ST. LANDRY PARISH SCHOOL BOARD

Opelousas, Louisiana

Financial Report

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Mr. Patrick Jenkins, Superintendent,
and Members of the St. Landry Parish School Board
Opelousas, 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 St. Landry Parish School Board (School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Landry Parish School Board, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 17 to the basic financial statements, the St. Landry Parish School Board adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability and schedule of employer contributions on pages 54 - 60 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Landry Parish School Board's basic financial statements. The schedule of changes in cash – school activity funds included in other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of changes in cash – school activity funds has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 18, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	$ 22,662,893
Cash with paying agent	7,738,949
Investments	1,793,587
Receivables	1,800,213
Due from other governmental agencies	5,487,760
Inventories, at cost	498,432
Capital assets:	
Land and construction in progress	3,875,189
Capital assets, net	41,188,052
TOTAL ASSETS	85,045,075
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	32,496,458
LIABILITIES	
Accounts, salaries and other payables	14,532,142
Interest payable	129,882
Long-term liabilities:	
Due within one year	1,351,357
Due in more than one year	27,739,824
OPEB liability	325,936,178
Net pension liability	155,752,507
TOTAL LIABILITIES	525,441,890
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	33,048,152
NET POSITION	
Net investment in capital assets	28,392,290
Restricted for:	
Teachers salaries and benefits	4,248,584
Incomplete contracts	3,511,957
Grant contracts	2,955,856
Debt service	4,194,324
Unrestricted (deficit)	(484,251,520)
TOTAL NET POSITION	$ (440,948,509)

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular programs	$ 54,370,728	$ -	$ 2,500,047	$ 9,500	$ (51,861,181)
Special education programs	17,967,098	-	1,328,954	-	(16,638,144)
Vocational education programs	3,775,097	-	650,081	-	(3,125,016)
Other instructional programs	1,739,445	-	351,479	-	(1,387,966)
Special programs	6,379,661	-	6,091,069	-	(288,592)
Adult and continuing education programs	30,077	-	-	-	(30,077)
Support services:					
Pupil support services	6,627,264	-	1,351,350	-	(5,275,914)
Instructional staff support services	5,410,366	-	4,086,420	-	(1,323,946)
General administration	3,609,456	-	-	-	(3,609,456)
School administration	8,128,727	-	-	-	(8,128,727)
Business services	1,185,972	-	-	-	(1,185,972)
Operation and maintenance of plant services	9,787,062	-	2,406	-	(9,784,656)
Student transportation services	9,426,109	-	56,822	-	(9,369,287)
Central services	1,710,278	-	80,541	-	(1,629,737)
Non-instructional services:					
Food services	9,908,322	128,533	9,444,311	-	(335,478)
Community service operations	5,484	-	-	-	(5,484)
Facilities acquisition and construction	-	-	-	243,337	243,337
Interest on long-term debt	656,315	-	-	-	(656,315)
Total governmental activities	$ 140,717,461	$ 128,533	$ 25,943,480	$ 252,837	$ (114,392,611)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	13,634,045
Sales and use taxes, levied for general purposes	23,368,563
Grants and contributions not restricted to specific programs:	
State source - Minimum Foundation Program	76,196,006
State revenue sharing	571,501
State source - PIPS	50,920
Interest and investment earnings	1,006,937
Miscellaneous	2,058,210
Total general revenues	116,886,182
Change in net position	2,493,571
Net position, as restated - July 1, 2017	(443,442,080)
Net position - June 30, 2018	$ (440,948,509)

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Balance Sheet - Governmental Funds
June 30, 2018

	General	Title I	Nonmajor Governmental	Total
ASSETS				
Cash and interest-bearing deposits	$ 16,505,005	$1,273,722	$ 4,884,166	$ 22,662,893
Cash with paying agent	3,837,163	-	3,901,786	7,738,949
Investments	1,787,615	-	5,972	1,793,587
Receivables -				
Accounts	1,751,560	-	48,653	1,800,213
Due from other funds	5,356,308	-	195,649	5,551,957
Due from other governmental agencies	1,825,538	1,441,364	2,220,858	5,487,760
Inventories, at cost	42,048	-	456,384	498,432
Total assets	$ 31,105,237	$2,715,086	$ 11,713,468	$ 45,533,791
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 518,153	$ -	$ 148,906	$ 667,059
Contracts payable	-	-	25,800	25,800
Retainage payable	946	-	6,868	7,814
Salaries and benefits payable	12,001,451	719,506	1,150,543	13,871,500
Due to other funds	-	1,995,580	3,556,377	5,551,957
Total liabilities	12,520,550	2,715,086	4,888,494	20,124,130
Fund balances -				
Nonspendable	42,048	-	456,384	498,432
Restricted	8,085,747	-	6,368,590	14,454,337
Committed	1,057,069	-	-	1,057,069
Unassigned	9,399,823	-	-	9,399,823
Total fund balances	18,584,687	-	6,824,974	25,409,661
Total liabilities and fund balances	$ 31,105,237	$2,715,086	$ 11,713,468	$ 45,533,791

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Total fund balances for governmental funds at June 30, 2018		$ 25,409,661
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	$ 3,875,189	
Buildings and improvements, net of $34,891,411 accumulated depreciation	36,078,965	
Furniture and equipment, net of $9,537,094 accumulated depreciation	5,109,087	45,063,241
Deferred outflows of resources are not available resources, and therefore, are not reported in the funds:		
Pension plans	22,156,952	
OPEB	10,339,506	32,496,458
Some liabilities are not due and payable from current financial resources and, therefore are not reported in the funds. These liabilities consist of the following:		
Bonds and certificates of indebtedness payable	(22,492,398)	
Capital lease payable	(1,787,620)	
Insurance claims payable	(2,290,046)	
Compensated absences payable	(2,481,086)	
Interest payable	(129,882)	
OPEB liability	(325,936,178)	
Net pension liability	(155,752,507)	(510,869,717)
Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the funds:		
Pension plans	(15,596,615)	
OPEB liability	(17,451,537)	(33,048,152)
Net position at June 30, 2018		$ (440,948,509)

