering from the recession due to a depressed oil industry and the granting of large tax breaks to corporate business partners that have not added to state revenue coffers as was predicted by Governor Jindal, among other reasons. The state has taken steps to lessen both the frequency and impact of mid-year budget shortfalls. However, local governmental entities will continue to be somewhat insecure about receiving the full funding that they were promised at the beginning of the budget year.

The election of John Bel Edwards (D) as the new governor of Louisiana brought hope for better times to state government, but his administration's efforts to stabilize government funding through a combination of budget tightening, eliminating unproductive tax breaks, and raising revenues have been mostly stymied by a Republican-majority Legislature who remains resistant to many of the Governor's budget reform ideas. Much has been reported about the upcoming \$1 billion "fiscal cliff" that Louisiana is facing at the beginning of its new fiscal year on July 1, 2018. It may well require at least one special legislative session dedicated to budget matters to cope with that massive problem before the start of the 2018 regular legislative session. Deliberations about the "fiscal cliff" are expected to be contentious between the various legislative factions. I guess the best that one can say is that it could always be worse. Unfortunately, better economic times for the state are not in sight at this time.

Even if all enacted budget changes on the state level prove to be sound, it will unfortunately take quite a bit of time for Louisiana to dig itself out of its budget morass. It would not be wise to expect immediate and substantial enhancements to the state's contribution to public education to have a significant impact for at least two to three more years. Therefore, the School Board's total funding levels will not be expected to enjoy any significant increase until the state gets its fiscal act together. At least the Governor and the Louisiana Legislature appears to be in a more



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

agreeable mood to listen to public education advocates who point the negative effect caused by stagnant funding on K-12 education.

The worst impact of zero-growth state funding is that the School Board has had to endure significant increases in required employer retirement contribution rates to the various state employee retirement agencies without any additional funding coming from the state. The state retirement systems have a constitutional mandate that they must be run in an actuarially sound manner. Accordingly, the retirement systems have increased employer contribution rates in hopes of reducing the unfunded accrued pension liability (UAL) to a more actuarially justifiable amount by the 2029 year. This increased cost of employee retirement benefits is the major reason that the School Board has run a deficit in the General Fund for the last few years. Each year's deficit has been planned, and the deficit amount has been easily absorbed within the School Board's General Fund reserves. In its 2017-2018 budget, the School Board took additional cost cutting measures to present a plausible plan for a break-even budget, all the while hoping that these cuts will not produce a significant impact on the quality of instructional services to the students we serve, which is the School Board's true "bottom line." The School Board has always been prudent in its business practices, and future budgetary actions will be taken should economic news dictate that more cuts will be necessary to maintain financial stability.

**Contacting The School Board's Financial Management**

This annual report is designed to provide a general overview of the School Board's financial condition and operations. However, citizen groups, taxpayers, parents, students, other parish officials, investors, and creditors may desire to obtain additional details. Please either write the Director of Finance at the Jefferson Davis Parish School Board Central Office at P. O. Box 640, Jennings, Louisiana 70546 or call at (337) 824-1834 during normal business hours should you require any additional information about the material contained in this annual report.

**BASIC FINANCIAL STATEMENTS**

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

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Statement of Net Position**  
**June 30, 2017**

**Statement A**

**ASSETS**

Cash and interest-bearing accounts	\$ 17,816,910
Restricted cash and interest-bearing accounts	573,250
Investments	14,147,074
Receivables, net	2,785,067
Inventory	437,521
Prepaid items	-
Capital assets:	
Land and construction in progress	2,631,608
Exhaustible capital assets, net of depreciation	34,220,883
<b>Total Assets</b>	<b><u>72,612,313</u></b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred amount on bond refunding	449,306
Deferred outflows-pension	18,500,656
<b>Total Deferred Outflows of Resources</b>	<b><u>18,949,962</u></b>

**LIABILITIES**

Accounts payable	689,471
Contracts payable	45,841
Payroll deductions, withholdings, and accrued salaries payable	5,369,972
Interest payable	215,453
Long-term debt and obligations:	
Due within one year	3,500,934
Due in more than one year	113,840,404
<b>Total Liabilities</b>	<b><u>123,662,075</u></b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred revenue	365,197
Deferred amount for bond issuance premiums	325,240
Deferred inflows-pension	9,760,484
<b>Total Deferred Inflows of Resources</b>	<b><u>10,450,921</u></b>

**NET POSITION**

Net investment in capital assets	19,573,491
Restricted for:	
Debt service	7,608,784
Capital projects	2,990,402
Maintenance	1,877,136
School food service	524,658
Nonexpendable	858,881
Unrestricted	(75,984,073)
<b>Total Net Position</b>	<b><u>\$ (42,550,721)</u></b>

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS

JEFFERSON DAVIS PARISH SCHOOL BOARD

Statement of Activities

For the Year Ended June 30, 2017

Statement B

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction:				
Regular programs	\$ 24,217,059	\$ 163,071	\$ 46,127	\$ (24,007,861)
Special education programs	5,582,160		1,446,623	(4,135,537)
Vocational programs	2,053,229		72,433	(1,980,796)
All other instructional programs	4,499,328		2,878,585	(1,620,743)
Support services:				
Student services	3,920,347		676,739	(3,243,608)
Instructional staff support	3,225,823		785,830	(2,439,993)
General administration	1,418,790	334,627		(1,084,163)
School administration	4,362,676			(4,362,676)
Business services	714,370			(714,370)
Plant operation and maintenance	6,315,947			(6,315,947)
Student transportation services	3,280,617			(3,280,617)
Central services	667,279			(667,279)
Non-instructional services:				
Food services	4,525,860	226,749	2,770,399	(1,528,712)
Community service programs	16,337			(16,337)
Intergovernmental	-			-
Interest on long-term debt	639,182			(639,182)
Depreciation expense not included in other functions	1,092,672			(1,092,672)
Total Governmental Activities	66,531,676	724,447	8,676,736	(57,130,493)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				3,584,499
Property taxes, levied for debt service				2,137,098
Property taxes, levied for building and repair				2,257,522
Sales taxes, levied for general purposes				9,715,249
Sales taxes, levied for debt service				1,334,312
State revenue sharing				299,808
Grants and contributions not restricted to specific purposes:				
State source: Minimum foundation program net of restricted				
School Lunch Program Revenue portion of \$40,654				36,601,558
Interest and investment earnings				206,425
Miscellaneous				913,901
MFP Local share transfers to Charter Schools and Others				(92,039)
Total general revenues				56,958,333
Change in net position				(172,160)
Net Position -beginning				(42,378,561)
Net Position -ending				\$ (42,550,721)

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS



**BASIC FINANCIAL STATEMENTS**  
**FUND FINANCIAL STATEMENTS (FFS)**

JEFFERSON DAVIS PARISH SCHOOL BOARD  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2017

Statement C

	Major Funds			
	General Fund	Debt Service Fund- Sales Tax District No. 1	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and interest-bearing accounts	\$ 7,466,574	\$ 4,902,079	\$ 5,448,257	\$ 17,816,910
Restricted cash & interest-bearing accounts	-	573,250	-	573,250
Investments	11,487,168	-	2,659,906	14,147,074
Receivables	1,444,311	116,183	1,224,573	2,785,067
Interfund receivables	1,105,116	-	-	1,105,116
Inventory	154,919	-	282,602	437,521
Prepaid items	-	-	-	-
<b>Total Assets</b>	<u>\$ 21,658,088</u>	<u>\$ 5,591,512</u>	<u>\$ 9,615,338</u>	<u>\$ 36,864,938</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 518,208	\$ -	\$ 171,263	\$ 689,471
Contracts payable	-	-	45,841	45,841
Payroll deductions, withholdings, and accrued salaries payable	4,862,871	-	507,101	5,369,972
Interfund payables	-	-	1,105,116	1,105,116
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>5,381,079</u>	<u>-</u>	<u>1,829,321</u>	<u>7,210,400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	271,250	-	93,947	365,197
<b>Total Deferred Inflows of Resources</b>	<u>271,250</u>	<u>-</u>	<u>93,947</u>	<u>365,197</u>
<b>FUND BALANCES</b>				
Nonspendable	576,279	-	282,602	858,881
Restricted	-	5,591,512	7,409,468	13,000,980
Committed	9,337,797	-	-	9,337,797
Assigned	3,500,000	-	-	3,500,000
Unassigned	2,591,683	-	-	2,591,683
<b>Total Fund Balances</b>	<u>16,005,759</u>	<u>5,591,512</u>	<u>7,692,070</u>	<u>29,289,341</u>
<b>Total Liabilities, Deferred Inflows of Resources, &amp; Fund Balances</b>	<u>\$ 21,658,088</u>	<u>\$ 5,591,512</u>	<u>\$ 9,615,338</u>	<u>\$ 36,864,938</u>

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2017**

**Statement D**

**Total Ending Fund Balances - Governmental Funds (Statement C)** **\$ 29,289,341**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Costs of capital assets	\$ 78,540,384	
Accumulated depreciation	<u>(41,687,893)</u>	36,852,491

Deferred charges on bond refundings are not financial resources and therefore are not reported as assets in governmental funds.

Deferred charges on bond refundings	1,061,566	
Accumulated amortization	<u>(612,260)</u>	449,306

Premiums on refundings are not reported as inflows of resources in governmental funds.

Premiums on bond refundings	(620,856)	
Accumulated amortization	<u>295,616</u>	(325,240)

Deferred outflow and inflow of resources associated with pension and retirement are not current financial resources or uses and therefore are not reported in the governmental funds

Deferred outflows-pension	18,500,656	
Deferred inflows-pension	<u>(9,760,484)</u>	8,740,172

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds payable	17,279,000	
Interest payable	215,453	
Compensated absences payable (sick leave and vacations)	2,248,459	
Net pension liability	78,770,272	
Other post-employment benefits	<u>19,043,607</u>	(117,556,791)

**Net Position (Statement A)** **\$ (42,550,721)**

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS

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

**Statement E**  
**(Continued)**

	Major Funds			
	General Fund	Debt Service Fund- Sales Tax District No. 1	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 3,584,499	\$ -	\$ 4,394,620	\$ 7,979,119
Sales and use taxes	9,715,249	1,334,312	-	11,049,561
Parish contribution to retirement fund	211,344	-	-	211,344
Collection fees from municipalities	334,627	-	-	334,627
Tuition	163,071	-	-	163,071
Interest and investment earnings	118,181	36,987	51,257	206,425
Food services	-	-	226,749	226,749
Other local revenue	406,606	-	55,610	462,216
State sources:				
Equalization	35,628,545	-	1,013,667	36,642,212
Restricted grants-in-aid	1,080,630	-	-	1,080,630
Revenue sharing	220,570	-	79,238	299,808
Other state revenues	202,948	-	-	202,948
Federal sources	-	-	7,555,452	7,555,452
Total Revenues	<u>51,666,270</u>	<u>1,371,299</u>	<u>13,376,593</u>	<u>66,414,162</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	22,901,928	-	522,762	23,424,690
Special education programs	4,715,811	-	703,694	5,419,505
Vocational programs	1,985,004	-	71,163	2,056,167
All other instructional programs	2,300,336	-	2,115,056	4,415,392
Support services:				
Student services	3,233,510	-	649,597	3,883,107
Instructional staff support	2,427,674	-	747,337	3,175,011
General administration	1,256,573	-	139,951	1,396,524
School administration	4,265,750	-	62,443	4,328,193
Business services	691,617	-	2,318	693,935
Plant operation and maintenance	4,485,028	-	1,510,363	5,995,391
Student transportation services	3,023,050	-	20,522	3,043,572
Central services	527,640	-	143,817	671,457
Non-instructional services:				
Food services	297,559	-	4,208,319	4,505,878
Community service programs	16,337	-	-	16,337
Intergovernmental	-	-	-	-
Facilities acquisition and construction	3,500	-	1,144,280	1,147,780
Debt service:				
Principal retirement	-	655,000	1,692,000	2,347,000
Interest	-	102,183	471,082	573,265
Bond issuance and other costs	-	28,401	21,740	50,141
Total expenditures	<u>52,131,317</u>	<u>785,584</u>	<u>14,226,444</u>	<u>67,143,345</u>

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Year Ended June 30, 2017**

**Statement E  
(Concluded)**

	Major Funds			
	General	Debt Service Fund- Sales Tax District No. 1	Nonmajor Governmental Funds	Total Governmental
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (465,047)	\$ 585,715	\$ (849,851)	\$ (729,183)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
MFP Local share transfers to Charter Schools & Others	(92,039)	-	-	(92,039)
Indirect costs	333,029	-	(333,029)	-
Proceeds from sale of bonds	-	-	4,031,743	4,031,743
Refunding bonds issued	-	-	-	-
Bond premium received	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds for insured damages	21,998	-	-	21,998
Proceeds from sale or loss of fixed assets	2,031	-	63,507	65,538
Total other financing sources (uses)	265,019	-	3,762,221	4,027,240
NET CHANGES IN FUND BALANCES	(200,028)	585,715	2,912,370	3,298,057
FUND BALANCES BEGINNING OF YEAR	16,205,787	5,005,797	4,779,700	25,991,284
FUND BALANCES END OF YEAR	\$ 16,005,759	\$ 5,591,512	\$ 7,692,070	\$ 29,289,341

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

**Statement F**

**Total Net Change in Fund Balances - Governmental Funds (Statement E)** **\$ 3,298,057**

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

In statement of activities pension expense is based on proportionate share computation based on changes in total net pension liability, and in governmental funds pension expense is measured by the amount of financial resources used (essentially employer contributions paid and non employer contributions).

667,784

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

Depreciation expense	\$ (1,544,510)	
Capital outlays	<u>1,689,888</u>	145,378

The net effect of various transactions involving capital assets (ie., sales, trade-ins, adjustments, and contributions) is to decrease net position

-

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Post-employment benefits are not reported in governmental fund financial statements. The net amount of these transactions for the current year were as follows:

General obligation debt issued	(4,000,000)	
Payments to agent to refund debt	(31,743)	
General obligation debt repayments to bondholders	2,347,000	
Change in Other post-employment benefits liability	<u>(2,641,061)</u>	(4,325,804)

In the statement of activities, certain operating expenses - compensated absences (sick leave and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, sick leave and vacation pay earned exceeded the amounts used as follows:

Compensated absences used / paid	477,087	
Compensated absences earned	<u>(368,745)</u>	108,342

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of two factors as follows:

Decrease (Increase) in accrued interest payable	(33,588)	
Amortization of deferred charges on refundings, and premiums on refundings:		
Amortization of deferred charges on refundings	(86,943)	
Amortization of bond premiums	<u>54,614</u>	(65,917)

**Change In Net Position of Governmental Activities (Statement B)** **\$ (172,160)**

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS

JEFFERSON DAVIS PARISH SCHOOL BOARD  
FIDUCIARY FUNDS  
Statement of Fiduciary Net Position  
June 30, 2017

Statement G

	Total Agency Funds
<b>ASSETS</b>	
Cash and interest-bearing accounts	\$ 1,402,962
<b>TOTAL ASSETS</b>	<u>\$ 1,402,962</u>
<b>LIABILITIES</b>	
Due to other governments	\$ 6,220
Deposits due others	1,396,742
<b>TOTAL LIABILITIES</b>	<u>\$ 1,402,962</u>

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**INTRODUCTION**

The Jefferson Davis Parish School Board (the School Board) was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Jefferson Davis Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 13 members who are elected from 13 districts for terms of four years.