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

	General	Title I	Nonmajor Governmental	Total
REVENUES				
Parish sources:				
Ad valorem taxes	$ 13,634,045	$ -	$ -	$ 13,634,045
Sales taxes	23,368,563	-	-	23,368,563
Other	3,389,708	-	162,856	3,552,564
Total parish sources	40,392,316	-	162,856	40,555,172
State sources	78,029,072	-	713,936	78,743,008
Federal sources	462,300	7,032,095	16,418,457	23,912,852
Total revenues	118,883,688	7,032,095	17,295,249	143,211,032
EXPENDITURES				
Current:				
Instruction -				
Regular programs	53,523,083	819,003	323,781	54,665,867
Special education programs	16,973,571	117	1,199,143	18,172,831
Vocational education programs	3,626,488	-	208,822	3,835,310
Other instructional programs	1,417,966	39,385	296,596	1,753,947
Special programs	728,211	3,922,730	1,770,720	6,421,661
Adult and continuing education programs	20,980	-	-	20,980
Support services -				
Pupil support services	5,486,330	217,900	1,031,347	6,735,577
Instructional staff support services	1,678,148	1,516,909	2,263,397	5,458,454
General administration	3,507,026	-	-	3,507,026
School administration	8,098,317	-	-	8,098,317
Business services	1,165,163	-	-	1,165,163
Operation and maintenance of plant services	9,801,265	2,230	-	9,803,495
Student transportation services	8,949,684	-	54,338	9,004,022
Central services	1,711,646	-	80,541	1,792,187
Non-instructional services -				
Food services	45,016	-	9,928,161	9,973,177
Community service operations	3,825	-	-	3,825
Facilities acquisition and construction	606,383	-	1,406,440	2,012,823
Debt service:				
Principal retirement	1,788,258	-	-	1,788,258
Interest and fiscal charges	305,489	-	446,506	751,995
Total expenditures	119,436,849	6,518,274	19,009,792	144,964,915
Excess (deficiency) of revenues over expenditures	(553,161)	513,821	(1,714,543)	(1,753,883)
OTHER FINANCING SOURCES (USES)				
Transfers in	13,315,006	133,544	1,425,397	14,873,947
Transfers out	(13,650,450)	(647,365)	(576,132)	(14,873,947)
Total other financing sources (uses)	(335,444)	(513,821)	849,265	-
Net change in fund balances	(888,605)	-	(865,278)	(1,753,883)
FUND BALANCES, BEGINNING	19,473,292	-	7,690,252	27,163,544
FUND BALANCES, ENDING	$ 18,584,687	$ -	$ 6,824,974	$ 25,409,661

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Total net change in fund balances for the year ended June 30, 2018 per the statement of revenues, expenditures and changes in fund balances		$ (1,753,883)
The change in net position reported for governmental activities in the statements of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital purchases which are considered as expenditures on the statement of revenues, expenditures and changes in fund balances	$ 2,784,448	
Depreciation expense for the year ended June 30, 2018	(2,373,648)	410,800
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas theses amounts are amortized in the statement of activities over multiple periods.		
Repayment of long-term debt		1,788,257
Some long-term liabilities are not recognized at the fund level because they do not represent a claim on current financial resources. Expenses at the government-wide level are recognized when these liabilities are incurred, while expenditures are recognized at the fund level when cash payments are made. The amounts below represent the difference between the expenses incurred at the government-wide level and the current financial resources expended at the fund level.		
Compensated absences payable	161,455	
Accrued interest payable	95,681	
Insurance claims	(376,512)	
OPEB liability	(4,308,405)	
Net pension liability	6,476,178	2,048,397
Total change in net position for the year ended June 30, 2018 per the statement of activities		$ 2,493,571

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Statement of Fiduciary Net Position
June 30, 2018

	Agency Funds
ASSETS	
Cash and interest-bearing deposits	$ 1,908,593
LIABILITIES	
Due to other governmental units	$ 62,235
Taxes paid under protest	375,221
School activity funds payable	1,471,137
Total liabilities	$ 1,908,593

The accompanying note are an integral part of the basic financial statements.

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Landry Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The School Board was created by Louisiana Revised Statute (LRS-R.S.) 17:51 to provide public education for the children within St. Landry Parish. The School Board is authorized by LRS-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 thirteen members who are elected from thirteen districts for terms of four years.

The School Board operates 33 schools within the parish with a total enrollment of 13,183 pupils for the year ended June 30, 2018, based on the October 2017 official MFP student count. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government. The School Board has no component units nor is it a component unit of any other entity.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the School Board as an economic unit. The government-wide financial statements report the School Board's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and business-type activities of the primary government. The School Board does not have any business-type activities. Fiduciary funds are omitted from the government-wide financial statements.

Fund Financial Statements

The accounts of the School Board are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, expenditures, and transfers.

Major funds are determined as funds whose revenues, expenditures, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental funds or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the School Board. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The School Board uses the following funds, grouped by fund type.

Governmental Funds –

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balance of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds.

General Fund –

The General Fund represents the general operating activities of the School Board. All financial resources not accounted for in other funds are reported in the General Fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects of the School Board. The School Board's major Special Revenue Fund is the Title I Fund.

Chapter I Title I of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived school children that is federally financed, state-administered, and locally operated by the School Board. The Title I Fund accounts for the federal monies received through this program. The Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Debt Service Funds

Debt service funds, established to meet requirements of bond ordinances, are used to account for and report resources that are restricted, committed, or assigned to expenditures for the payment of long-term debt principal, interest, and related costs. The School Board has no major debt service funds.

Capital Projects Funds

Capital projects funds are used to report resources that are restricted, committed, or assigned to expenditure for major capital acquisition and construction separately from ongoing operational activities. The School Board has no major capital projects funds.

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are agency funds. The agency funds of the School Board are as follows:

The School Activity Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations.

The Sales Tax Collection Fund accounts for monies collected on behalf of other taxing authorities within the parish.

C. <u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u>

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures 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. An exception to this is grant revenue collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The School Board considers reimbursement amounts received within one year as available. The School Board accrues ad valorem taxes, sales and use taxes, federal and state grants, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School Board. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School Board and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the fiduciary funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board, which are stated at cost.

Investments

Under state law the School Board may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans (current portion) are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. The majority of this balance is comprised of ad valorem taxes, sales and use taxes and federal and state grants.

Inventories

The cost of inventories is recorded as expenses when consumed on the government-wide financial statements and some inventories are reported as expenditures when purchased on the fund financial statements. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the General Fund consists of school supplies purchased which are valued at cost (first-in, first-out).

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

Capital Assets

Capital assets, which include property, plant, and equipment assets, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at acquisition value at the date of donation. The School Board maintains a threshold level of $5,000 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20 - 55 years
Furniture and equipment	5 - 20 years

In the fund financial statements, the acquisition of capital assets used in governmental fund operations are accounted for as expenditures of the governmental funds upon acquisition.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives in the same manner as all other depreciable capital assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has only two items that qualify for reporting in this category, the deferred outflow of resources attributable to its pension plans and the deferred outflow of resources attributable to its total OPEB liability. The School Board reported deferred outflows of resources totaling $32,496,458 at June 30, 2018.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School Board has only two items that qualify for reporting in this category, the deferred inflow of resources attributable to its pension plans and the deferred inflow of resources attributable to its total OPEB liability. The School Board reported deferred inflows of resources totaling $33,048,152 at June 30, 2018.

Compensated Absences

All twelve-month employees earn from 12 to 18 days of vacation leave each year, depending on their length of service with the School Board. For those employees hired prior to January 1, 2016, a maximum of 40 days of vacation time can be carried over to the next year. For those employees hired or current employees promoted to a twelve-month position on January 1, 2016 and after, a maximum of 25 days of vacation can be carried over to the next year. Prior to 2001, there was no maximum. All hours earned prior to the policy change in 2001 were grandfathered in.

All employees hired for the school year or longer are granted a minimum of ten days absence per year because of personal illness or other emergencies without loss of pay. For those employees hired or current employees promoted to a twelve-month position on January 1, 2016 and after, only ten days of sick leave shall be granted each year. Accumulation of sick leave is unlimited. Upon death or retirement, unused accumulated sick leave of up to 25 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1998. For sick leave earned after July 1, 1998, under the Louisiana Teachers' Retirement System, and for sick leave earned under the Louisiana School Employees' Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Upon resignation, all sick leave is forfeited.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School 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. Due to its restrictive nature, sabbatical leave is accounted for as expenditure in the period taken and no liability is recorded in advance of the sabbatical.