The school system is comprised of a central office, 14 schools, and 4 educational support facilities (Lunch Service Warehouse, Media Center, Pupil Appraisal Center, and Technology & Maintenance Center). Enrollment as of October, 2016 was approximately 5,953 regular and special education students. The School Board employs approximately 825 people, providing instructional and ancillary support such as general administration, repair and maintenance, food services, bus transportation, etc. The regular school term normally begins in late August and ends in late May.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of GASB Statement 14, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Based on the criteria of GASB Statement 14, the School Board has no *component units*, defined as other legally separate organizations for which the elected School Board members are financially accountable, which are required to be included in the accompanying financial statements.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The government-wide financial statements (GWFS) report information on all of the nonfiduciary activities of the School Board. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net position presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases and 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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense which can be specifically identified by function is included in the direct expense of each function. The School Board reports all building depreciation separately as an unallocated indirect expense since most of the buildings serve more

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than just a few functions. Interest on long-term bonded debt is considered an indirect expense and is reported separately on the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Separate fund financial statements (FFS) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the fund financial statements. The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the School Board:

**Governmental Funds.** Governmental funds 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 School Board reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

*Debt Service Fund – Sales Tax District No. 1* – is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. This fund receives a dedicated portion of sales taxes paid to the School Board.

Additionally the School Board reports nonmajor funds in the following fund types:

*Special Revenue Funds* – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. These funds receive dedicated ad valorem taxes paid to the School Board.

*Capital Projects Funds* – account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities not reported in other governmental funds.

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

*Agency Funds* – The Agency Funds are used to account for assets held by the School Board as an agent for other parties. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The *School Activity Agency Fund* accounts for monies collected by students and school personnel for school or school-related purposes and the *Sales and Use Tax Agency Fund* accounts for the collection of sales and use taxes, which are accumulated and distributed monthly for several other governmental agencies, the General Fund, and the Sales Tax District No. 1 Debt Service Fund.



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**C. Basis of Accounting and Measurement Focus**

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

The statement of net position and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirement of GASB Statement 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Fund Financial Statements (FFS)**

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 (revenues and other financing sources) and decrease (expenditures and other financing uses) in net current assets.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose the School Board considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period.

Revenues which are susceptible to accrual are ad valorem taxes, sales taxes and investment income. Food services and miscellaneous other revenues are recorded as revenues when earned. Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. For other intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. In reimbursement-type programs, monies must be expended on a specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on general long-term debt which is recognized when due. As of year end, all instructional related salaries for July and August related to nine-month contracted employees who are paid over twelve months have been accrued because the salaries have been earned but not paid.

Compensated absences are recognized as expenditures when the benefit earned by the employee has matured. The matured liability for compensated absences, which includes salary and salary related payments, is reported in the associated fund.

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

**D. Cash and Interest-bearing Deposits**

Cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. Under state law and under Board's deposit policy, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**E. Investments**

Investments are limited by R.S. 33:2955 and the Board's investment policy. The Board's investment policy allows funds which are available for investment and above immediate cash requirements to be invested in statutorily sanctioned investments including direct U.S. Treasury obligations, bonds, debentures, notes issued by or guaranteed by federal agencies, or certificates, or time certificates of deposit in any bank domiciled or having a branch office in Louisiana or any other federally insured investment. Statutorily sanctioned investments also include funds invested with external local government investment pools such as Louisiana Asset Management Pool and the Louisiana State Treasury's Education Excellence Fund. Investments of the Board shall be guided by the following:

- 1) Cash management and investment activities shall be conducted in a manner consistent with prudent business practices applied by governmental entities and shall be in compliance with applicable statutes.
- 2) Funds as determined by the chief financial officer to be in excess of immediate cash requirements shall be invested only in statutorily permitted obligations.
- 3) Appropriate emphasis in making any investment shall be as follows: a.) first priority shall be to ensure safety of the principal amount. b.) second priority shall be to ensure liquidity of funds to meet all obligations of the Board. c.) third priority shall be the yield of investments.

When investments are present in the financial statements they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*:

- 1) Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such certificates of deposit), repurchase agreements, and guaranteed investment contracts.
- 2) Money-market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

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**F. Short-term Interfund Receivables /Payables**

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

**G. Elimination and Reclassifications**

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the FFS were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**H. Inventories**

Inventories in the General Fund consist of materials and supplies. Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. In the FFS and GWFS inventories of governmental funds are accounted for using the consumption method in which expenditures are recognized as inventory is used. Unused commodities at June 30<sup>th</sup> are reported as deferred revenues. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

**I. Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded in the GWFS, but not in the FFS, at their estimated fair value at the date of donation. Effective July 1, 2007 the School Board increased the threshold level for capitalization from \$1,000 to \$5,000. Capital assets are reported in the GWFS, but not reported in the FFS, since they do not represent available current resources. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Straight-line depreciation is calculated based on the following estimated useful lives:

Buildings	25-50 years
Furniture and equipment	5-20 years
Vehicles	8 years

The School Board does not possess any material amounts of infrastructure capital assets, such as roads and bridges.

**J. Deferred Outflow/Inflows of Resources**

In addition to assets the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has several items that qualify for reporting in this category. They are deferred charges on refunding and various deferred amounts associated with pension and retirement reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt

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and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. See pension/ retirement footnote for further details regarding the deferred amounts associated with pension. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School Board has several of items that qualify for reporting in this category. One is deferred revenues and they are reported in both the statement of net position and the balance sheet. The deferred revenues represent monies that have been received before the incurrence of eligibility requirements necessary for revenue recognition. In subsequent periods, when the School Board has met established eligibility requirements, the liability for deferred revenues is removed from the net position and balance sheet and revenue is recognized. Other items that qualify for reporting in this category are related to pension amounts. See the pension/ retirement footnote for further details of these items. The following is a summary of deferred revenues at year end:

	General Fund	Nonmajor Governmental	Total
State Education Excellence Funds	\$ 271,250	\$ -	\$ 271,250
Unused commodity inventory - USDA	-	93,947	93,947
	<u>\$ 271,250</u>	<u>\$ 93,947</u>	<u>\$ 365,197</u>

The other item that qualifies as an inflow of resources is the deferred amount for the issuance of premiums on bond refunding reported in the government-wide statement of net position. This deferred amount on bond refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

**K. Compensated Absences**

The Board has the following policies relating to vacation, sick, and sabbatical leave:

- 1) Vacation – Professional employees on a twelve month basis who have been in the parish system for ten or more calendar years, earn a three week vacation each calendar year, subject to approval by the Superintendent. All other twelve month professional employees are eligible for a two week vacation, provided they have been employed in the system for at least one calendar year. Vacation time cannot be accumulated from year to year. Employees who terminate employment will be paid their daily rate of regular pay for all days of unused vacation leave to which the employee is entitled within the current calendar year.
- 2) Sick Leave – Employees are granted from ten to eighteen days of sick leave each year depending on classification and month employed during first year. Such leave, when not used, shall be allowed to accumulate to the credit of the employee without limitation. Upon retirement or death, employees are paid for any unused sick leave up to a maximum of twenty-five days at their current daily rate of pay. Under Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.
- 3) Sabbatical Leave - Sabbatical leave may be granted for medical reasons and for professional and cultural improvement. Any employee with a teaching certificate and any social worker or school psychologist who holds a valid auxiliary certificate in school work or school psychology is



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entitled, subject to approval by the Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

Only unused vacation leave to which the employee is entitled within the current calendar year is accrued as a liability at fiscal yearend. An accrual for sick leave is made based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. Sabbatical leave is not accrued since it is considered leave for service during the period of the leave and therefore not a liability reportable in advance of the sabbatical pursuant to GASB Statement 16, *Accounting for Compensated Absences*.

In the FFS, the matured (the amount that is expected to be paid with current financial resources) liability for compensated absences, which includes salary and salary related payments, is reported in the fund from which the employees who have accumulated leave are paid. The amount not expected to be paid with current resources is not reported in the FFS. The entire compensated absence liability is reported in the GWFS.

**L. Long-Term Liabilities**

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Long-term debt for governmental funds is not reported as liabilities in the FFS. The debt proceeds are reported as other financing sources and the payment of principle and interest is reported as expenditures.

In the GWFS and FFS bond discounts and issuance costs are recognized during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**M. Net Position of Government-Wide Financial Statement**

For government-wide statement of net position, net position is classified into three components. These classifications are defined as follows:

- 1) Invested in capital assets, net of related debt – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any related debt that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Instead, that portion of the debt is included in the same net position component as the unspent proceeds.
- 2) Restricted – This component of net position consists of constraints placed on net position through external restrictions imposed by creditors (e.g., debt covenants), grantors, contributors, or laws, or regulations of other governments. This component would also include constraints imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted – This component of net position consists of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”. Generally, these net position represent those financial resources that are available to the School Board to meet any future obligations that might arise.



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When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**N. Fund Equity of Fund Financial Statements**

In the FFS, funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the School Board's passes a motion that removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes, but are neither restricted or committed. The Superintendent has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School Board's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School Board's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

**O. Extraordinary and Special Items**

Extraordinary items, although not present in the accompanying financial statements, are transactions or events that are both unusual in nature and infrequent in occurrence. Special items reported in the accompanying financial statements are transactions or events within the control of the School Board, which are either unusual in nature or infrequent in occurrence.

**P. Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers in the FFS.

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**Q. Sales Taxes**

Sales taxes are collected on a monthly basis by the Board's Sales Tax Department. The School Board receives sales tax revenue from the following three sales taxes:

- 1) An ordinance dated December 2, 1965, which was approved by the voters of the parish authorizes the Board to collect, for an indefinite period beginning January 1, 1966, a 1% sales and use tax to be used exclusively to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 2) Another ordinance dated April 29, 2006, was approved by the voters of the parish authorizing the Board to collect, for a period of ten years from December 1, 2007, an additional 1% sales and use tax to be used to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 3) An additional ordinance dated September 13, 2001, was approved by the voters of School District No.2 authorizing the Board to collect, for a period of 25 years from January 1, 2002, an additional  $\frac{1}{2}\%$  sales and use tax to be used to pay a portion of the costs of constructing and improving public school buildings and facilities, acquiring land, equipment, and furnishings and/or use the proceeds of the tax to pay any bonded or funded indebtedness of the District.

**R. Use of Estimates**

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

**S. Restricted Cash**

A certain amount of sales taxes collected in the Sales Tax District No. 1 Debt Service Fund has been set aside, pursuant to bond covenants, in a separate bank account as a reserve for future debt service payments.

**T. Pension/ Retirement**

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS), and additions to/deductions from TRSLs' and LSERSs' fiduciary net position have been determined on the same basis as they are reported by TRSL and LSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2017:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
Special Revenue Funds:				
School Food Services	\$ 4,117,775	\$ 4,199,831	\$ 4,208,319	\$ (8,488)
Other Federal Funds	662,959	794,069	796,452	(2,383)
IDEA	1,259,404	1,262,233	1,296,313	(34,080)
SRCL Grant	378,565	300,787	306,846	(6,059)

Pursuant to Louisiana Budget Act, none of the above unfavorable variances are considered law noncompliance since they fall within the five percent adverse variance statutory threshold.

**3. LEVIED TAXES**

The School Board levies taxes on real and business personal property located within Jefferson Davis Parish's boundaries. Property taxes are levied by the School Board on property values at January 1 assessed by the Jefferson Davis Parish Tax Assessor and approved by the State of Louisiana Tax Commission upon submission of the tax roll.

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

<u>Property Tax Calendar</u>	
Assessment date	January 1 <sup>st</sup>
Levy date	Not later than June 1 <sup>st</sup>
Tax bills mailed	On or about November 15 <sup>th</sup>
Due date	December 31 <sup>st</sup>
Penalties and interest are added	January 1 <sup>st</sup>
Lien date	January 1 <sup>st</sup>
Tax sale – delinquent property	During June

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

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2017. Total parish-wide assessed value was \$264,824,496 for the calendar year 2016. Louisiana State law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$48,203,388 of the assessed value in calendar year 2016. The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

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	Authorized Millage	Levied Millage	Expiration Date
Parish-wide Taxes:			
Constitutional	6.36	6.36	Statutory
Special School	10.57	10.57	2017
School District No. 1:			
Maintenance	10.85	10.85	2022
Maintenance-Special	5.81	5.81	2019
Bonds	10.00	10.00	2024
School District No. 2:			
Maintenance	10.07	10.07	2022
Bonds	13.00	13.00	2021
School District No. 3:			
Maintenance	14.98	14.98	2020
Maintenance-Special	3.53	3.53	2019
Bonds	3.85	3.85	2020
School District No. 5:			
Maintenance	4.02	4.02	2022
Bonds	3.60	3.60	2021
School District No. 8:			
Maintenance	8.66	8.66	2022
Bonds	5.17	5.17	2019
School District No. 22 (Allen Parish also):			
Maintenance	11.00	11.00	2022
Bonds	13.75	13.75	2020
Consolidated School District No. 1			
Maintenance	10.69	10.69	2022
Bonds	12.10	12.10	2019

**4. DEPOSITS – CASH AND INTEREST-BEARING DEPOSITS**

At year end, the Board has cash and interest-bearing deposits (book balances) totaling \$30,929,795 as follows:

Deposit Type	Governmental Activities	Fiduciary Funds	Total
Interest-bearing demand deposits	\$ 18,040,160	\$ 1,402,961	\$ 19,443,121
Other	-	-	-
Total	\$ 18,040,160	\$ 1,402,961	\$ 19,443,121

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

Custodial credit risk is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. The School Board's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of June 30, 2017, the School Board had deposits (collected bank balances) totaling \$20,092,153, which includes \$1,332,054 in fiduciary funds. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the School Board.



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**5. INVESTMENTS**

At fiscal year-end, the School Board's investment balances were as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Maturity Dates</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Louisiana Asset Management Pool	AAAm	90-397 days	\$ 4,997,899	\$ 4,997,899
La. St. Treasurer Ed. Excellence Fund	Not rated	N/A	271,250	271,250
Ascension Parish LA Water	AA-	12/1/2017	175,581	175,581
Calcasieu – Cameron Parish LA Ho Go	AA	3/1/18	71,070	71,070
Federal Farm Credit Bank	AA+	9/19/18	497,395	497,395
Federal Home Loan Bank	AA+	7/1/19-8/23/18	1,840,740	1,840,740
Federal Home LN MTG Corp	AA+	9/29/17 - 6/29/18	3,987,233	3,987,233
Federal Natl Mtg Assn Note	AA+	4/25/18-5/15/18	499,005	499,005
Lafayette La Utils Rev	AA-	11/1/17	50,501	50,501
Louisiana Loc Govt Environmental Fac	A	11/1/17	175,385	175,385
Louisiana Loc Govt Environmental Fac Hosp	A	10/1/17	252,348	252,348
Louisiana Loc Govt Environmental Fac Rev BDs Series	AA-	9/1/18	102,014	102,014
Louisiana St GO Ref B DTD	AA-	11/15/17	76,086	76,086
Louisiana St Public Facs Auth Revenue	A+	7/1/17	50,000	50,000
Louisiana St Unclaimed Ppty SP Unclaimed Property SPL R	AA-	9/1/17	50,302	50,302
Monroe La Sales & Use Tax Ref	AA-	3/1/18	50,224	50,224
New Orleans LA GO LTD Tax Ref	A	9/1/2017	300,315	300,315
United States Treasury Notes	AAA	7/31/2017	699,726	699,726
Total Investments			\$ 14,147,074	\$ 14,147,074

The School Board participates in the Louisiana State Treasury's Education Excellence Fund (EEF), which is a special fund, similar to an external local government investment pool, established within the Millennium Trust, a special permanent trust of the State of Louisiana, pursuant to the Louisiana Constitution Article 7, Section 10.8. In accordance with GASB Statement 40, *Deposits and Investment Risk Disclosures*, the investment in EEF at year end is excluded from custodial credit risk disclosures provided by this statement because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Also investments in pool of funds of this nature are not subject to concentration of credit risk or interest rate risk disclosures. The EEF is administered by the Louisiana State Treasury through an investment agreement pursuant to La. R.S. 39:99. Only school boards that have executed investment agreements pursuant to La. R.S. 39:99 have an investment interest in the fund's pool of assets. Pursuant to La. R.S. 39:99 C (1), the State guarantees the principal invested in this fund by the school board. The primary objective of the EEF is to provide a safe environment for the placement of certain local school board monies associated with tobacco company settlements. The monies invested in EEF by the treasurer, are done so with the same authority and subject to the same restrictions as the Louisiana Education Quality Trust Fund pursuant to La. R.S. 17:3803. According to Louisiana Constitution Article 7, Section 10.8 (C)(g) no funds may be distributed to the School Board from the EEF until an annual plan has been submitted and receives both legislative and Department of Education approval as provided by law. As a result, the monies invested in this fund along with any accumulated investment earnings have been recorded as deferred revenues by the School Board. As of yearend, the Board's investment in EEF was unrated with respect to credit quality.

The fair value of the position in this pool is the same as the value of the pool shares.



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The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

## 6. RECEIVABLES

The receivables at year end for the School Board's major and nonmajor funds are as follows:

Class of Receivable	General Funds	Debt Service Fund- Sales Tax District No. 1	Nonmajor Governmental	Total
Taxes:				
Ad valorem	\$ 902,455	\$ -	\$ 36,953	\$ 939,408
Sales and use	13,697	116,183	-	129,880
Intergovernmental:				
State	489,226	-	1,138,693	1,627,919
Local	-	-	-	-
Other	38,933	-	48,927	87,860
Total	<u>\$ 1,444,311</u>	<u>\$ 116,183</u>	<u>\$ 1,224,573</u>	<u>\$ 2,785,067</u>

There were no allowances for uncollectible accounts as of yearend.

## 7. CAPITAL ASSETS

A summary of changes in capital assets is a follows:

	Balance Beginning	Adjustments	Additions/ Reclasses	Dispositions	Balance Ending
Capital assets not being depreciated:					
Land	\$ 1,533,638	\$ -	\$ -	\$ -	\$ 1,533,638
Construction in progress	-	-	1,097,970	-	1,097,970
Total capital assets not being depreciated	<u>1,533,638</u>	<u>-</u>	<u>1,097,970</u>	<u>-</u>	<u>2,631,608</u>
Capital assets being depreciated:					
Buildings and improvements	68,970,836	-	45,522	25,978	68,990,379
Furniture and equipment	1,955,718	-	174,528	17,862	2,112,384
Transportation equipment	4,566,828	-	371,865	132,680	4,806,013

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
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Total capital assets being					
Depreciated	\$ 75,493,382	\$ -	\$ 591,915	\$ 176,520	\$ 75,908,776
Less accumulated depreciation					
for:					
Buildings and improvements	35,775,952	-	1,103,493	25,978	36,853,467
Furniture and equipment	1,364,791	-	91,508	17,862	1,438,437
Transportation equipment	3,179,161	-	349,510	132,680	3,395,991
Total accumulated					
Depreciation	40,319,904	-	1,544,511	176,520	41,687,895
Total capital assets being					
depreciated, net	35,173,478	-	(952,596)	-	34,220,881
Capital assets, net	\$ 36,707,116	\$ -	\$ 145,374	\$ -	\$ 36,852,489

Depreciation expense and adjustments were charged to governmental activities as follows:

Instruction:	
Regular instruction	\$ 22,854
Special educational instruction	-
Vocational instruction	626
All other instructional programs	15,004
Support services:	
Pupil support services	
Instructional staff	
General administration	2,655
School administration	
Business services	1,853
Operational and maintenance	54,669
Student transportation	306,208
Central services	2,281
Non-instructional services:	
Food services	45,688
Unallocated building depreciation	1,092,675
Total depreciation expense	\$ 1,544,511

**8. ACCOUNTS PAYABLES**

The accounts payables at year end for the School Board's major and nonmajor funds are as follows:

Class of Payables	General Funds	Debt Service Fund- Sales Tax District No. 1	Nonmajor Governmental	Total
Vendor accounts	\$ 128,284	\$ -	\$ 171,263	\$ 299,547
Intergovernmental:				
State	4,296	-	-	4,296
Local	385,628	-	-	385,628
Total	\$ 518,208	\$ -	\$ 171,263	\$ 689,471

JEFFERSON DAVIS PARISH SCHOOL BOARD  
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9. PENSION/ RETIREMENT

Teachers' Retirement System of Louisiana

**General Information about the Pension Plan**

*Plan Description*

Eligible teachers and employees of the School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at [www.trsl.org](http://www.trsl.org).

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

**Retirement Benefits:**

**A. NORMAL RETIREMENT**

**Regular Plan** - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 31, 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% benefit factor at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 60 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

**Plan A** - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.

**Plan B** - Members may retire with a 2.0% benefit factor at age 55 with 30 years of service, or age 60 (first employed between January 1, 2011-June 30, 2015) with 5 years of service, or age 62 (first employed after July 1, 2015) with 5 years of service, or an actuarially reduced benefit with 20 years of service at any age.

**Benefit Formula**

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

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**Payment Options**

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

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

**B. DEFERRED RETIREMENT OPTION PROGRAM (DROP)**

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 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account..

Upon termination of DROP, 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.

**C. DISABILITY BENEFITS**

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

**D. SURVIVOR BENEFITS**

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

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A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service. If a surviving spouse remarries before the age of 55 and the deceased active member had less than 20 years of creditable service, the surviving spouse's benefit will cease.

**Permanent Benefit Increases/Cost-of-Living Adjustments**

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

**Optional Retirement Plan (ORP)**

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

**Contributions**

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan.

The normal cost portion of each plan's employer contribution rate varies based upon that plan's benefits, member demographics, and the rate contributed by employees. The Unfunded Accrued Liability (UAL) contribution rate is determined in aggregate for all plans. The UAL resulting from legislation specific to a plan or group of plans will be allocated entirely to that plan or those plans.

For ORP, only the UAL portion of the employer contribution is retained by the plan. Therefore, only the UAL projected rates were used in the projection of future contributions in determining an employer's proportionate share.



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The rates in effect during the fiscal year ended June 30, 2017 are as follows:

<b>2017 TRSL Sub Plan</b>	<b>Contributions</b>	
	<b>Employee</b>	<b>Employer</b>
K-12 Regular Plan	8.0%	25.5%
Higher Ed Regular Plan	8.0%	30.7%
Plan A	9.1%	33.1%
Plan B	5.0%	28.8%

<b>ORP</b>	<b>Contributions</b>	
	<b>Employee</b>	<b>Employer</b>
2017	8.0	21.2%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 25.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$7,200,843 for the year ended June 30, 2017.

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

At June 30, 2017, the School Board reported a liability of \$72,211,811 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School Board's proportion was .61525%, which was a decrease of .04322% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension expense of \$7,367,149 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$873,802).

At June 30, 2016, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,425,662
Changes of assumptions	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 9,269,137	\$ 4,012,285
Changes in proportion and differences between Employer contributions and proportionate share of contributions	\$ 285,085	\$ 3,919,079
Employer contributions subsequent to the measurement date	7,200,873	585,203
Total	<u>\$ 16,755,095</u>	<u>\$ 9,942,229</u>

\$7,200,873 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (728,654)
2019	(728,654)
2020	1,285,469
2021	396,035
Thereafter	-

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 is as follows:

<b>Valuation Date</b>	June 30, 2016
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization approach</b>	Closed
<b>Actuarial assumptions:</b>	
<b>Expected Remaining Service Lives</b>	5 years
<b>Investment rate of return</b>	7.75% net of investment expenses
<b>Inflation rate</b>	2.5% per annum
<b>Projected salary increases</b>	3.50% - 10.0% varies depending on duration of service
<b>Cost-of-living adjustments</b>	None
<b>Mortality</b>	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.
<b>Termination and disability</b>	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.23% for 2016. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	4.50%
International equity	5.31%
Domestic fixed income	2.45%
International fixed income	3.28%
Private Equity	6.80%
Other Private Assests	4.82%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Obligation would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease 6.75%</b>	<b>Current Discount Rate 7.75%</b>	<b>1% Increase 8.75%</b>
Employer's proportionate share of net pension liability (asset)	\$ 90,070,234	\$ 72,211,811	\$ 57,015,503

**Support of Non-employer Contributing Entities**

Contributions received by a pension plan from non-employer contribution entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$234,984 for its participation in TRSL.

**Retirement System Audit Reports**

TRSL issues stand-alone audit reports on its financial statements. Access to these reports can be found on the Louisiana Legislative Auditor's website, [www.lila.la.gov](http://www.lila.la.gov) and the TRSL website, [www.trsl.org](http://www.trsl.org).

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
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**Payables to the Pension Plan**

As of June 30, 2017, the School Board owed \$1,626,698 in legally required contributions to TRSL.

**Louisiana School Employee's Retirement System**

**General Information about the Pension Plan**

***Plan Description***

All eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus drivers, or other school employees who actually work on a school bus helping with the transportation of school children of the School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana School Employees Retirement System (LSERS). LSERS was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes. LSERS issues a publicly available financial report that can be obtained at [www.lsers.net](http://www.lsers.net).

***Benefits Provided***

The following is a description of the plan and its benefits and is provided for general informational purposes only. LSERS provides retirement, disability, deferred retirement option (DROP), initial benefit retirement, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

**Retirement Benefits:**

**A. NORMAL RETIREMENT**

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

For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation.

For members who join the System on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

**B. DISABILITY**

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or



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more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

**C. DEFERRED RETIREMENT OPTION PLAN**

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.

**D. INITIAL BENEFIT RETIREMENT PLAN**

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

**E. SURVIVOR BENEFITS**

Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

**Contributions**

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actual employer rate for the years ended June 30, 2017 was 27.30%.

Contributions to the pension plan from the School Board were \$683,976 for the year ended June 30, 2017.

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

At June 30, 2017, the School Board reported a liability of \$6,558,461 for its proportionate share of the Net Pension Liability of the LSERS. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School Board's proportion was 0.869422%, which was an increase of .017814% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the School Board recognized pension expense of \$811,065 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$127,089.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$	\$ 178,975
Changes of assumptions	155,370	173,346
Net difference between projected and actual earnings on pension plan investments	830,847	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	75,368	51,136
Employer contribution subsequent to the measurement date	683,976	-
Total	\$ <u>1,745,561</u>	\$ <u>403,457</u>

\$683,976 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (14,534)
2018	58,085
2019	375,479
2020	239,098
Thereafter	-

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016:

<b>Valuation Date</b>	June 30, 2016
<b>Actuarial cost method</b>	Entry Age Normal Cost
<b>Amortization approach</b>	Closed
<b>Actuarial assumptions:</b>	
<b>Expected Remaining Service Lives</b>	3 years
<b>Investment rate of return</b>	7.125% net of investment expenses (increased from 7.0% in 2015)
<b>Inflation rate</b>	2.625% per annum (decreased from 2.75% in 2015)
<b>Projected salary increases</b>	2008-2012 experience study, ranging from 3.075% to 5.375% (decreased from a range of 3.2% to 5.5% in 2015)
<b>Cost-of-living adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
<b>Mortality</b>	Mortality rates were projected based on the RP-2000 Sex Distinct Mortality Table.
<b>Change in assumptions</b>	The valuation investment rate or return was increased from 7.0% to 7.1250%, as of June 30, 2016. Also, the rate of inflation decreased from 2.75% to 2.625% as of June 30, 2016

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 longterm expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income	30%	1.82%
Equity	51%	3.10%
Alternatives	13%	0.79%
Real Assets	6%	0.36%
Totals	100%	6.07%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially-determined rates approved by the Public Employees' Retirement Systems Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System'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.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.125%, as well as what the Employer's proportionate share of the Net Pension Obligation would be if it were calculated using a discount rate that is one percentage-point lower (6.125%) or one percentage-point higher (8.125%) than the current rate:

	1% Decrease 6.125%	Current Discount Rate 7.125%	1% Increase 8.125%
Employer's proportionate share of net pension liability (asset)	\$ 8,609,432	\$ 6,558,461	\$ 4,801,310

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued LSERS 2017 Annual Financial Report at [www.lservers.net](http://www.lservers.net).