For fund financial statements, vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as noncurrent liabilities.

No liability is recorded for nonvesting accumulating rights to receive vacation pay. A liability has been recorded for up to 25 days of accumulated sick leave for those employees eligible for retirement as of June 30, 2018.

At June 30, 2018, employees of the School Board have accumulated and vested $2,521,117 of compensated absence benefits payable.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the School Board does not have a proprietary fund, all School Board long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of a capital leases payable, QZAB certificates, QSCB bonds, revenue bonds, and certificates of indebtedness.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For government-wide reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets consists of net capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position consists of net position with constraints placed on the use either by external groups such as creditors, grantors, and contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the School Board's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the School Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The School Board's nonspendable fund balance includes inventories.

b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.

c. Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the School Board through formal legislative action of the School Board and do not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of a resolution by the School Board.

d. Assigned includes fund balance amounts that are constrained by the School Board's intent to be used for specific purposes that are neither restricted nor committed. The assignment of fund balance is authorized by a directive approved by the School Board's finance committee.

e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the School Board's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the School Board uses committed, assigned, and lastly, unassigned amounts of fund balance in that order when expenditures are made unless Board members or the finance committee has provided otherwise in its commitment or assignment actions.

As of June 30, 2018, fund balances are comprised of the following:

	General	Title I	Nonmajor Governmental Funds	Total
Nonspendable -				
Inventory	$ 42,048	$ -	$ 456,384	$ 498,432
Restricted -				
Sales taxes for salaries and benefits	4,248,584	-	-	4,248,584
Construction	-	-	3,511,957	3,511,957
Child nutrition	-	-	2,483,244	2,483,244
Insurance	-	-	16,228	16,228
Debt service	3,837,163	-	357,161	4,194,324
Committed -				
Emergency	657,192	-	-	657,192
Worker's compensation	399,877	-	-	399,877
Unassigned	9,399,823	-	-	9,399,823
Total	$18,584,687	$ -	$6,824,974	$25,409,661

E. Revenues, Expenditures and Expenses

Revenues

The School Board considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The School Board generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The School Board's major revenue sources that meet this availability criterion are ad valorem taxes, sales and use taxes, and federal and state grants.

There are three classifications of programmatic revenues for the School Board, program specific grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state and private grants. These revenues are recognized when all applicable eligibility requirements are met and reported as intergovernmental revenues. Charges for services are revenues derived directly from the program itself or from parties outside of the School Board's taxpayers as a whole. Program revenues reduce the cost of the function to be financed form the School Board's general revenues. The primary source of program revenues is grant revenues.

Federal and state entitlement (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in December, by the Parish Assessor, based on the assessed value and become due on December 31st of each year. The taxes become delinquent on January 1st. An enforceable lien attaches to the property as of January 31st. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are recognized when levied to the extent that they result in current receivables, and such amounts are measurable and available to finance current operations.

Interest income is recorded as earned in the fund holding the interest-bearing asset. Revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character. In the fund financial statements, governmental funds report expenditures of financial resources whereas the government-wide financial statements report expenses related to the use of economic resources.

The School Board reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor. Principal and interest on long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Other Financing Sources (Uses)

Other types of transactions such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera, are accounted for as other financing sources (uses) in the fund financial statements. These other financing sources (uses) are recognized at the time the underlying event occurs.

F. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions on Use
Ad valorem taxes	See Note 4
Sales and use taxes	See Note 14

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the School Board had cash and interest-bearing deposits (book balances) totaling $24,571,486 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	$ 18,314,447	$ 1,394,625	$ 19,709,072
Money market accounts	2,998,446	30,322	3,028,768
Certificates of deposit	1,350,000	483,646	1,833,646
Total	$ 22,662,893	$ 1,908,593	$ 24,571,486

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2018, were secured as follows:

Bank balances	$ 28,072,730
Federal deposit insurance	3,240,147
Pledged securities	24,788,555
Total	$ 28,028,702
Amount uninsured	$ 44,028

Deposits in the amount of $24,832,583 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the School Board's name. The School Board does not have a policy for custodial credit risk.

(3) Investments

At June 30, 2018, the School Board's investments were as follows:

Investment Type	% of Portfolio	Fair Value	Less Than One Year	One - Five Years
Governmental Activities:				
Louisiana Asset Management Pool (LAMP)	93%	$ 1,675,142	$ 1,675,142	$ -
Louisiana State Treasury Education Excellence Fund	7%	118,445	118,445	-
Total investments	100%	$ 1,793,587	$ 1,793,587	$ -

Interest Rate Risk – The School Board does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Board limits investments to government securities that are direct and indirect obligations of the United States Government. At June 30, 2018, the School Board did not have any such investments.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of a counterparty, the School Board will not be able to recover the value if its investments or collateral securities that are in the possession of an outside party. The School Board requires all investments to be in the School Board’s name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the School Board. Accordingly, the School Board had no custodial credit risk related to its investments at June 30, 2018.

The School Board participates in the Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. LAMP’s portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because the LAMP is not a money market fund, it has no obligation to conform to this rule.

The investment in LAMP is not exposed to custodial credit risk and is not categorized in the three categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP has a fund rating of AAA issued by Standard & Poor’s. The fair value of investments is determined on a weekly basis by LAMP, and the fair value of the School Board’s investment in LAMP is the same as the value of the pool shares.

The School Board's other investment consists of amounts on deposit with the Louisiana State Treasury for the Education Excellence Fund. These funds are covered by Louisiana State Insurance and are not rated. Although the fund itself is not rated, it is comprised of highly rated securities such as U.S. Treasury Notes and mortgage-backed securities at June 30, 2018. The School Board has reported their other investments at fair value at June 30, 2018. Fair value was determined by obtaining "quoted" year-end market prices.

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. During the fiscal year ended June 30, 2018, taxes were levied by the School Board in November 2017 and were billed to taxpayers by the Assessor in December 2017. Billed taxes are due by December 31, becoming delinquent on January 1st of the following year. The taxes are based on assessed values determined by the Tax Assessor of St. Landry Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

For the year ended June 30, 2018, taxes were levied on property with net assessed valuations totaling $651,988,366 and were dedicated as follows:

Constitutional	4.37	mills
Operation, improvement and maintenance	4.37	mills
Salaries of teachers and other employees	11.78	mills
Total assessment	20.52	mills

Gross taxes levied for the current fiscal year totaled $13,378,801. After accounting for deductions for various pension distributions and uncollectible taxes and collections of back taxes, ad valorem taxes reported by the School Board amounted to $13,634,045.

(5) Tax Abatements

The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the Parish and State. Under the program, companies commit to expand or maintain facilities or employment in the Parish, establish a new business in the Parish, or relocate an existing business to the Parish. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment date. The School Board's ad valorem tax revenues were reduced by $224,213 as a result of this tax abatement.

(6) Receivables

At June 30, 2018, receivables consisted of the following:

Accounts	$ 1,791,624
Accrued interest	5,076
Other	3,513
	$ 1,800,213

(7) Due from Other Governmental Agencies

At June 30, 2018, due from other governmental agencies consisted of the following:

State of Louisiana, Department of Education for various appropriations and reimbursements	$ 3,993,550
Other municipalities and agencies for taxes and various other reimbursements	1,494,210
	$ 5,487,760

(8) Capital Assets

Capital assets balances and activity for the year ended June 30, 2018 is as follows:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
Capital assets not being depreciated:				
Land	$ 3,693,133	$ -	$ -	$ 3,693,133
Construction in progress	5,260,467	1,406,440	6,484,851	182,056
Other capital assets:				
Building and improvements	64,412,503	6,557,873	-	70,970,376
Furniture and equipment	15,782,241	444,048	1,580,108	14,646,181
Total	89,148,344	8,408,361	8,064,959	89,491,746
Less accumulated depreciation:				
Building and improvements	33,631,891	1,259,520	-	34,891,411
Furniture and equipment	10,003,074	1,114,128	1,580,108	9,537,094
Total	43,634,965	2,373,648	1,580,108	44,428,505
Net capital assets	$45,513,379	$ 6,034,713	$ 6,484,851	$45,063,241

Depreciation expense was charged to governmental activities as follows:

Regular programs	$ 924,119
Special education programs	307,210
Vocational education programs	64,836
Other instructional programs	29,650
Special programs	108,558
Adult and continuing education programs	355
Pupil support services	113,864
Instructional staff support services	92,275
General administration	59,286
School administration	136,901
Business services	19,697
Plant services	165,727
Student transportation services	152,212
Central services	30,297
Food services	168,596
Community service programs	65
Total depreciation expense	$ 2,373,648

(9) Accounts, Salaries, and Other Payables

At June 30, 2018, accounts, salaries, and other payables consisted of the following:

Salaries and benefits payable	$ 6,588,530
Accounts	700,673
Other liabilities	7,242,939
	$ 14,532,142

(10) Long-Term Liabilities

The School Board issues certificates of indebtedness, revenue bonds, lease financing, qualified zone academy certificates of indebtedness (QZAB) and qualified school construction bonds (QSCB) secured by General Fund revenues. This debt is used to finance the purchase of specific equipment and to make improvements to existing schools.

During the fiscal year ending June 30, 2012, the School Board entered into a lease agreement for the acquisition of forty (40) buses totaling $2,862,080. At June 30, 2018, the buses had a value of $-0- (net of $2,862,080 of accumulated depreciation), which is included in the furniture and equipment capital asset class. During the fiscal year ending June 30, 2015, the School Board entered into a lease agreement for the acquisition of thirty-five (35) buses totaling $2,553,997. At June 30, 2018, the buses had a value of $1,053,630 (net of $1,500,367 accumulated depreciation), which is included in the furniture and equipment capital asset class. During the fiscal year ending June 30, 2016, the School Board entered into two lease agreements for the acquisition of twelve (12) buses totaling $799,090. At June 30, 2018, the buses had a value of $538,539 (net of $260,551 accumulated depreciation.

All of the School Board's long-term debt is associated with governmental activities. Workmen's compensation claims are generally liquidated by the General Fund and School Food Service Special Revenue Fund. Claims and judgments (included in insurance claims), and compensated absences liabilities are generally liquidated by the General Fund and arbitrage is generally liquidated by the capital projects fund. Long-term debt outstanding as of June 30, 2018 is as follows:

Capital leases, notes payable, QZAB certificates, QSCB bonds, revenue bonds, and certificates of indebtedness payable:

	Issued Amount	Issue Date	Final Maturity Date	Interest Rates	Balance Outstanding
Capital leases payable -					
2011 School Buses	$ 2,862,080	10/07/11	10/07/20	3.99%	$ 941,380
2014 School Buses	2,553,997	08/12/14	08/01/18	2.89%	524,941
2015 School Buses	418,965	07/17/15	07/15/19	2.25%	167,586
2016 School Buses	380,125	04/19/16	04/15/20	2.25%	153,713
Revenue bonds -					
QSCB Bonds	10,000,000	05/01/11	03/15/26	1.05%	9,700,000
Series 2015	9,500,000	09/15/16	09/15/35	3.0-5.0%	9,500,000
Series 2016	3,000,000	11/03/16	09/15/25	1.99%	3,000,000
	$28,715,167				23,987,620
Unamortized bond premium					292,398
					$24,280,018

A. Changes in General Long-Term Liabilities

The following is a summary of long-term liability transactions of the School Board for the year ended June 30, 2018:

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018	Due Within One Year
QSCB Bonds	$ 9,700,000	$ -	$ -	$ 9,700,000	$ -
Series 2015 Bonds	9,500,000	-	-	9,500,000	-
Series 2016 Bonds	3,000,000	-	-	3,000,000	325,000
QZAB Certificates	791,600	-	791,600	-	-
2012 Certificates	32,590	-	32,590	-	-
Capital leases	2,745,934	-	958,314	1,787,620	986,326
Note payable	5,753	-	5,753	-	-
Insurance Claims	1,913,534	376,512	-	2,290,046	-
Compensated Absences	2,679,345	-	158,228	2,521,117	40,031
	30,368,756	376,512	1,946,485	28,798,783	$ 1,351,357
Unamortized bond premium	308,642	-	16,244	292,398	
	$ 30,677,398	$ 376,512	$ 1,962,729	$ 29,091,181	

B. Annual debt service requirements to maturity for capital leases are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 986,326	$ 60,061	$ 1,046,387
2020	475,147	44,441	519,588
2021	326,147	13,013	339,160
	$ 1,787,620	$ 117,515	$ 1,905,135

Annual debt service requirements to maturity for the QSCB bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ -	$ 101,364	$ 101,364
2020	-	101,364	101,364
2021	-	101,364	101,364
2022	-	101,364	101,364
2023	-	101,364	101,364
2024 - 2028	9,700,000	380,115	10,080,115
	$ 9,700,000	$ 886,935	$ 10,586,935

Annual debt service requirements to maturity for the Series 2015 revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ -	$ 386,806	$ 386,806
2020	-	386,806	386,806
2021	-	386,806	386,806
2022	-	386,806	386,806
2023	-	386,806	386,806
2024 - 2028	1,610,000	1,885,155	3,495,155
2029 - 2033	4,620,000	1,204,128	5,824,128
2034 - 2038	3,270,000	216,275	3,486,275
	$ 9,500,000	$ 5,239,588	$ 14,739,588

Annual debt service requirements to maturity for the Series 2016 revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 325,000	$ 56,466	$ 381,466
2020	440,000	48,855	488,855
2021	385,000	40,646	425,646
2022	400,000	32,835	432,835
2023	390,000	24,975	414,975
2024 - 2028	1,060,000	29,651	1,089,651
	$ 3,000,000	$ 233,428	$ 3,233,428

(11) Post-Retirement Health Care and Life Insurance Benefits

In adopting the requirements of GASB Statement No. 75 during the year ended June 30, 2018, the School Board recognizes the cost of postemployment healthcare benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the net OPEB liability, on the statements of net position, and provides information useful in assessing potential demands on the School Board's future cash flows. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending upon the nature of the change.

Plan Description: The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits upon reaching retirement age while working for the School Board. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Office of Group Benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits. The plan does not issue a publicly available financial report.