**Payables to the Pension Plan**

As of June 30, 2017, the School Board owed \$111,149 in legally required contributions to LSERS.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
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**10. COMPENSATED ABSENCES**

At year end, employees of the Board have accumulated and vested \$2,248,459 of employee leave benefits, which was computed in accordance with GASB *Codification Section C60*.

**11. LONG-TERM DEBT AND OBLIGATIONS**

The following is a summary of long-term liability activity for the year end:

	Balance Beginning	Additions	Reductions	Balance Ending	Due Within One Year
Debt:					
General obligation bonds	\$ 15,626,000	\$ 4,000,000	\$ 2,347,000	\$ 17,279,000	\$ 2,971,646
Total bonds payable	<u>15,626,000</u>	<u>4,000,000</u>	<u>2,347,000</u>	<u>17,279,000</u>	<u>2,971,646</u>
Other Obligations:					
Compensated absences	\$ 2,356,804	\$ 368,745	\$ 477,090	\$ 2,248,459	\$ 529,288
Net pension liability	76,200,581	2,569,691	-	78,770,272	-
Other post-employment benefits	<u>16,402,546</u>	<u>7,784,391</u>	<u>5,143,330</u>	<u>19,043,607</u>	<u>-</u>
Total other obligations	<u>94,959,931</u>	<u>10,722,827</u>	<u>5,620,420</u>	<u>100,062,338</u>	<u>529,288</u>
Governmental activity long- term liabilities	\$ <u>110,585,931</u>	\$ <u>14,722,827</u>	\$ <u>7,607,420</u>	\$ <u>117,341,338</u>	\$ <u>3,500,934</u>

Payments on general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences are liquidated by the fund where the salary costs originated.

All School Board bonds outstanding at year end are general obligation bonds. The following table lists the pertinent information on each outstanding issue:

Date of Issuance	School District Number	Maturity Date	Interest Rate %	Original Amount of Issue	Interest to Maturity	Principal Outstanding	Funding Source
12/16/14	1	Mar-25	2.59	1,555,000	\$ 131,961	\$ 1,215,000	Ad Valorem
12/22/11	2	Mar-23	2.00 to 4.00	9,410,000	819,650	6,255,000	Ad Valorem & Sales Tax
3/1/03	2	Mar-23	3.80 to 4.00	7,000,000	-	-	Ad Valorem & Sales Tax
6/1/01	3	Mar-21	4.25 - 6.00	545,000	15,535	140,000	Ad Valorem
8/1/02	5	Mar-22	4.70 to 5.70	1,000,000	55,250	355,000	Ad Valorem
7/27/06	8	Mar-20	4.25	1,050,000	30,345	354,000	Ad Valorem
11/30/11	22	Mar-21	2.74	1,675,000	50,690	730,000	Ad Valorem
5/15/05	C1	Mar-20	3.00 to 4.00	3,310,000	85,830	1,060,000	Ad Valorem
4/29/13	2	Mar-24	2.54	4,455,000	337,185	3,230,000	Sales Tax
10/20/16	8	Mar-36	2.00 to 3.00	4,000,000	1,190,613	3,940,000	Ad Valorem
					<u>\$ 2,717,059</u>	<u>\$ 17,279,000</u>	



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

At year end, the School Board has accumulated \$2,001,024 in the debt service funds for future debt requirements. The future requirements to amortize bond debt are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 2,420,000	\$ 551,646	\$ 2,971,646
2019	2,518,000	475,800	2,993,800
2020	2,626,000	385,834	3,011,834
2021	2,305,000	291,860	2,596,860
2022	2,190,000	214,149	2,404,149
2023-2027	2,860,000	460,687	3,320,687
2028-2032	1,200,000	252,162	1,472,162
2033-2036	600,000	84,921	1,224,921
	<u>\$ 17,279,000</u>	<u>\$ 2,657,828</u>	<u>\$ 20,476,828</u>

In accordance with R.S. 39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At year end, the parish-wide statutory limit is \$132,412,248 and outstanding bonded debt totals \$17,279,000.

**12. OTHER INDIVIDUAL FUND DISCLOSURES (FFS Level Only)**

**A. Interfund Receivables and Payables**

Due From	Due To			Total
	General Fund	Debt Service- Sales Tax District No. 1	Nonmajor Governmental	
Nonmajor Governmental:				
Maintenance CSD #1	\$ 12,818	\$ -	\$ -	\$ 12,818
Maintenance District #2	171,116	-	-	171,116
Maintenance District #22	36,330	-	-	36,330
IDEA-Preschool	4,430	-	-	4,430
LA4	167,295	-	-	167,295
IDEA	140,161	-	-	140,161
Title I	473,707	-	-	473,707
Migrant	5,258	-	-	5,258
Title II	55,136	-	-	55,136
Striving Reader	38,865	-	-	38,865
	<u>\$ 1,105,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,105,116</u>

The interfund balances include \$155,585 in advances or loans due to General fund payable after next year by the following funds: Maintenance District #2 \$128,337 and Maintenance District #22 \$27,248. All remaining balances resulted from the timing lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**B. Interfund Transfers**

Transfer Out	Transfer In		Total
	General Fund	Nonmajor Governmental	
<b>Indirect Cost Payments:</b>			
Nonmajor Governmental:			
IDEA-Preschool	\$ 3,602	\$ -	\$ 3,602
IDEA	100,007	-	100,007
Other Federal Funds	48,101	-	48,101
Title I	124,875	-	124,875
Migrant	384	-	384
Title V	-	-	-
Striving Readers	23,416	-	23,416
Title II	32,644	-	32,644
	<u>\$ 333,029</u>	<u>\$ -</u>	<u>\$ 333,029</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Indirect costs transfers are identified separately in the accompanying financial statements to demonstrate the amount of transfers made from the various Federal programs to the General Fund for allowable indirect costs.

**13. FUND BALANCE SPECIFIC PURPOSE DETAILS (FFS Level Only)**

Fund balance specific purpose details at year end, are as follows:

Due From	General Fund	Debt Service- Sales Tax District No. 1	Nonmajor Governmental	Total
<b>Nonspendable:</b>				
Inventory	\$ 154,919	\$ -	\$ 282,602	\$ 437,521
Prepaid items	-	-	-	-
Noncurrent advances	421,360	-	-	421,360
	<u>\$ 576,279</u>	<u>\$ -</u>	<u>\$ 282,602</u>	<u>\$ 858,881</u>
<b>Restricted:</b>				
School maintenance	\$ -	\$ -	\$ 1,877,136	\$ 1,877,136
School food service	-	-	524,658	524,658
Debt service	-	5,591,512	2,017,272	7,115,904
Capital projects	-	-	2,990,402	2,990,402
	<u>\$ -</u>	<u>\$ 5,591,512</u>	<u>\$ 7,409,468</u>	<u>\$ 13,000,980</u>
<b>Committed:</b>				
Bus replacement	\$ 2,087,797	\$ -	\$ -	\$ 2,087,797
Roof replacement	5,000,000	-	-	5,000,000
Property insurance	1,250,000	-	-	1,250,000
contingencies	-	-	-	-
Workers compensation	1,000,000	-	-	1,000,000
contingencies	-	-	-	-
	<u>\$ 9,337,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,337,797</u>
<b>Assigned:</b>				
Postretirement health insurance	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Central office building	1,500,000	-	-	1,500,000
renovations	-	-	-	-
	<u>\$ 3,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,500,000</u>
<b>Unassigned</b>	<u>\$ 2,591,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,591,683</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**14. RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Board continues to be self-insured for all workers compensation claims that arose prior to July 1, 1998, for the period during which the Board was self-insured for claims up to \$200,000. Claims for workers compensation are handled through a contracted claims agent which handles the claims administration for the Board. Settled claims are reported as an expense in the General Fund. Currently, there are no active claims remaining from the self-insurance period prior to July 1, 1998. There were \$0, \$0, and \$0, in settlements recorded in the financial statements for the fiscal years ending in 2017, 2016, and 2015, respectively. In addition, no provision has been made for claims that have occurred prior to moving coverage in this area to a commercial carrier. The Board has reserved \$1,000,000 of the General Fund balance to cover potential workers compensation insurance losses in excess of contracted coverages while self insured. Subsequent to July 1, 1998, the Board obtained coverage for workers compensation through a commercial insurance company.

Other risks of loss are managed through commercial insurance coverage. Settled claims resulting from these risks covered by commercial insurance have not materially exceeded coverage in the past three fiscal years. The total estimated property value of the School Board's buildings and contents is approximately \$161,480,741. The policy provides for limits of \$161,480,741. The School Board is fully protected from losses sustained from all other perils. The deductible on property insurance remained at \$100,000, except in instance of damage caused by a named storm the deductible was raised to the greater of \$100,000 or 2% of the listed building value for each damaged building.

**15. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

Retirement plan payments in the amount of \$211,344 were made by the Sheriff, acting in his capacity as Ex-Officio Tax Collector, to the Teacher's Retirement System of the State of Louisiana on behalf of the Board. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to the Teacher's Retirement System on behalf of the Board. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

**16. CONTINGENCIES**

**Litigation.** During the course of normal operations the Board may be the defendant in lawsuits. Legal counsel has determined that potential liability to the Board cannot be determined or is covered by commercial insurance as of the issuance date of these financial statements. Accordingly, no provision for losses, exceeding available insurance coverage, has been recorded in the accompanying financial statements.

**Grant Disallowances.** The Board participates in a number of Federal Financial Assistance Programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the Board feels such amounts, if any, to be immaterial to the financial statements.

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

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**17. ECONOMIC DEPENDENCE**

The Board has two taxpayers that account for more than 10% of total sales tax collections revenues reported in the accompanying financial statements. In addition, during the fiscal year the Minimum Foundation funding provided by the State of Louisiana amounted to \$36,642,212 which represents approximately 55% of the School Board's total governmental fund revenues.

**18. OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description.** Jefferson Davis Parish 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 Codification Section P50) for financial reporting purposes and for this valuation. The 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; age 60 and 10 years of service; or, age 65 and 7 years of service.

Life insurance coverage under the OGB program is available to retirees by election and the employer pays 50% of the cost of the retiree life insurance based on the plan's blended rates. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR 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, Jefferson Davis Parish School Board recognized the cost of providing post-employment medical and life insurance benefits (Jefferson Davis Parish School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, Jefferson Davis Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$4,194,769 and \$4,084,137, respectively.

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

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

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

Normal Cost	\$	1,865,043
30-year UAL amortization amount		<u>5,263,246</u>
Annual required contribution (ARC)	\$	<u>7,128,289</u>

**Net Post-employment Benefit Obligation (Asset).** The table below shows Jefferson Davis Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30:

Beginning Net OPEB Obligation (Asset)	\$	16,402,546
Annual required contribution		<u>7,128,289</u>
Interest on Net OPEB Obligation (Asset)		656,102
ARC Adjustment		<u>(948,561)</u>
OPEB Cost		6,835,830
Contribution to Irrevocable Trust		-
Current year retiree premium		<u>(4,194,769)</u>
Change in Net OPEB Obligation		<u>2,641,061</u>
Ending Net OPEB Obligation (Asset)	\$	<u>19,043,607</u>

The following table shows Jefferson Davis Parish 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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$ 6,835,830	61.36%	\$ 19,043,607
June 30, 2016	\$ 6,624,744	61.65%	\$ 16,402,546

**Funded Status and Funding Progress.** In 2017, Jefferson Davis Parish School Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$94,652,255 which is defined as that portion, as determined by a particular actuarial cost method (Jefferson Davis Parish 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>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2015	-	87,439,608	87,439,608	0.00%	30,716,587	284.67%
2016	-	90,937,192	90,937,192	0.00%	31,188,773	291.57%
2017	-	94,652,255	94,652,255	0.00%	30,601,799	309.30%



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**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 Jefferson Davis Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Jefferson Davis Parish 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 Jefferson Davis Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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

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

**Turnover Rate.** An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%.

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

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

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

**Inflation Rate.** Included in both the Investment Return Assumption and the Healthcare Cost Trend 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.

**19. TAXES COLLECTED ON BEHALF OF OTHERS**

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51(B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during the fiscal year:

Beginning balance due taxing authorities	\$	1,103,538
Additions:		
Tax collections		25,812,657
Reductions:		
Taxes distributed to others:		
Jefferson Davis Parish School Board General Fund		9,975,111
Jefferson Davis Parish School Board Sales Tax District 1 Debt Service Fund		1,321,727
City of Jennings		5,248,292
Town of Lake Arthur		820,097
Town of Welsh		911,450
Town of Elton		211,300
Village of Fenton		38,960
Tourist Commission		216,687
Jefferson Davis Parish Sheriff's Office		2,574,680
Jefferson Davis Parish Road Sales Tax District 1		3,117,241
Jail Maintenance		2,474,430
Total reductions		26,909,975
Ending balance due taxing authorities	\$	6,220

## REQUIRED SUPPLEMENTAL INFORMATION

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GENERAL FUND**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

**Schedule 1A**  
**(Continued)**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 3,495,000	3,555,366	\$ 3,584,499	\$ 29,133
Sales and use taxes	9,550,000	9,470,346	9,715,249	244,903
Parish contribution to retirement fund	205,000	211,344	211,344	-
Collection fees from municipalities	290,000	315,000	334,627	19,627
Tuition	141,214	141,160	163,071	21,911
Interest and investment earnings	120,000	125,000	118,181	(6,819)
Other local revenue	402,730	423,467	406,606	(16,861)
State sources:				
Equalization	35,103,536	35,536,510	35,628,545	92,035
Restricted grants-in-aid	1,053,376	817,793	1,080,630	262,837
Revenue sharing	222,278	220,570	220,570	-
Other state revenues	204,795	202,795	202,948	153
Federal sources			-	-
Total revenues	50,787,929	51,019,351	51,666,270	646,919
EXPENDITURES				
Current:				
Instruction:				
Regular programs	22,207,612	22,857,513	22,901,928	(44,415)
Special education programs	5,064,089	4,774,634	4,715,811	58,823
Vocational programs	2,059,187	2,007,762	1,985,004	22,758
All other instructional programs	1,905,230	2,356,579	2,300,336	56,243
Support services:				
Student services	3,285,880	3,232,735	3,233,510	(775)
Instructional staff support	2,449,019	2,419,464	2,427,674	(8,210)
General administration	1,421,499	1,310,950	1,256,573	54,377
School administration	4,166,566	4,292,893	4,265,750	27,143
Business services	738,424	706,956	691,617	15,339
Plant operation and maintenance	4,615,321	4,571,184	4,485,028	86,156
Student transportation services	3,002,293	3,059,661	3,023,050	36,611
Central services	552,039	526,175	527,640	(1,465)
Non-instructional services:				
Food services	303,135	306,812	297,559	9,253
Community service programs	17,625	18,390	16,337	2,053
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	3,500	(3,500)
Debt service:				
Principal retirement	-	-	-	-
Interest, fiscal charges, and issue costs	-	-	-	-
Total expenditures	51,787,919	52,441,708	52,131,317	310,391

See accompanying note to budgetary comparison schedule.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GENERAL FUND**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

**Schedule 1A**  
**(Concluded)**

	Bugeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (999,990)	\$ (1,422,357)	\$ (465,047)	\$ 957,310
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in			-	-
Operating transfers out			-	-
MFP Local share transfers to				
Charter Schools & Others	(71,154)	(71,308)	(92,039)	(20,731)
Indirect costs	300,000	310,000	333,029	23,029
Proceeds from sale of bonds			-	-
Refunding bonds issued			-	-
Payment to bond refunding escrow agent			-	-
Proceeds for insured damages	-	21,998	21,998	-
Proceeds from sale of fixed assets	2,500	1,612	2,031	419
Total other financing sources (uses)	<u>231,346</u>	<u>262,302</u>	<u>265,019</u>	<u>2,717</u>
NET CHANGES IN FUND BALANCES	(768,644)	(1,160,055)	(200,028)	960,027
FUND BALANCES BEGINNING OF YEAR	<u>16,205,787</u>	<u>16,205,787</u>	<u>16,205,787</u>	-
FUND BALANCES END OF YEAR	<u>\$ 15,437,143</u>	<u>\$ 15,045,732</u>	<u>\$ 16,005,759</u>	<u>\$ 960,027</u>

See accompanying note to budgetary comparison schedule.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

**A. BUDGETARY PRACTICES**

**General Budget Practices** The Board follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to Title 17, Section 88 of the Louisiana Revised Statutes, as amended by Act 970 of 1995, the Board is required to adopt an annual budget no later than September 15<sup>th</sup> of each year for the general fund and all special revenue funds.