The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 25 percent) and the School Board (approximately 75 percent). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Plan Membership: Plan membership was as follows:

Status	Single	Employee + Dependent Coverage	Life only	Total
Active	766	779	16	1,561
Retired	1,001	335	111	1,447
Total	35	25	25	3,008

Benefits Provided: The plan provides healthcare and life insurance benefits for retirees and their dependents. Employees who retire on or after a) attainment of age 60 with 5 years of service; b) attainment of age 55 with 25 years of service; or c) 30 years of service without regard to age are eligible for benefits. Coverage is also provided to spouses and eligible children.

Net OPEB Liability of the School Board: The components of the net OPEB liability of the School Board were as follows:

Total OPEB Liability	$ 325,936,178
OPEB Plan Fiduciary Net Position	-
Net OPEB Liability	$ 325,936,178
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2017. The following actuarial assumptions were applied to all periods in the measurement, unless otherwise specified.

In the June 30, 2017 actuarial valuation individual entry age normal cost method – level percentage of projected salary was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. The service cost was determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

2. Future pre-65 retirees are assumed to elect a total of $45,000 in basic life insurance and supplemental life insurance coverage. Spouses are assumed to elect $2,000 of coverage.

3. The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. Retiree contribution trend: Same as medical trend.

Year	Medical and Drug Pre-65	Medical and Drug Post-65	Year	Medical and Drug Pre-65	Medical and Drug Post-65
2017 - 2018	7.00%	5.50%	2024 - 2025	5.75%	4.50%
2018 - 2019	7.00%	5.50%	2025 - 2026	5.50%	4.50%
2019 - 2020	7.00%	5.50%	2026 - 2027	5.25%	4.50%
2020 - 2021	6.75%	5.25%	2027 - 2028	5.00%	4.50%
2021 - 2022	6.50%	5.00%	2028 - 2029	4.75%	4.50%
2022 - 2023	6.25%	4.75%	2029+	4.50%	4.50%
2023 - 2024	6.00%	4.50%			

4. The expected per capita costs were based on medical and prescription drug claims for retired participants for the period January 1, 2016 through December 31, 2017. The claims experience was trended to the valuation date. Per capita costs (PCCs) were adjusted for expected age-related differences in morbidity applicable to retirees, expected costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found below. The expected impact of the increase in Coverage Gap Brand Discounts from 50% to 70% in 2019 has been incorporated in the PCCs. The table below indicates the assumed per capita costs normalized to male retiree age 65:

Plan	Without Medicare	With Medicare	Without Medicare	With Medicare
	Retirement date before 3/1/15		Retirement date after 3/1/15	
Medical Home HMO	$ 17,565	$ 4,120	$ 17,045	$ 4,045
People's MA HMO	N/A	2,477	N/A	2,477
Vantage MA HMO	N/A	2,172	N/A	2,172
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	11,802	3,303	11,802	3,303
BCBS Magnolia Local Plus	17,483	3,698	16,803	3,610
BCBS Magnolia Open Access	16,999	3,410	16,267	3,343

5. Included in medical and dental claims costs is 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes as well as insurer margin and profit.

6. Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs – From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement. Morbidity factors at sample ages are show below:

Age	Male Factor	Female Factor	Age	Male Factor	Female Factor
50	0.4612	0.5736	80	1.3381	1.2697
55	0.6085	0.6667	85	1.3479	1.3171
60	0.7829	0.7791	90	1.3235	1.3303
65	1.0000	0.9438	95	1.3047	1.2765
70	1.1873	1.1094	100	1.2878	1.1701
75	1.2752	1.2009			

7. Mortality rates were based on the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 for health lives. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 was used.

8. Termination, retirement, and disability rates from the Louisiana State Employees Retirement System (LASERS), Teachers Retirement System of Louisiana (TRSL), and Louisiana School Employees Retirement System (LSERS) were used.

9. The percentage of employees and their dependents who are eligible for early retiree benefits that will participate in the retiree medical plan is outlined in the table below. This assumes that a one-time irrevocable election to participate is made at retirement. Retirees are assumed to participate in the life insurance benefit at a 52% rate. It is assumed that future retirees will continue their current life insurance coverage, if any. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 93%.

Years of Service	Participation %
<10	56%
10 - 14	78%
15 - 19	90%
20+	93%

10. Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of current retirees, as follows:

Medical Plan	Pre-Medicare %	Medicare %
BCBS Pelican HRA	5%	
BCBS Magnolia LP	75%	40%
BCBS Magnolia OA	20%	50%
People's MA HMO		5%
Vantage MA HMO		5%

11. Actual data was used for spouses of current retires. Of those future retires electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. Husbands are assumed to be three years older than their wives. No divorce or remarriage after widowhood was reflected.

12. All future retirees are assumed to be eligible for Medicare at age 65. 95% of retirees under age 65 at 7/1/2017 are assumed to be eligible for Medicare upon turning age 65. 95% of retirees ages 65 to 68 not currently designated with Medicare coverage are assumed to become eligible for Medicare. Retirees over age 68 are valued according to their reported Medicare status. All spouses are assumed to be Medicare eligible.

13. Current DROPS are valued using actual DROP end dates.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.13% based on the June 30, 2017 S&P 20-year municipal bond index rate.

Changes in Actuarial Methods Since Prior Valuation: The actuarial cost method was updated from Projected Unit Cost Method to Individual Entry Age Normal Cost Method in accordance with GASB 75.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment and retirement rates.

The following presents changes in the net OPEB liability:

Balance as of June 30, 2017	$ 338,830,776
Changes for the year:	
Service cost	9,863,423
Interest cost	9,305,842
Changes in assumptions or other input	(21,382,063)
Benefit payments	(10,681,800)
Net change in total OPEB liability	(12,894,598)
Balance as of June 30, 2018	$ 325,936,178

Total OPEB expense recognized is as follows:

Service cost	$ 9,863,423
Interest cost	9,305,842
Current period effect of changes in assumptions or other input	(3,930,526)
Total OPEB expense	$ 15,238,739

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ -	$ 17,451,537
Employer contributions subsequent to the measurement date	10,339,506	-
Total	$ 10,339,506	$ 17,451,537

Deferred outflows of resources of $10,339,506 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the year ending June 30, 2019. Amounts reported as deferred outflows of recourse and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Net Amount Recognized in Pension Expense
2019	$ (3,930,526)
2020	(3,930,526)
2021	(3,930,526)
2022	(3,930,526)
2023	-1729433
	-17451537

Sensitivity of the Net OPEB Liability to changes in the Discount Rate: The following presents the School Board's net OPEB liability calculated using the discount rate of 3.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.13%) or one percentage point higher (4.13%) than the current rate:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
Net OPEB Liability	$ 382,675,742	$ 325,936,178	$ 280,993,103

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the School Board's net OPEB liability, calculated using the current healthcare cost trend rates, as well as what the School Board's net OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	$ 278,798,232	$ 325,936,178	$ 386,764,408

(12) Risk Management

The School Board is partially self-insured with regard to workers' compensation insurance. Under the terms of an excess workers' compensation insurance agreement with a private insurance company in effect at June 30, 2018, the School Board's maximum liability per occurrence is $300,000 for all claims paid during the year. The School Board reported a claims liability of $2,290,046 on the government-wide financial statements at June 30, 2018. The School Board purchases commercial insurance for individuals' claims in excess of $300,000. There have been no significant reductions in insurance coverage during the year nor have settlements exceeded coverage for the past three years.

(13) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2018, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

B. Grant Audits

The School Board receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency.

(14) Sales and Use Taxes

The School Board collects a one percent sales and use tax on all taxable sales within the Parish. The proceeds of this tax must be used for teachers' salaries and for expenses of operating the schools. The School Board also collects a one percent sales and use tax levied through the Educational Facilities and Improvement District of the Parish of St. Landry. The proceeds of this tax must be used to supplement employee salaries and benefits. The St. Landry Parish Sales Tax Commission has authorized the St. Landry Parish School Board to collect sales and use taxes for all taxing bodies within the parish beginning July 1, 1992. The School Board retains one percent of all collections as a collection fee. The collection and distribution of sales taxes are accounted for in the Sales Tax Agency Fund.

Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year June 30, 2018.

Taxing Bodies	Total Collections	Collection Cost	Refunds	Net Distribution
St. Landry Parish School Board (3.55%) & School Board (1.0%)	$ 11,789,481	$ 103,465	$ 17,604	$11,668,412
Solid Waste Commission (.8%)	9,358,421	82,059	8,374	9,267,988
EFID (1.0%)	11,698,120	102,575	10,468	11,585,077
Law Enforcement District (.75%)	8,773,680	76,932	7,851	8,688,897
Road District #1 (2.0%)	6,567,545	46,559	3,947	6,517,039
Town of Washington (1.2%)	120,202	1,069	199	118,934
Town of Melville (2.2%)	149,955	1,177	141	148,637
Town of Grand Coteau (2.0%)	288,251	2,696	7	285,548
Ground Coteau TIF (2.0%)	165,371	1,643	-	163,728
Town of Arnaudville (2.0%)	538,599	4,916	718	532,965
City of Eunice (2.2%)	5,407,833	51,121	5,871	5,350,841
City of Opelousas (2.2%)	9,478,264	90,740	7,500	9,380,024
Town of Port Barre (2.2%)	628,469	5,805	296	622,368
Town of Sunset (2.0%)	615,330	5,119	4,128	606,083
Town of Krotz Springs (1.0%)	437,295	4,166	184	432,945
Village of Cankton (1.0%)	39,088	315	-	38,773
HG EDD (2.0%)	639,513	6,251	844	632,418
	$ 66,695,417	$ 586,608	$ 68,132	$ 66,040,677

(15) Pension Plans

The School Board participates in three cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all School Board employees participate in one of the following retirement systems:

Plan Descriptions

Teachers' Retirement System of Louisiana (TRSL) provides retirement allowances and other benefits as stated under the provisions of LRS 11:700-999, as amended, for eligible teachers, employees, and their beneficiaries.

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification.

State of Louisiana School Employees' Retirement System (LSERS) provides retirement, disability and survivor benefits as provided for by LRS 11:1001 for all eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

A brief summary of eligibility and benefits of the plans follows:

Teachers' Retirement System of Louisiana (TRSL): Regular plan members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate 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. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. No School Board employees are participants of Plan A. Plan B members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service. For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of creditably 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.

Louisiana State Employees' Retirement System (LASERS): The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the members' average annual earned compensation for the highest 36 months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

State of Louisiana School Employees' Retirement System (LSERS): 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 ½% 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.

Contributions

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

Contributions to the plans are required and determined by state statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2018 for the School Board and covered employees were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage
TRSL:		
Regular Plan	8.00%	26.60%
Optional Plan	8.00%	28.40%
LASERS	7.50%	37.90%
LSERS	7.5% - 8.00%	27.60%

The contributions made by the School Board to each of the retirement systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

Plan	2018	2017	2016
TRSL:			
Regular Plan	$ 16,940,012	$ 16,009,725	$ 16,881,209
Optional Plan	52,234	65,349	97,836
LASERS	96,072	89,150	96,372
LSERS	1,560,668	1,544,728	1,795,623

Net Pension Liability

The School Board's net pension liability at June 30, 2018 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the School Board is a participating employer. The School Board's net pension liability for each plan was measured as of the plan's measurement date of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The School Board's proportionate share of the net pension liability for each of the plans in which it participates was based on the School Board's required contributions in proportion to the total required contributions for all employers.

As of the most recent measurement date, the School Board's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
TRSL	$142,170,982	1.386780%	-0.041500%
LASERS	935,320	0.013290%	-0.000550%
LSERS	12,646,205	1.976190%	-0.125380%
Total	$155,752,507		

Since the measurement date of the net pension liability was June 30, 2016, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the School Board's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

TRSL - http://www.trsl.org/
LASERS - http://www.laseronline.org/
LSERS - http://www.lsers.net.com/

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the School Board is a participating employer:

	TRSL	LASERS	LSERS
Date of experience study on which significant assumptions are based	6/30/2017	6/30/2017	6/30/2017
Expected remaining service lives	5	3	3
Investment rate of return	7.70%	7.70%	7.125%
Inflation Rate	2.50%	2.75%	2.625%
Projected salary increases	3.5% - 10.0%	(6)	(5)
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1)	(2), (3)	(4)
Termination and disability	(5)	(6)	(5)

(1) RP-2000 Mortality Table with projection to 2025 using Scale AA
(2) RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015
(3) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement
(4) RP-2000 Sex Distinct Mortality Table & RP-2000 Disabled Lives Mortality Table
(5) Based on a 2008-2012 experience study of plan members. Growth rates based upon members' years of service
(6) Based on a 2009-2013 experience study of plan members. Growth rates based upon members' years of service

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, each plan 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.

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LASERS, and LSERS was 7.70%, 7.70%, and 7.125%, respectively for the year ended June 30, 2017.

The discount rates used to measure the School Board's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For TRSL and LASERS, the long term expected rate of return on pension plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following table:

	TRSL*		LASERS**		LSERS*	
Asset Class	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Domestic Equity	27.0%	4.28%	27.0%	4.31%	38.0%	6.92%
International Equity	19.0%	4.96%	30.0%	5.35%	13.0%	7.59%
Domestic fixed income	13.0%	1.98%	10.0%	1.73%	13.0%	3.22%
International fixed income	5.5%	2.75%	20.0%	2.49%	17.0%	3.04%
Alternative investments	-	-	24.0%	7.41%	13.0%	6.40%
Global Asset Allocation	-	-	7.0%	2.84%	-	-
Cash	-	-	-	-0.24%	-	-
Private Equity	25.5%	8.47%	-	-	-	-
Other Private Assets	10.0%	3.51%	-	-	-	-
Real Assets	-	-	-	-	6.0%	7.49%
Total	100%		100%		100%	

*Arithmetic real rates of return
**Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2018, the School Board recognized $12,172,808 in pension expense related to all defined benefit plans in which it participates.