Each year prior to September 15<sup>th</sup>, the Director of Accounting and the Superintendent submit a proposed annual budget for the general fund and all special revenue funds. The operating budgets include proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 15 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a finance committee meeting in order to obtain public input. The budget is subsequently adopted by the full Board through a formal budget resolution. Upon final Board approval, a copy of the budget is then sent to the State Department of Education.

General fund and special revenue fund appropriations (unexpended budget balances) lapse at end of fiscal year.

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

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

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Board cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Board to amend its budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Board approves budgets at the function level and management is allowed to transfer amounts between line items within a function. Debt service funds are controlled by related bond ordinances and not budgeted on an annual basis. Therefore, a budget to actual comparison is not presented for these funds. Capital projects funds are controlled on a project basis through the use of formal bidding and are not budgeted on an annual basis. All projects remain programmed and funded until completed or until the Board decides to eliminate the project. As a result, budget to actual comparisons are not presented for these funds.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS**

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

<u>Major Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None	\$	\$	\$

Reason for unfavorable variance: not applicable.

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JEFFERSON DAVIS PARISH SCHOOL BOARD  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS – POSTEMPLOYMENT HEALTHCARE AND LIFE  
 INSURANCE BENEFITS  
 JUNE 30, 2015 THROUGH 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2015	-	\$ 87,439,608	\$ 87,439,608	0.00%	\$ 30,716,587	284.67%
2016	-	90,937,192	90,937,192	0.00%	31,188,773	291.57%
2017	-	94,652,255	94,652,255	0.00%	30,601,799	309.30%

**JEFERSON DAVIS PARISH SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
ADDITIONAL PENSION/ RETIREMENT INFORMATION  
Schedule of Employer's Proportionate Share of Net Pension Liability  
For the Year Ended June 30, 2017\***

**Teachers' Retirement System of Louisiana:**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	0.66415%	0.65847%	0.61525%
Employer's proportionate share of the net pension liability (asset)	\$ 67,885,962	70,800,305	72,211,811
Employer's covered-employee payroll	\$ 28,497,610	28,312,854	28,088,406
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	238.22%	250.06%	257.09%
Plan fiduciary net position as a percentage of the total pension liability	63.7%	62.5%	59.9%

**Louisiana School Employees' Retirement System:**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	0.8753%	0.851608%	0.869422%
Employer's proportionate share of the net pension liability (asset)	\$ 5,074,226	5,400,276	6,558,461
Employer's covered-employee payroll	\$ 2,460,855	2,403,733	2,513,393
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	206.2%	224.7%	260.9%
Plan fiduciary net position as a percentage of the total pension liability	76.18%	74.49%	70.09%

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.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**ADDITIONAL PENSION/ RETIREMENT INFORMATION**  
**Schedule of Employer Contributions**  
**For the Year Ended June 30, 2017**

**Teachers' Retirement System of Louisiana:**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 7,945,925	\$ 7,945,925	\$ -	\$ 28,326,655	28.05%
2016	7,576,562	7,576,562	-	28,724,959	26.4%
2017	7,200,843	7,200,843	-	28,088,406	25.6%

**Louisiana School Employees' Retirement System:**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 792,577	\$ 792,577	\$ -	\$ 2,401,747	33.00%
2016	744,193	744,193	-	2,463,815	30.20%
2017	683,976	683,976	-	2,513,393	27.2%

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



**JEFFERSON DAVIS PARISH SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
ADDITIONAL PENSION/ RETIREMENT INFORMATION  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2017**

**Teachers' Retirement System of Louisiana:**

**Changes of Benefit Terms.** There were no changes of benefit terms for the year ended June 30, 2017.

**Changes of Assumptions.** There were no changes of benefit assumptions for the year ended June 30, 2017.

**Louisiana School Employees' Retirement System:**

**Changes of Benefit Terms.** There were no changes of benefit terms for the year ended June 30, 2017.

**Changes of Assumptions.** There were no changes of benefit assumptions for the year ended June 30, 2017.

## OTHER SUPPLEMENTAL INFORMATION

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

Schedule 2

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Cash and interest-bearing accounts	\$ 2,991,041	\$ 2,001,024	\$ 456,192	\$ 5,448,257
Restricted cash & interest-bearing accounts	-	-	-	-
Investments	-	-	2,659,906	2,659,906
Receivables	1,207,125	17,448	-	1,224,573
Interfund receivables	-	-	-	-
Inventory	282,602	-	-	282,602
Prepaid items	-	-	-	-
<b>Total Assets</b>	<u>4,480,768</u>	<u>2,018,472</u>	<u>3,116,098</u>	<u>9,615,338</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	90,208	1,200	79,855	171,263
Contracts payable	-	-	45,841	45,841
Payroll deductions, withholdings, and accrued salaries payable	507,101	-	-	507,101
Interfund payables	1,105,116	-	-	1,105,116
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>1,702,425</u>	<u>1,200</u>	<u>125,696</u>	<u>1,829,321</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	93,947	-	-	93,947
<b>Total Deferred Inflows of Resources</b>	<u>93,947</u>	<u>-</u>	<u>-</u>	<u>93,947</u>
<b>FUND BALANCES</b>				
Nonspendable	282,602	-	-	282,602
Restricted	2,401,794	2,017,272	2,990,402	7,409,468
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>2,684,396</u>	<u>2,017,272</u>	<u>2,990,402</u>	<u>7,692,070</u>
<b>Total Liabilities, Deferred Inflows of Resources, &amp; Fund Balances</b>	<u>\$ 4,480,768</u>	<u>\$ 2,018,472</u>	<u>\$ 3,116,098</u>	<u>\$ 9,615,338</u>

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

**Schedule 3**  
**(Continued)**

	Special Revenue	Debt Service	Capital Projects	Total
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 2,257,522	\$ 2,137,098	\$ -	\$ 4,394,620
Sales and use taxes	-	-	-	-
Interest and investment earnings	22,569	14,829	13,859	51,257
Food services	226,749	-	-	226,749
Other local revenue	55,608	2	-	55,610
State sources:				
Equalization	1,013,667	-	-	1,013,667
Restricted grants-in-aid	-	-	-	-
Revenue sharing	79,238	-	-	79,238
Other state revenues	-	-	-	-
Federal sources	7,555,452	-	-	7,555,452
Total revenues	<u>11,210,805</u>	<u>2,151,929</u>	<u>13,859</u>	<u>13,376,593</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	522,762	-	-	522,762
Special education programs	703,694	-	-	703,694
Vocational programs	71,163	-	-	71,163
All other instructional programs	2,115,056	-	-	2,115,056
Support services:				
Student services	649,597	-	-	649,597
Instructional staff support	747,337	-	-	747,337
General administration	71,484	68,056	411	139,951
School administration	62,443	-	-	62,443
Business services	-	-	2,318	2,318
Plant operation and maintenance	1,510,363	-	-	1,510,363
Student transportation services	20,522	-	-	20,522
Central services	143,817	-	-	143,817
Non-instructional services:				
Food services	4,208,319	-	-	4,208,319
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	39,061	-	1,105,219	1,144,280
Debt service:				
Principal retirement	-	1,692,000	-	1,692,000
Interest	-	462,968	8,114	471,082
Bond issuance and other costs	-	21,740	-	21,740
Total expenditures	<u>10,865,618</u>	<u>2,244,764</u>	<u>1,116,062</u>	<u>14,226,444</u>



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

Schedule 3  
(Concluded)

	Special Revenue	Debt Service	Capital Projects	Total
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 345,187	\$ (92,835)	\$ (1,102,203)	\$ (849,851)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	(333,029)	-	-	(333,029)
Proceeds from sale of bonds	-	-	4,031,743	4,031,743
Refunding bonds issued	-	-	-	-
Bond premium received	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds from hurricane damages	-	-	-	-
Proceeds from sale or loss of fixed assets	63,507	-	-	63,507
Total other financing sources (uses)	(269,522)	-	4,031,743	3,762,221
NET CHANGES IN FUND BALANCES	75,665	(92,835)	2,929,540	2,912,370
FUND BALANCES BEGINNING OF YEAR	2,608,731	2,110,107	60,862	4,779,700
FUND BALANCES END OF YEAR	\$ 2,684,396	\$ 2,017,272	\$ 2,990,402	\$ 7,692,070

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2017

Schedule 4  
(Continued)

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
<b>ASSETS</b>				
Cash and interest-bearing accounts	\$ 306,211	\$ 155,885	\$ 694,722	\$ 378,144
Investments	-	-	-	-
Receivables	1,922	2,324	42,092	266
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<u>308,133</u>	<u>158,209</u>	<u>736,814</u>	<u>378,410</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	9,343	8,969	35,107	3,658
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	1,354	2,205	-
Interfund payables	12,817	-	171,116	-
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>22,160</u>	<u>10,323</u>	<u>208,428</u>	<u>3,658</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	285,973	147,886	528,386	374,752
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>285,973</u>	<u>147,886</u>	<u>528,386</u>	<u>374,752</u>
<b>Total Liabilities, Deferred Inflows of Resources, &amp; Fund Balances</b>	<u>\$ 308,133</u>	<u>\$ 158,209</u>	<u>\$ 736,814</u>	<u>\$ 378,410</u>

**Schedule 4  
(Continued)**

Maintenance School District No. 5	Maintenance School District No. 8	Maintenance School District No. 22	School Food Service	I.D.E.A. Preschool
\$ 140,645	\$ 256,484	\$ 195,138	\$ 863,812	\$ -
-	-	-	-	-
199	4,282	1,733	15,614	7,453
-	-	-	-	-
-	-	-	282,602	-
-	-	-	-	-
<u>140,844</u>	<u>260,766</u>	<u>196,871</u>	<u>1,162,028</u>	<u>7,453</u>
7,006	7,062	7,944	9,751	-
-	-	-	-	-
-	-	-	251,070	3,022
-	-	36,330	-	4,431
-	-	-	-	-
<u>7,006</u>	<u>7,062</u>	<u>44,274</u>	<u>260,821</u>	<u>7,453</u>
-	-	-	93,947	-
-	-	-	93,947	-
-	-	-	282,602	-
133,838	253,704	152,597	524,658	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>133,838</u>	<u>253,704</u>	<u>152,597</u>	<u>807,260</u>	<u>-</u>
<u>\$ 140,844</u>	<u>\$ 260,766</u>	<u>\$ 196,871</u>	<u>\$ 1,162,028</u>	<u>\$ 7,453</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2017

Schedule 4  
(Concluded)

	Reserved	Other Federal Funds	I.D.E.A.	Title I
<b>ASSETS</b>				
Cash and interest-bearing accounts	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	-	243,880	216,927	551,550
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<u>-</u>	<u>243,880</u>	<u>216,927</u>	<u>551,550</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	-	796	57	515
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	75,789	76,709	77,328
Interfund payables	-	167,295	140,161	473,707
Deposits due others	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>243,880</u>	<u>216,927</u>	<u>551,550</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources, &amp; Fund Balances</b>	<u>\$ -</u>	<u>\$ 243,880</u>	<u>\$ 216,927</u>	<u>\$ 551,550</u>

**Schedule 4  
(Concluded)**

Reserved	Migrant Education	Reserved	SRCL Grant	Title II	Total
-	\$ -	\$ -	\$ -	\$ -	2,991,041
-	-	-	-	-	-
-	5,487	-	38,865	74,531	1,207,125
-	-	-	-	-	-
-	-	-	-	-	282,602
-	-	-	-	-	-
<u>-</u>	<u>5,487</u>	<u>-</u>	<u>38,865</u>	<u>74,531</u>	<u>4,480,768</u>
-	-	-	-	-	90,208
-	-	-	-	-	-
-	229	-	-	19,395	507,101
-	5,258	-	38,865	55,136	1,105,116
-	-	-	-	-	-
<u>-</u>	<u>5,487</u>	<u>-</u>	<u>38,865</u>	<u>74,531</u>	<u>1,702,425</u>
-	-	-	-	-	93,947
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,947</u>
-	-	-	-	-	282,602
-	-	-	-	-	2,401,794
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,684,396</u>
<u>\$ -</u>	<u>\$ 5,487</u>	<u>\$ -</u>	<u>\$ 38,865</u>	<u>\$ 74,531</u>	<u>\$ 4,480,768</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2017**