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,985,449
Changes of assumptions	1,768,056	197,007
Net difference between projected and actual earnings on pension plan investments	30,415	3,869,765
Change in proportion and differences between employer contributions and proportionate share of contributions	1,709,495	6,544,394
Employer contributions subsequent to the measurement date	18,648,986	-
Total	$22,156,952	$15,596,615

Deferred outflows of resources of $18,648,986 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30	Net Amount Recognized in Pension Expense
2019	$ (4,417,128)
2020	(16,781)
2021	(2,459,444)
2022	(5,195,296)
	$ (12,088,649)

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

The following presents the School Board's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the School Board's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		Net Pension Liability		
Plan	Current Discount Rate	1% Decrease	Current Discount Rate	1% Increase
TRSL	7.70%	$ 183,190,555	$ 142,170,982	$ 107,276,623
LASERS	7.70%	1,174,188	935,320	732,225
LSERS	7.125%	17,336,461	12,646,205	8,618,375
Total		$ 201,701,204	$ 155,752,507	$ 116,627,223

(16) New Accounting Pronouncement

During the fiscal year ended June 30, 2018, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* which replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than* Pensions and improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

(17) Beginning Net Position Adjustment

During the fiscal year ended June 30, 2018, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions.* This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. This resulted in a restatement of previously reported net position, as follows:

Net position, previously reported	$(238,505,321)
Prior period adjustment:	
Change in accounting principle:	
Net effect of recording total OPEB liability	(204,936,759)
Net position, as restated	$(443,442,080)

(18) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2018 follows:

	Amount
Ambres, Milton L.	$ 9,600
Boss, Kyle C.	9,600
Cassimere, Raymond	9,600
Donatto, Mary Ellen	9,600
Gerace, Candy	9,900
Hayes, Albert	9,600
Perron, Donnie J.	9,600
Ross, Charles	9,600
Sias, Hazel	9,600
Standberry, Anthony	9,600
Wagley, David R.	9,900
Wyble, Huey J.	9,600
Young, Roger	9,600
	$ 125,400

(19) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments to Superintendent Patrick Jenkins for the year ended June 30, 2018 follows:

Purpose	Amount
Salary	$ 151,700
Benefits - insurance	9,040
Benefits - retirement	40,352
Reimbursements	3,520
Registration fees	1,395
Conference travel	1,391
	$ 207,398

(20) On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the St. Landry Parish Tax Collector in the amount of $383,262 to the Teacher's Retirement System of Louisiana for employee retirement benefits, as required by GASB Statement No. 24 *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* The amount of $383,262 is recorded in the accounting system of the St. Landry Parish School Board.

(21) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2018 were as follows:

	Interfund Receivables	Interfund Payables
Major funds:		
General Fund	$ 5,356,308	$ -
Title I	-	1,995,580
Total major funds	5,356,308	1,995,580
Nonmajor funds:		
Lunch	194,698	915,448
Migrant	-	12,814
Title II	-	162,693
REAP	-	29,738
IDEA	-	853,730
Summer Feeding	-	35,689
Supper Program	-	127,762
Carl Perkins	-	7,994
Title IV	-	25,286
Title III	-	5,653
CCLC	-	108,173
LA4	-	792,190
21st Century 9.0	-	139,578
SIG Believe & Succeed	-	338,765
Fresh Fruits and Vegetables	951	864
Total nonmajor funds	195,649	3,556,377
Total	$ 5,551,957	$ 5,551,957

The amounts due from the General Fund from various other funds are for reimbursements owed for expenditures paid for those funds. The other receivable balances are for short-term loans. All interfund balances will be repaid within one year.

B. Transfers consisted of the following at June 30, 2018:

	Transfers In	Transfers Out
Major funds:		
General Fund	$13,315,006	$ 13,650,450
Title I	133,544	647,365
Total major funds	13,448,550	14,297,815
Nonmajor funds:		
Lunch	910,519	951.000
Migrant	1,127	6,450
Title II	9,348	53,893
REAP	382.000	12,832
IDEA	69,713	367,475
Title IV	1,281	13,584
Title III	-	177
LA4	33,933	63,574
21st Century 9.0	-	12,541
SIG Believe & Succeed	-	44,655
Fresh Fruits and Vegetables	951	-
Debt Service Fund	398,143	-
Total nonmajor funds	1,425,397	576,132
Total	$14,873,947	$ 14,873,947

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budget Original	Budget Final	Actual	Variance Positive (Negative)
REVENUES				
Parish sources:				
Ad valorem taxes	$ 13,105,590	$ 13,105,590	$ 13,634,045	$ 528,455
Sales taxes	22,380,750	22,380,750	23,368,563	987,813
Other	2,056,833	2,056,833	3,389,708	1,332,875
Total parish sources	37,543,173	37,543,173	40,392,316	2,849,143
State sources	75,888,673	75,888,673	78,029,072	2,140,399
Federal sources	179,780	179,780	462,300	282,520
Total revenues	113,611,626	113,611,626	118,883,688	5,272,062
EXPENDITURES				
Current:				
Instruction -				
Regular programs	50,636,101	50,636,101	53,523,083	(2,886,982)
Special education programs	16,736,409	16,736,409	16,973,571	(237,162)
Vocational education programs	4,265,664	4,265,664	3,626,488	639,176
Other instructional programs	1,338,465	1,338,465	1,417,966	(79,501)
Special programs	746,923	746,923	728,211	18,712
Adult and continuing education programs	20,000	20,000	20,980	(980)
Support services -				
Pupil support services	5,436,571	5,436,571	5,486,330	(49,759)
Instructional staff support services	1,868,201	1,868,201	1,678,148	190,053
General administration	3,410,362	3,410,362	3,507,026	(96,664)
School administration	8,155,657	8,155,657	8,098,317	57,340
Business services	1,052,587	1,052,587	1,165,163	(112,576)
Operation and maintenance of plant services	9,125,586	9,125,586	9,801,265	(675,679)
Student transportation services	8,705,772	8,705,772	8,949,684	(243,912)
Central services	1,805,120	1,805,120	1,711,646	93,474
Non-instructional services -				
Food services	-	-	45,016	(45,016)
Community service operations	3,692	3,692	3,825	(133)
Facilities acquisition and construction	254,608	254,608	606,383	(351,775)
Debt service:				
Principal retirement	2,259,250	2,259,250	1,788,258	470,992
Interest and fiscal charges	-	-	305,489	(305,489)
Total expenditures	115,820,968	115,820,968	119,436,849	(3,615,881)
Deficiency of revenues over Excess (deficiency) of revenues over expenditures	(2,209,342)	(2,209,342)	(553,161)	8,887,943
OTHER FINANCING SOURCES (USES)				
Transfers in	12,154,660	12,154,660	13,315,006	1,160,346
Transfers out	(12,866,651)	(12,866,651)	(13,650,450)	(783,799)
Total other financing sources (uses)	(711,991)	(711,991)	(335,444)	376,547
Net change in fund balance	(2,921,333)	(2,921,333)	(888,605)	9,264,490
FUND BALANCE, BEGINNING	19,473,292	19,473,292	19,473,292	-
FUND BALANCE, ENDING	$ 16,551,959	$ 16,551,959	$ 18,584,687	$ 9,264,490

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana
Title I

Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budget Original	Budget Final	Actual	Variance - Positive (Negative)
REVENUES				
Federal sources	$ 7,144,919	$ 7,144,919	$ 7,032,095	$ (112,824)
EXPENDITURES				
Current:				
Instruction -				
Regular programs	828,811	828,811	819,003	9,808
Special education programs	150	150	117	33
Other instructional programs	42,870	42,870	39,385	3,485
Special programs	3,984,215	3,984,215	3,922,730	61,485
Support services -				
Pupil support services	221,492	221,492	217,900	3,592
Instructional staff support services	1,543,302	1,543,302	1,516,909	26,393
Operation and maintenance of plant services	2,500	2,500	2,230	270
Total expenditures	6,623,340	6,623,340	6,518,274	105,066
Excess (deficiency) of revenues over expenditures	521,579	521,579	513,821	(7,758)
OTHER FINANCING SOURCES				
Transfers in (out)	(521,579)	(521,579)	(513,821)	(7,758)
Net change in fund balance	-	-	-	(15,516)
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ -	$ (15,516)