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 340,160	\$ 359,917	\$ 821,481	\$ 240,799
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest and investment earnings	1,825	2,181	5,865	2,504
Food services	-	-	-	-
Other local revenue	913	200	1,305	485
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	13,594	11,888	28,484	6,792
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>356,492</u>	<u>374,186</u>	<u>857,135</u>	<u>250,580</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	61,476	84,269	169,341	36,366
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	10,588	11,725	25,559	7,630
School administration	8,586	10,450	22,720	12,245
Business services	-	-	-	-
Plant operation and maintenance	165,924	419,644	407,385	157,726
Student transportation services	1,940	5,565	3,535	5,425
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	18,244	-	9,830	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance and other costs	-	-	-	-
Total expenditures	<u>266,758</u>	<u>531,653</u>	<u>638,370</u>	<u>219,392</u>

**Schedule 5  
(Continued)**

Maintenance School District No. 5	Maintenance School District No. 8	Maintenance School District No. 22	School Food Service	I.D.E.A. Preschool
\$ 92,169	\$ 245,020	\$ 157,976	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
904	1,914	1,269	6,107	-
-	-	-	226,749	-
-	3,277	10,320	39,108	-
-	-	-	1,013,667	-
-	-	-	-	-
3,425	7,456	7,599	-	-
-	-	-	-	-
-	-	-	2,729,745	50,303
<u>96,498</u>	<u>257,667</u>	<u>177,164</u>	<u>4,015,376</u>	<u>50,303</u>
20,450	70,887	28,392	-	-
-	-	-	-	43,410
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,291
-	-	-	-	-
2,850	8,182	4,950	-	-
2,506	4,478	1,458	-	-
-	-	-	-	-
50,663	189,194	111,322	-	-
-	236	1,893	-	-
-	-	-	-	-
-	-	-	4,208,319	-
-	-	-	-	-
-	-	-	-	-
-	10,987	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>76,469</u>	<u>283,964</u>	<u>148,015</u>	<u>4,208,319</u>	<u>46,701</u>

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

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 89,734	\$ (157,467)	\$ 218,765	\$ 31,188
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds for insured damages	-	-	-	-
Proceeds from sale or loss of fixed assets	-	-	56,050	-
Total other financing sources (uses)	-	-	56,050	-
NET CHANGES IN FUND BALANCES	89,734	(157,467)	274,815	31,188
FUND BALANCES BEGINNING OF YEAR	196,239	305,353	253,571	343,564
FUND BALANCES END OF YEAR	\$ 285,973	\$ 147,886	\$ 528,386	\$ 374,752

**Schedule 5  
(Continued)**

Maintenance School District No. 5	Maintenance School District No. 8	Maintenance School District No. 22	School Food Service	I.D.E.A. Preschool
\$ 20,029	\$ (26,297)	\$ 29,149	\$ (192,943)	\$ 3,602
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(3,602)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	200	3,265	3,992	-
-	200	3,265	3,992	(3,602)
20,029	(26,097)	32,414	(188,951)	-
113,809	279,801	120,183	996,211	-
<u>\$ 133,838</u>	<u>\$ 253,704</u>	<u>\$ 152,597</u>	<u>\$ 807,260</u>	<u>\$ -</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2017**

	Reserved	Other Federal Funds	I.D.E.A.	Title I
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest and investment earnings	-	-	-	-
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	844,553	1,396,320	1,743,079
Total revenues	-	844,553	1,396,320	1,743,079

**EXPENDITURES**

Current:

Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	660,284	-
Vocational programs	-	71,163	-	-
All other instructional programs	-	623,339	-	1,033,123
Support services:				
Student services	-	-	443,557	202,749
Instructional staff support	-	101,950	122,963	297,591
General administration	-	-	-	-
School administration	-	-	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	-	8,505
Student transportation services	-	-	1,928	-
Central services	-	-	67,581	76,236
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance and other costs	-	-	-	-
Total expenditures	-	796,452	1,296,313	1,618,204



**Schedule 5  
(Concluded)**

<u>Reserved</u>	<u>Migrant Education</u>	<u>Reserved</u>	<u>SRCL Grant</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,257,522
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	22,569
-	-	-	-	-	226,749
-	-	-	-	-	55,608
-	-	-	-	-	-
-	-	-	-	-	1,013,667
-	-	-	-	-	-
-	-	-	-	-	79,238
-	-	-	-	-	-
-	5,622	-	330,262	455,568	7,555,452
-	5,622	-	330,262	455,568	11,210,805
-	-	-	-	-	-
-	-	-	-	51,581	522,762
-	-	-	-	-	703,694
-	-	-	-	-	71,163
-	1,468	-	255,123	202,003	2,115,056
-	-	-	-	-	-
-	-	-	-	-	649,597
-	3,770	-	51,723	169,340	747,337
-	-	-	-	-	71,484
-	-	-	-	-	62,443
-	-	-	-	-	-
-	-	-	-	-	1,510,363
-	-	-	-	-	20,522
-	-	-	-	-	143,817
-	-	-	-	-	-
-	-	-	-	-	4,208,319
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	39,061
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,238	-	306,846	422,924	10,865,618

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

	Reserved	Other Federal Funds	I.D.E.A.	Title I
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ -	\$ 48,101	\$ 100,007	\$ 124,875
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	(48,101)	(100,007)	(124,875)
Proceeds from sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds for insured damages	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	-	(48,101)	(100,007)	(124,875)
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES BEGINNING OF YEAR	-	-	-	-
FUND BALANCES END OF YEAR	\$ -	\$ -	\$ -	\$ -

**Schedule 5  
(Concluded)**

<u>Reserved</u>	<u>Migrant Education</u>	<u>Reserved</u>	<u>SRCL Grant</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ 384	\$ -	\$ 23,416	\$ 32,644	\$ 345,187
-	-	-	-	-	-
-	(384)	-	(23,416)	(32,644)	(333,029)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	63,507
-	(384)	-	(23,416)	(32,644)	(269,522)
-	-	-	-	-	75,665
-	-	-	-	-	2,608,731
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,684,396

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR DEBT SERVICE FUNDS  
Combining Balance Sheet  
June 30, 2017

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
<b>ASSETS</b>				
Cash and interest-bearing accounts	\$ 309,910	\$ 139,352	\$ 1,190,852	\$ 49,727
Restricted cash & interest-bearing accounts	-	-	-	-
Investments	-	-	-	-
Receivables	2,176	1,399	8,915	55
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<u>312,086</u>	<u>140,751</u>	<u>1,199,767</u>	<u>49,782</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	-	-	-	-
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	-	-	-
Interfund payables	-	-	-	-
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	312,086	140,751	1,199,767	49,782
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>312,086</u>	<u>140,751</u>	<u>1,199,767</u>	<u>49,782</u>
<b>Total Liabilities, Deferred Inflows of Resources, &amp; Fund Balances</b>	<u>\$ 312,086</u>	<u>\$ 140,751</u>	<u>\$ 1,199,767</u>	<u>\$ 49,782</u>

Schedule 6

School District No. 5	School District No. 8	School District No. 22	Total
\$ 66,278	\$ 50,382	\$ 194,523	\$ 2,001,024
-	-	-	-
-	-	-	-
179	2,556	2,168	17,448
-	-	-	-
-	-	-	-
-	-	-	-
<u>66,457</u>	<u>52,938</u>	<u>196,691</u>	<u>2,018,472</u>
1,200	-	-	1,200
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,200</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
65,257	52,938	196,691	2,017,272
-	-	-	-
-	-	-	-
-	-	-	-
<u>65,257</u>	<u>52,938</u>	<u>196,691</u>	<u>2,017,272</u>
\$ <u>66,457</u>	\$ <u>52,938</u>	\$ <u>196,691</u>	\$ <u>2,018,472</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2017**

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 384,987	\$ 216,046	\$ 1,059,706	\$ 50,085
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest and investment earnings	2,310	959	8,645	355
Food services	-	-	-	-
Other local revenue	2	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	<u>387,299</u>	<u>217,005</u>	<u>1,068,351</u>	<u>50,440</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	11,983	7,037	32,996	1,586
School administration	-	-	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	330,000	155,000	770,000	40,000
Interest	55,100	35,483	262,750	9,140
Bond issuance and other costs	500	1,350	3,235	650
Total expenditures	<u>397,583</u>	<u>198,870</u>	<u>1,068,981</u>	<u>51,376</u>

**Schedule 7  
(Continued)**

School District No. 5		School District No. 8		School District No. 22	Total
\$	82,528	\$	146,276	\$ 197,470	\$ 2,137,098
	-		-	-	-
	-		-	-	-
	-		-	-	-
	472		663	1,425	14,829
	-		-	-	-
	-		-	-	2
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	83,000		146,939	198,895	2,151,929
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	3,752		4,515	6,187	68,056
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	-		-	-	-
	60,000		167,000	170,000	1,692,000
	20,750		55,085	24,660	462,968
	-		16,005	-	21,740
	84,502		242,605	200,847	2,244,764

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

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(10,284) \$</u>	<u>18,135 \$</u>	<u>(630) \$</u>	<u>(936)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Bond premium received	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds from hurricane damages	-	-	-	-
Proceeds from sale or loss of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(10,284)	18,135	(630)	(936)
FUND BALANCES BEGINNING OF YEAR	<u>322,370</u>	<u>122,616</u>	<u>1,200,397</u>	<u>50,718</u>
FUND BALANCES END OF YEAR	<u>\$ 312,086</u>	<u>\$ 140,751</u>	<u>\$ 1,199,767</u>	<u>\$ 49,782</u>

**Schedule 7  
(Concluded)**

<u>School District No. 5</u>	<u>School District No. 8</u>	<u>School District No. 22</u>	<u>Total</u>
\$ <u>(1,502)</u>	\$ <u>(95,666)</u>	\$ <u>(1,952)</u>	\$ <u>(92,835)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,502)	(95,666)	(1,952)	(92,835)
<u>66,759</u>	<u>148,604</u>	<u>198,643</u>	<u>2,110,107</u>
\$ <u><u>65,257</u></u>	\$ <u><u>52,938</u></u>	\$ <u><u>196,691</u></u>	\$ <u><u>2,017,272</u></u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR CAPITAL PROJECTS FUNDS  
Combining Balance Sheet  
June 30, 2017

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
<b>ASSETS</b>				
Cash and interest-bearing accounts	\$ 22,504	\$ -	\$ -	\$ 38,800
Investments	-	-	-	-
Receivables	-	-	-	-
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<u>22,504</u>	<u>-</u>	<u>-</u>	<u>38,800</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	-	-	-	-
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	-	-	-
Interfund payables	-	-	-	-
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	22,504	-	-	38,800
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>22,504</u>	<u>-</u>	<u>-</u>	<u>38,800</u>
<b>Total Liabilities, Deferred Inflows of Resources, &amp; Fund Balances</b>	<u>\$ 22,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,800</u>



# Schedule 8

School District No. 8	School District No. 22	Total
\$ 394,888	\$ -	\$ 456,192
2,659,906	-	2,659,906
-	-	-
-	-	-
-	-	-
-	-	-
<u>3,054,794</u>	<u>-</u>	<u>3,116,098</u>
79,855	-	79,855
45,841	-	45,841
-	-	-
-	-	-
-	-	-
<u>125,696</u>	<u>-</u>	<u>125,696</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
2,929,098	-	2,990,402
-	-	-
-	-	-
-	-	-
<u>2,929,098</u>	<u>-</u>	<u>2,990,402</u>
<u>\$ 3,054,794</u>	<u>\$ -</u>	<u>\$ 3,116,098</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2017**

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest and investment earnings	162	-	-	280
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	<u>162</u>	<u>-</u>	<u>-</u>	<u>280</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance and other costs	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Schedule 9  
(Continued)**

School District No. 8	School District No. 22	Total
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
13,417	-	13,859
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>13,417</u>	<u>-</u>	<u>13,859</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
411	-	411
-	-	-
2,318	-	2,318
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,105,219	-	1,105,219
-	-	-
8,114	-	8,114
-	-	-
<u>1,116,062</u>	<u>-</u>	<u>1,116,062</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR CAPITAL PROJECTS FUNDS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 162	\$ -	\$ -	\$ 280
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds for insured damages	-	-	-	-
Proceeds from sale or loss of fixed assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	162	-	-	280
FUND BALANCES BEGINNING OF YEAR	22,342	-	-	38,520
FUND BALANCES END OF YEAR	\$ 22,504	\$ -	\$ -	\$ 38,800

**Schedule 9  
(Concluded)**

School District No. 8	School District No. 22	Total
\$ (1,102,645)	\$ -	\$ (1,102,203)
-	-	-
-	-	-
-	-	-
4,031,743	-	4,031,743
-	-	-
-	-	-
-	-	-
-	-	-
<u>4,031,743</u>	<u>-</u>	<u>4,031,743</u>
2,929,098	-	2,929,540
-	-	60,862
<u>\$ 2,929,098</u>	<u>\$ -</u>	<u>\$ 2,990,402</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
 AGENCY FUNDS  
 Combining Balance Sheet  
 June 30, 2017

Schedule 10

	<u>School Activity</u>	<u>Sales &amp; Use Tax</u>	<u>Total Agency</u>
<b>ASSETS</b>			
Cash and interest-bearing accounts	\$ 1,332,055	\$ 70,907	\$ 1,402,962
<b>TOTAL ASSETS</b>	<u>\$ 1,332,055</u>	<u>\$ 70,907</u>	<u>\$ 1,402,962</u>
<b>LIABILITIES</b>			
Due to other governments	\$ 1,332,055	\$ 6,220	\$ 1,338,275
Deposits due others	-	64,687	64,687
<b>TOTAL LIABILITIES</b>	<u>\$ 1,332,055</u>	<u>\$ 70,907</u>	<u>\$ 1,402,962</u>



JEFFERSON DAVIS PARISH SCHOOL BOARD  
 AGENCY FUND - SCHOOL ACTIVITY FUNDS  
 Schedule of Changes in Deposits Due Others  
 For the Year Ended June 30, 2017

Schedule 11-1

School District	School Name	Balance Beginning	Additions	Reductions	Balance Ending
22	Elton Elementary	\$ 63,671	\$ 95,023	\$ 71,324	\$ 87,370
22	Elton High	121,249	257,603	244,501	134,351
5	Fenton Elementary	16,956	54,599	59,063	12,492
3	Hathaway	95,039	354,265	307,483	141,821
2	Jennings Elementary	32,012	71,100	70,182	32,930
2	Jennings High	214,582	706,432	651,855	269,159
2	Jennings Ward Elementary	23,473	111,119	115,917	18,675
8	Lacassine	115,023	387,019	392,582	109,460
1	Lake Arthur Elementary	96,790	82,501	96,898	82,393
1	Lake Arthur High	153,304	450,056	384,892	218,468
CSD1	Welsh Elementary	64,226	129,030	125,259	67,997
CSD1	Welsh High	106,091	352,822	364,425	94,488
CSD1	Welsh-Roanoke Junior High	55,918	64,580	58,047	62,451
Total		\$ 1,158,334	\$ 3,116,149	\$ 2,942,428	\$ 1,332,055

JEFFERSON DAVIS PARISH SCHOOL BOARD  
 AGENCY FUND - SALES AND USE TAX FUND  
 Schedule of Changes in Deposits Due Others  
 For the Year Ended June 30, 2017

Schedule 11-2

	Protested Account	Regular Account	Total Fund
Deposit Balances at Beginning of Year	\$ 61,031	\$ 1,103,538	\$ 1,164,569
Additions:			
Sales tax collections, net of fees and refunds	3,217	25,467,457	25,470,674
Less settlements to regular account			
Deducted from collections:			
Collection fees charged to municipalities		334,618	334,618
Refunds		5,337	5,337
Interest earnings	439	5,245	5,684
Total Additions	3,656	25,812,657	25,816,313
Reductions:			
Distributions to taxing bodies:			
JDPSB General Fund		9,975,111	9,975,111
City of Jennings		5,248,292	5,248,292
Town of Lake Arthur		820,097	820,097
Town of Welsh		911,450	911,450
Town of Elton		211,300	211,300
Village of Fenton		38,960	38,960
Tourist Commission		216,687	216,687
JDPSB Sales Tax District 1		1,321,727	1,321,727
JD Sheriff's Office		2,574,680	2,574,680
Road Sales Tax District 1		3,117,241	3,117,241
Jail Maintenance		2,474,430	2,474,430
Total Reductions	-	26,909,975	26,909,975
Deposit Balances at End of Year	\$ 64,687	\$ 6,220	\$ 70,907

## JEFFERSON DAVIS PARISH SCHOOL BOARD

Schedule of Compensation and Other Expenses Paid to School Board Members  
For the Year Ended June 30, 2017

Schedule 12A

Board Member	Election District	School District Represented	Salary	Employer Taxes	Employer Insurance	Travel Expense	Total
Dobson, Malon U.	1	1	\$ 7,800	\$ 113	\$	\$ 529	\$ 8,442
Bordelon, Greg	2	1	7,800	597			8,397
Arceneaux, Phillip	3	2	7,800	597		504	8,901
Menard, Robert W.	4	2	7,800	597		782	9,179
Dees, Donald	5	2	7,800	597		1,162	9,559
Capdeville, David S.	6	2	7,800	597	6,203		14,600
Segura, James E.	7	2	7,800	415	5,905		14,120
Doise, David	8	3	7,800	597			8,397
Bruchhaus, Charles R.	9	22	7,800	597			8,397
Buller, David S.	10	5	7,800	597			8,397
Troutman, David L.	11	CSD-1	7,800	597		436	8,833
Bouley, Jason J.	12	CSD-1	9,000	532	6,138	1,187	16,857
Singletary, Jody	13	8	3,250	249			3,499
Caraway, Julius G.	13	8	4,550	348			4,898
			<u>\$ 102,600</u>	<u>\$ 7,030</u>	<u>\$ 18,246</u>	<u>\$ 4,600</u>	<u>\$ 132,476</u>

The above schedule of compensation and reimbursed travel expenses paid to school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation and reimbursed expenses of school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, each member of the school board receives \$650 per month, and the president receives \$750 per month for performing the duties of his office.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**or Chief Executive Officer**  
**For the Year Ended June 30, 2017**

**Schedule 12B**

Agency Head Name: **Brian Lejeune, Superintendent**  
Effective Dates: July 1, 2016 to January 6, 2017

Salary	\$	57,468
Severance - Accrued Unused Vacation Pay		7,268
Benfits- health insurance		3,081
Benefits- retirement		15,269
Benefits- Medicare		960
Benefits- life insurance -OGB		162
Dues		-
Car allowance		3,099
Reimbursements		413
Travel		4,239
Registration fees		-
Confernce travel		466
	\$	<u>92,425</u>

Agency Head Name: **Kirk Credeur, Superintendent**  
Effective Dates: January 7, 2017 to June 30, 2017

Salary	\$	38,553
Benfits- health insurance		3,821
Benefits- retirement		10,762
Benefits- Medicare		578
Benefits- life insurance -OGB		108
Dues		-
Car allowance		3,683
Reimbursements		-
Travel		451
Registration fees		475
Confernce travel		-
	\$	<u>58,431</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

**Schedule 13**

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture :</b>			
Passed through Louisiana Department of Education:			
Child Nutritional Cluster:			
Non-Cash Assistance (Commodities):			
National School Lunch Program	10.555	Unavailable	\$ 248,167 *
School Breakfast Program	10.553	Unavailable	71,252 *
<i>Non-Cash Assistance Subtotal</i>			<u>319,419</u>
Cash Assistance:			
National School Lunch Program	10.555	Unavailable	\$ 1,872,663 *
School Breakfast Program	10.553	Unavailable	537,663 *
<i>Cash Assistance Subtotal</i>			<u>2,410,326</u>
Total Child Nutritional Cluster			2,729,745
Total U.S. Department of Agriculture			<u>2,729,745</u>
<b>U.S. Department of Education :</b>			
Passed through Louisiana Department of Education:			
Special Education Cluster (IDEA):			
Special Education-Grants to States	84.027	{ 28-17-B1-27 28-16-B1-27 28-15-OG-27 }	1,396,320 *
Special Education-Preschool Grants	84.173	{ 28-16-P1-27 28-17-P1-27 }	58,983 *
Total Special Education Cluster			<u>1,455,303</u>
Title I-Grants to Local Educational Agencies	84.010	{ 28-17-T1-27 28-16-T1-27 }	1,743,079
Migrant Education-Basic State Grant Program	84.011	{ 28-16-M1-27 }	5,622
Career and Technical Education -Basic Grants to States	84.048	{ 28-16-02-27 28-17-02-27 }	72,433
Improving Teacher Quality State Grants	84.367	{ 28-17-50-27 28-16-RE-27 }	331,090 *
Rural Education	84.358	{ 28-17-RE-27 28-16-RE-27 }	124,478
Striving Readers Comprehensive Literacy Grant	84.371	{ 28-16-U1-27 28-16-U2-27 28-16-U3-27 28-15-U4-27 }	330,262
Total U.S. Department of Education			<u>4,062,267</u>
<b>U.S. Department of Health and Human Services :</b>			
Passed through Louisiana Department of Education			
Temporary Assistance for Needy Families	93.558	{ 28-17-36-27 28-17-CV-27 28-17-CW-27 28-17-CX-27 }	671,440
Child Care and Development Block Grant	93.575		92,000
Total U.S. Department of Health and Human Services			<u>763,440</u>
Total Expenditures of Federal Awards			<u>\$ 7,555,452</u>

See accompanying notes to schedule of expenditures of federal awards.

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jefferson Davis Parish School Board and is presented on the modified accrual basis of accounting, the same basis as the accompanying basic financial statements are presented. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. All information is presented for the same fiscal year ending as the accompanying financial statements. Since some of the grants cover fifteen (15) month periods, the amounts contained in the accompanying schedule of expenditures of federal awards may differ from the financial status reports filed with the grantor agency.

**2. NONCASH FEDERAL ASSISTANCE –FOOD COMMODITIES**

Noncash assistance, received from the U.S. Department of Agriculture, in the form of food commodities are reported in the accompanying schedule of expenditures of federal awards at fair market value of \$319,419.

**3. INDIRECT COST RATE**

The Jefferson Davis Parish School Board has elected not to use the 10% de minimis cost indirect cost rate allowed under the Uniform Guidance.

**4. SUBRECIPIENTS**

The Jefferson Davis Parish School Board, acting as regional sponsor for area school boards and community action agencies, provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided
None		-0-
Total		\$ <u>          </u>

\* Denotes major program



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**Gragson, Casiday & Guillory, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

RAYMOND GUILLORY, JR., C.P.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
GRAHAM A. PORTUS, E.A.  
KATHRYN BLESSINGTON, C.P.A.  
JACKLYN BARLOW, C.P.A.  
BRIAN MCCAIN, C.P.A.

**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**

November 20, 2017

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, 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 *Governmental 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 Jefferson Davis Parish School Board (School Board) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Boards' basic financial statements, and have issued our report thereon dated November 20, 2017.

**Internal Control Over Financial Reporting**

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

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

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

To the Members of the  
Jefferson Davis Parish School Board  
November 20, 2017

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of 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 did not disclose any instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Gragson, Casiday & Guillory*





**Gragson, Casiday & Guillory, L.L.P.**  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

November 20, 2017

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

To the Members of the  
Jefferson Davis Parish School Board  
November 20, 2017

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

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

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

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



**JEFFERSON DAVIS PARISH SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2017**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

1. Type of report issued on financial statements: unqualified opinion on the financial statements
2. Internal control over financial reporting:
  - Material weakness(es) identified? - No
  - Significant deficiencies identified? - None reported
3. Noncompliance material to financial statements noted? - No
4. Was a management letter issued? - No

***Federal Awards***

5. Internal control over major programs:
  - Material weakness(es) identified? - No
  - Significant deficiencies identified? - None reported
6. Type of auditor's report issued on compliance for major programs: unmodified
7. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? - No
8. Major programs included:

<u>CFDA No.</u>	<u>Cluster Title or Program Name</u>
	Child Nutrition Cluster:
10.555	National School Lunch Program
10.553	School Breakfast Program
	Special Education Cluster:
84.027	Special Education-Grants to States
84.173	Special Education-Preschool Grants
84.367	Improving Teacher Quality State Grants

9. The dollar threshold used for distinguishing between Type A and B programs was: \$750,000
10. Did auditee qualify as a low-risk auditee? - Yes

**SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS**

No findings reported



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**For the Year Ended June 30, 2017**

**SECTION III – MAJOR FEDERAL AWARD PROGRAMS AUDIT FINDINGS AND QUESTIONED COSTS**

No findings reported

**SECTION I – FINANACIAL STATEMENT FINDINGS**

No current year findings reported.

**SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No current year findings reported.

**SECTION III – MANAGEMENT LETTER FINDINGS**

Issued in separate report. No findings reported on in current year.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
MANAGEMENT'S STATUS OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2017**

**SECTION I – FINANACIAL STATEMENT FINDINGS**

**2010-2: State Budget law compliance**

Criteria/ Specific Requirement: Procedures should be in place to provide reasonable assurance that the Louisiana Local Government Budget Act (R.S. 39:1301-16) is followed for all funds required under the law.

Recommendation: Management should consider monitoring the budget to actual amounts and amending the budgets so that adverse budget variances do not exceed limits promulgated in Local Government Budget Act (R.S. 39:1301-16). In addition proper written notifications should be provided to the governing authority when special revenue funds anticipated expenditures will exceed \$500,000 pursuant to R.S. 39:1311.

Management Response/ Current Status: This finding has been resolved in the current year

**SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings reported.

**SECTION III – MANAGEMENT LETTER FINDINGS**

No findings reported.

\* \* \* \* \*

THIS STATUS OF PRIOR YEAR FINDNGS HAS BEEN PREPARED BY MANAGEMENT

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

**Jennings, Louisiana**

**Schedules Required by State Law**

**(R.S. 24:514 Performance and Statistical Data)**

**Year Ended June 30, 2017**

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**JEFFERSON DAVIS PARISH SCHOOL BOARD  
JENNINGS, LOUISIANA**

**SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 PERFORMANCE AND STATISTICAL DATA)**

	<u>Schedule</u>	<u>Page</u>
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**Gragson, Casiday & Guillory, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

RAYMOND GUILLORY, JR., C.P.A.  
COY T. VINCENT, C.P.A.  
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BRIAN MCCAIN, C.P.A.

**Independent Accountants' Report  
On Applying Agreed-Upon Procedures  
For the Year Ending June 30, 2017**

To the Management of Jefferson Davis 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 Jefferson Davis 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 Jefferson Davis Parish School Board for the year ending June 30, 2017 and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was conducted in accordance with attestation 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)**

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

**Findings:** No exceptions were found as a result of applying the procedure.

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

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



**Findings:** The original schedule provided by client overstated the amount of certified teachers with a master's degree by 1. This was due to a teacher being included twice on the schedule. Management agreed with the finding and the correction was made to the final schedule.

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.

**Findings:** No exceptions were found as a result of applying the procedure.

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

**Findings:** No exceptions were found as a result of applying the procedure.

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

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

**Findings:** No exceptions were found as a result of applying the procedure.

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

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

**Findings:** No exceptions were found as a result of applying the procedure.

**Public Staff Data (Schedule 5)**

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

**Findings:** One of the teachers in our sample's salary was overstated by 7,232 dollars. The overstatement appears to be due to the system including a voided payment for leave payout in the individual's salary. The client agrees with the finding.

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

**Findings:** No exceptions were found as a result of applying the procedure.

**Class Size Characteristics (Schedule 6)**

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

**Findings:** No exceptions were found as a result of applying the procedure.

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

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

**Findings:** The client's original schedule omitted 2014 testing scores for grade 6. The client agreed with the finding and the correction was made to the final schedule.

**The Graduation Exit Exam (GEE) (Schedule 8-discontinued)**

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

**Findings:** Not applicable.

**The iLEAP Tests (Schedule 9)**

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

**Findings:** No exceptions were found as a result of applying the procedure.

\* \* \* \* \*

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 Jefferson Davis 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Gragson, Casiday & Guillory*

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

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

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 17,193,334	
Other Instructional Staff Salaries	1,999,291	
Instructional Staff Employee Benefits	10,553,926	
Purchased Professional and Technical Services	644,463	
Instructional Materials and Supplies	988,024	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 31,379,038
Other Instructional Activities		\$ 524,044
Pupil Support Services	3,233,508	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		\$ 3,233,508
Instructional Staff Services	2,427,674	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		\$ 2,427,674
School Administration	4,265,751	
Less: Equipment for School Administration	-	
Net School Administration		\$ 4,265,751
Total General Fund Instructional Expenditures (Total of Column B)		\$ 41,830,015
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ 351,561
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Advalorem Taxes		
Constitutional Ad Valorem Taxes	\$ 1,344,802	
Renewable Ad Valorem Tax	4,489,289	
Debt Service Ad Valorem Tax	2,133,747	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	211,344	
Result of Court Ordered Settlement (Ad Valorem)	-	
Penalties/Interest on Ad Valorem Taxes	11,545	
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	-	
Sales Taxes		
Sales and Use Taxes - Gross	10,952,137	
Sales/Use Taxes - Court Settlement	-	
Penalties/Interest on Sales/Use Taxes	97,158	
Sales/Use Taxes Collected Due to TIF	-	
Total Local Taxation Revenue		\$ 19,240,022
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	30,550	
Earnings from Other Real Property	1,915	
Total Local Earnings on Investment in Real Property		\$ 32,465
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	77,627	
Revenue Sharing - Other Taxes	196,657	
Revenue Sharing - Excess Portion	25,524	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		\$ 299,808
Nonpublic Textbook Revenue		\$ 10,499
Nonpublic Transportation Revenue		\$ -

**GRAGSON, CASIDAY & GUILLORY, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

JEFFERSON DAVIS PARISH SCHOOL BOARD  
Jennings, Louisiana

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	0%	0	0%	0	0%	0	0%
Bachelor's Degree	262	74%	11	79%	5	16%	0	0%
Master's Degree	75	21%	3	21%	19	59%	0	0%
Master's Degree + 30	14	4%	0	0%	5	16%	0	0%
Specialist in Education	3	1%	0	0%	3	9%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>355</b>	<b>100%</b>	<b>14</b>	<b>100%</b>	<b>32</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
Jennings, Louisiana

**Number and Type of Public Schools**  
For the Year Ended June 30, 2016

Type	Number
Elementary	6
Middle/Jr. High	1
Secondary	4
Combination	2
<b>Total</b>	<b>13</b>

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



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	2	3	6	3	5	19
Principals	0	0	0	1	3	7	2	13
Classroom Teachers	19	33	98	57	55	42	65	369
<b>Total</b>	<b>19</b>	<b>33</b>	<b>100</b>	<b>61</b>	<b>64</b>	<b>52</b>	<b>72</b>	<b>401</b>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

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

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	<b>\$49,716.13</b>	<b>\$49,686.41</b>
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	<b>\$48,907.36</b>	<b>\$48,880.94</b>
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	<b>367.8238609</b>	<b>366.8238609</b>

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

JEFFERSON DAVIS PARISH SCHOOL BOARD  
Jennings, Louisiana

Class Size Characteristics  
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	71%	553	26%	203	0%	2	3%	21
Elementary Activity Classes	61%	71	38%	45	0%	0	1%	1
Middle/Jr. High	45%	32	48%	34	7%	5	0%	0
Middle/Jr. High Activity Classes	45%	10	41%	9	14%	3	0%	0
High School	71%	670	22%	205	6%	60	1%	3
High School Activity Classes	90%	178	6%	12	3%	5	1%	2
Combination Schools	70%	307	26%	117	3%	15	1%	3
Combination Schools Activity Classes	45%	22	35%	17	6%	3	14%	7

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

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Louisiana Educational Assessment Program (LEAP)**  
**For the Year Ended June 30, 2016**

**For the Years Ended June 30, 2017, 2016, & 2015**

**LEAP Tests**

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 3 Students</b>						
Advanced	2%	1%	2%	8%	10%	4%
Mastery	37%	33%	41%	34%	41%	37%
Basic	25%	31%	28%	29%	25%	33%
Approaching Basic	22%	21%	18%	19%	17%	17%
Unsatisfactory	14%	14%	11%	10%	7%	9%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 4 Students</b>						
Advanced	6%	4%	2%	3%	6%	3%
Mastery	42%	38%	39%	42%	42%	37%
Basic	29%	33%	33%	33%	31%	31%
Approaching Basic	17%	16%	21%	17%	16%	22%
Unsatisfactory	6%	9%	5%	5%	5%	7%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 5 Students</b>						
Advanced	3%	3%	1%	3%	8%	2%
Mastery	39%	36%	30%	32%	28%	23%
Basic	32%	33%	35%	38%	35%	35%
Approaching Basic	18%	21%	25%	18%	22%	31%
Unsatisfactory	8%	7%	9%	9%	7%	9%
Total	100%	100%	100%	100%	100%	100%



Scheddule 7, cont'd:

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 6 Students</b>						
Advanced	4%	5%	3%	1%	2%	0%
Mastery	31%	32%	42%	24%	18%	20%
Basic	36%	38%	38%	29%	34%	41%
Approaching Basic	22%	17%	14%	33%	37%	31%
Unsatisfactory	7%	8%	3%	13%	9%	8%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 7 Students</b>						
Advanced	7%	8%	3%	1%	0%	0%
Mastery	35%	31%	31%	19%	17%	16%
Basic	26%	30%	37%	38%	38%	37%
Approaching Basic	23%	19%	19%	32%	38%	32%
Unsatisfactory	9%	12%	10%	10%	7%	15%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 8 Students</b>						
Advanced	8%	4%	2%	1%	0%	1%
Mastery	42%	44%	34%	31%	23%	21%
Basic	30%	27%	34%	31%	32%	28%
Approaching Basic	11%	17%	18%	20%	33%	27%
Unsatisfactory	9%	8%	12%	17%	12%	23%
Total	100%	100%	100%	100%	100%	100%

JEFFERSON DAVIS PARISH SCHOOL BOARD  
Jennings, Louisiana

Graduation Exit Examination (GEE)  
For the Year Ended June 30, 2016

NOTE: GEE has been discontinued and therefore no new additional scores will be available.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**iLEAP Tests**  
**For the Years Ended June 30, 2017, 2016, & 2015**

**iLEAP Tests**

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 3 Students</b>						
Advanced	6%	7%	6%	5%	N/A	2%
Mastery	15%	21%	21%	15%	N/A	24%
Basic	44%	43%	47%	26%	N/A	52%
Approaching Basic	21%	19%	19%	29%	N/A	13%
Unsatisfactory	14%	10%	7%	25%	N/A	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 4 Students</b>						
Advanced	6%	5%	5%	3%	N/A	3%
Mastery	26%	20%	22%	24%	N/A	19%
Basic	45%	51%	52%	26%	N/A	55%
Approaching Basic	18%	18%	16%	29%	N/A	13%
Unsatisfactory	5%	6%	5%	18%	N/A	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

N/A

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 5 Students</b>						
Advanced	2%	5%	4%	2%	N/A	7%
Mastery	19%	20%	21%	20%	N/A	15%
Basic	45%	50%	44%	27%	N/A	49%
Approaching Basic	21%	15%	21%	26%	N/A	19%
Unsatisfactory	13%	10%	10%	25%	N/A	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

N/A

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 6 Students</b>						
Advanced	5%	4%	5%	7%	N/A	6%
Mastery	19%	20%	23%	17%	N/A	15%
Basic	47%	47%	50%	29%	N/A	54%
Approaching Basic	19%	21%	17%	26%	N/A	19%
Unsatisfactory	10%	8%	5%	21%	N/A	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

## Schedule 9, cont'd:

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 7 Students</b>						
Advanced	3%	6%	3%	7%	N/A	6%
Mastery	22%	27%	26%	19%	N/A	22%
Basic	37%	44%	39%	24%	N/A	43%
Approaching Basic	23%	16%	22%	23%	N/A	17%
Unsatisfactory	15%	7%	10%	27%	N/A	12%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017 Percent	2016 Percent	2015 Percent	2017 Percent	2016 Percent	2015 Percent
<b>Grade 8 Students</b>						
Advanced	2%	2%	2%	8%	N/A	1%
Mastery	20%	22%	20%	28%	N/A	11%
Basic	47%	47%	46%	31%	N/A	50%
Approaching Basic	21%	18%	21%	17%	N/A	23%
Unsatisfactory	10%	11%	11%	16%	N/A	15%
Total	100%	100%	100%	100%	N/A	100%

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

**Jennings, Louisiana**

**Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures**

**Year Ended June 30, 2017**





**Gragson, Casiday & Guillory, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

RAYMOND GUILLORY, JR., C.P.A.  
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BRIAN MCCAIN, C.P.A.

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

Board of Commissioners  
Jefferson Davis Parish School Board  
Welsh, Louisiana

November 20, 2017

We have performed the procedures included enumerated below, which were agreed to by the Jefferson Davis Parish School Board and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUP's) for the fiscal year July 1, 2016 through June 30, 2017. The District's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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

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

***The District has a complete written policies and procedures manual.***

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

***The District has a complete written policies and procedures manual.***

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

***The District has a complete written policies and procedures manual.***

- c) *Receipts*, including receiving, recording, and preparing deposits.

***The District has a complete written policies and procedures manual.***

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

***The District has a complete written policies and procedures manual.***

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

***The District has a complete written policies and procedures manual.***

- f) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

***The District has a complete written policies and procedures manual.***

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

***The District has a complete written policies and procedures manual.***

- h) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

***The District has a complete written policies and procedures manual.***

- i) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

***The District has a complete written policies and procedures manual.***

**Council (or Finance Committee, if applicable)**

---

2. Obtain and review the board minutes for the fiscal year, and:

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

***The minutes reflected that the managing board met monthly in accordance with enabling legislation.***

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the District's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal year reflect that the board is monitoring the plan.

***Monthly income statements with budgetary comparisons and variances were not provided to the board. In addition, there was not a fund balance deficit.***

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

***Minutes, where applicable, contained approval of non-budgetary financial information.***

#### ***Bank Reconciliations***

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

***The listing was provided by management.***

4. Using the listing provided by management, select all of the District's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal year and report whether:

- a) Bank reconciliations have been prepared;

***For each bank account selected, the accounts were reconciled.***

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

***There is documentation that a member of management has reviewed each bank reconciliation but there is no documentation that a board member has reviewed each bank reconciliation.***

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

***There is no documented evidence that a member of management researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.***

#### ***Collections***

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

***The listing was provided by management.***

6. Using the listing provided by management, select all of the District's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5



locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*All employees are covered by a \$100,000 theft policy. Duties for cash collections, recording the related transactions, making deposits, and reconciling bank accounts are adequately segregated amount accounting personnel. It does not appear that the School Board uses separate cash registers or drawers for each employee.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the District has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*Duties for cash collections, recording the related transactions, making deposits, and reconciling bank accounts are adequately segregated amount accounting personnel.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using District collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*All deposits were made within one day of collections.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*No evidence of exceptions was found during the testing.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the District has a process specifically defined (identified as such by the District) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*The District's policies include some of the processes specifically defined to determine completeness of all collections.*

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

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8. Obtain a listing of District disbursements from management or, alternately, obtain the general ledger and sort/filter for District disbursements. Obtain management's representation that the listing or general ledger population is complete.

***The listing was provided by management.***

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the District had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

**Randomly selected 25 disbursements and obtained supporting documentation for each transaction.**

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

***Purchase orders were properly used and approved for all items tested.***

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

***Purchase orders were properly used and approved for all items tested.***

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

***Purchase orders were properly used and approved for all items tested.***

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

***The authorized check signers do not have access to the accounting system.***

11. Using District documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

***The authorized check signers do not have access to the accounting system.***

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any

exceptions. Alternately, if the checks are electronically printed on blank check stock, review District documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

***The authorized check signers do not have access to blank check stock.***

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

***Signature machines are only used with the knowledge and consent of the signer.***

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

***The listing was provided by management.***

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the District has less than 10 cards) that were used during the fiscal year, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

***On the months tested, supporting documentation was reviewed and approved in writing.***

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

***No finance charges and/or late fees were assessed on the months tested.***

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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

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

*Each transaction was supported by an original itemized receipt.*

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

*Documentation of business/public purpose was provided.*

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

*All documentation appeared to be in order.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the District's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*No exceptions were noted.*

- c) For each transaction, compare the Town's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No exceptions were noted.*

#### ***Travel and Expense Reimbursement***

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- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal year or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*The listing was provided by management.*

- 18. Obtain the District's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*District has a written policy for travel. Per diem and mileage rates did not exceed the GSA Rates.*

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the District does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*For the expense reimbursements tested, those did not exceed the GSA Rates.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*Itemized receipts were provided for all expenses tested that identified what was purchased.*

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

*Each expense was supported by documentation of business purpose.*

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

*Each expense was supported by proper authorization for travel.*

- c) Compare the District's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*The District's documentation of business/public purpose for tested expenses appeared to comply with the requirements of Article 7, Section 14 of the Louisiana Constitution.*

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

*Each expense tested was supported by documentation and approval.*

### ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*The listing was provided by management.*

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:



- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the District complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*All contracts selected were bid properly.*

- If no, obtain supporting contract documentation and report whether the District solicited quotes as a best practice.

*No quotes were necessary.*

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

*None of the contracts were amended.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*All payments selected appeared to comply with the terms of the contracts.*

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

*Documentation provided reflected approval by the Board.*

#### ***Payroll and Personnel***

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

*The listing was provided by management.*

- a) Review compensation paid to each employee during the fiscal year and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*All selected employees were paid in strict accordance with the approved pay rate structure.*

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

*There were no changes to pay rate/salaries during the period.*

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



*There were no changes to pay rate/salaries during the period.*

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

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*All employees tested had documentation of leave. All employees tested who were required to document daily attendance had their daily attendance properly documented.*

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

*There was written documentation that supervisors approved attendance and leave.*

- b) Report whether there is written documentation that the District maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*The District maintained written leave records reflecting the hours earned, the hours used, and the balance available.*

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*The listing was provided by management. For the two employees tested, the termination payments were made in strict accordance with policy.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Documentation reflected that payroll tax return/reports were timely filed and all payroll taxes and retirement contributions were timely paid and submitted for the fiscal year.*

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the District maintained documentation to demonstrate that required ethics training was completed.

*All employees selected for testing maintained the documentation of completion of the required one-hour ethics training on the Code of Governmental Ethics as required by Louisiana Revised Statute 42:1170 (3)(a)(i).*

27. Inquire of management whether any alleged ethics violations were reported to the Town during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Town's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management was not notified of any alleged or actual ethics violations during the fiscal year.*

#### **Debt Service**

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28. If debt was issued during the fiscal year, obtain supporting documentation from the District, and report whether State Bond Commission approval was obtained.

*All new debt we approved by the State Bond Commission.*

29. If the District had outstanding debt during the fiscal period, obtain supporting documentation from the District and report whether the District made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*All required debt payments were made timely.*

30. If the District had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*No millage collections for debt exceeded debt service payments by more than 10%. No tax millages related to debt service were being collected after the debt was paid off*

#### **Other**

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31. Inquire of management whether the District had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the District reported the misappropriation to the legislative auditor and the district attorney of the parish in which the District is domiciled.

*Management informed us that the District did not have any misappropriation of public funds or assets during the fiscal year.*

32. Observe and report whether the District has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*The District had the required notice posted in a conspicuous place upon its premises or its website.*

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

*The practitioner did not observe or otherwise identify any exceptions regarding management's representations in the procedures above.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUP's. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Gragson, Casuley & Guillot*