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

	2018
Service cost	$ 9,863,423
Interest cost	9,305,842
Changes in assumptions or other input	(21,382,063)
Benefit payments	(10,681,800)
Net change in total OPEB liability	(12,894,598)
Total OPEB liability, beginning	338,830,776
Total OPEB liability, ending	$ 325,936,178
Net OPEB liability	$ 325,936,178
Covered-employee payroll	$ 60,181,599
Total OPEB liability as a percentage of covered-employee payroll	541.59%

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

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2018 *

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana:					
2018	1.38678%	$ 142,170,982	$ 63,021,737	225.6%	65.60%
2017	1.42828%	167,637,153	64,534,042	259.8%	59.90%
2016	1.45580%	156,531,546	64,238,744	243.7%	62.50%
2015	1.45180%	148,394,986	62,450,525	237.6%	63.70%
Louisiana State Employees' Retirement System:					
2018	0.01329%	$ 935,320	$ 248,993	375.6%	62.50%
2017	0.01384%	1,086,715	258,804	419.9%	57.70%
2016	0.01779%	1,210,125	349,150	346.6%	62.70%
2015	0.01477%	923,427	279,119	330.8%	65.00%
State of Louisiana School Employees' Retirement System:					
2018	1.97619%	$ 12,646,205	$ 5,634,270	224.5%	75.03%
2017	2.10157%	15,853,166	5,930,259	267.3%	70.09%
2016	1.96658%	12,470,628	6,474,373	192.6%	74.49%
2015	1.85050%	10,726,822	5,202,925	206.2%	76.18%

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

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

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2018

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Teachers' Retirement System of Louisiana:					
2018	$ 16,998,865	$ 16,992,246	$ 6,619	$ 63,893,061	26.59%
2017	16,075,074	16,075,115	$ (41)	63,021,737	25.51%
2016	16,979,045	16,984,054	$ (5,009)	64,534,042	26.32%
2015	17,991,317	17,991,317	$ -	64,238,744	28.01%
Louisiana State Employees' Retirement System:					
2018	$ 96,058	$ 96,072	$ (14)	$ 253,450	37.91%
2017	89,139	89,150	$ (11)	248,993	35.80%
2016	96,275	96,372	$ (97)	258,804	37.24%
2015	129,186	129,185	$ 1	349,150	37.00%
State of Louisiana School Employees' Retirement System:					
2018	$ 1,562,109	$ 1,560,668	$ 1,441	$ 5,659,817	27.57%
2017	1,538,156	1,544,728	$ (6,572)	5,634,270	27.42%
2016	1,790,938	1,795,623	$ (4,685)	5,930,259	30.28%
2015	2,136,543	2,136,543	$ -	6,474,373	33.00%

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

Notes to the Required Supplementary Information

(1) Retirement Systems

A. Teachers' Retirement System of Louisiana

1) Changes of benefit terms – There were no changes of benefit terms for the year ended June 30, 2018.

2) Changes of assumptions – Changes of assumptions for the year ended June 30, 2018 were as follows for valuation date June 30, 2017: a) Investment rate of return used was 7.70% per annum, a decrease from 7.75% in 2016.

B. Louisiana State Employees' Retirement System

1) Changes of benefit terms – There were no changes of benefit terms for the year ended June 30, 2018.

2) Changes of Assumptions – Changes of assumptions for the year ended year ended June 30, 2018 were as follows for valuation date June 30, 2017: a) Investment rate of return used was 7.70% per annum, a decrease from 7.75% in 2016; b) Inflation rate used was 2.75 % per annum, a decrease from 3.0% in 2016; c) Salary increases were based on 2009-2013 experience study, ranging from 2.8% to 14.3%, a decrease from a range of 3.0% to 14.5% in 2016.

C. Louisiana School Employees' Retirement System

1) Changes of benefit terms – There were no changes of benefit terms for the year ended June 30, 2018.

2) Changes of Assumptions – There were no changes in assumptions for the year ended year ended June 30, 2018.

(2) OPEB Plan

Changes in Benefit Terms – There were no changes in benefit terms for the OPEB plan.

Changes in Assumptions – The discount rate has been decreased from 3.80% to 3.13% since the previous valuation for the OPEB plan.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

(3) Budget Practices

The proposed budget for 2018 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2018 budget on July 29, 2017. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. With the exception of the multi-year projects in the capital projects funds, appropriations lapse at the end of each fiscal year.

The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds. The Superintendent and/or Director of Finance are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

(4) Excess of Expenditures over Appropriations

For the year ended June 30, 2018, the following funds had actual expenditures over appropriations as follows:

Fund	Budget	Actual	Excess
General Fund	115,820,968	119,436,849	(3,615,881)

OTHER SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana
Agency Fund
School Activity Fund

Schedule of Changes in Cash - School Activity Funds
For the Year Ended June 30, 2018

School	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2018
Arnaudville Elementary	$ 49,713	$ 60,815	$ 56,093	$ 54,435
Beau Chene High	67,103	619,791	633,230	53,664
Cankton Elementary	45,244	95,154	85,339	55,059
CAPS	8,016	4,033	6,900	5,149
Central Middle School	13,417	27,546	28,450	12,513
East Elementary	23,687	50,223	41,502	32,408
Eunice Elementary	41,605	47,830	57,846	31,589
Eunice High	120,967	561,156	547,803	134,320
Eunice Junior High	40,780	96,253	108,979	28,054
Eunice Career & Tech	19,108	22,246	20,665	20,689
Glendale Elementary	11,474	43,373	45,952	8,895
Grand Coteau Elementary	19,571	51,657	50,995	20,233
Grand Prairie Elementary	56,550	41,418	52,088	45,880
Grolee Elementary	17,511	51,886	39,823	29,574
Highland Elementary	1,202	25,740	24,956	1,986
Krotz Springs Elementary	91,593	130,774	142,515	79,852
Lawtell Elementary	95,390	214,214	211,598	98,006
Leonville Elementary	110,015	109,122	101,477	117,660
MACA	85,826	89,224	96,784	78,266
North Central High	57,534	133,748	145,083	46,199
North Elementary	15,575	30,182	33,697	12,060
Northeast Elementary	2,072	27,413	29,130	355
Northwest High	416,122	309,110	313,359	411,873
Opelousas Junior High	34,017	59,407	69,444	23,980
Opelousas Senior High	36,110	331,321	339,228	28,203
Palmetto Elementary	9,586	47,652	51,820	5,418
Park Vista Elementary	77,168	80,067	91,362	65,873
Plaisance Elementary	52,921	43,448	69,763	26,606
Port Barre Elementary	133,746	109,913	118,725	124,934
Port Barre High	138,116	371,624	374,642	135,098
Pupil Appraisal Center	15,499	3,295	5,400	13,394
SLATS	42,876	40,451	41,220	42,107
South Street Elementary	17,024	49,159	49,000	17,183
Southwest Elementary	17,228	25,035	26,568	15,695
Sunset Elementary	23,969	104,728	94,563	34,134
Washington Elementary	2,267	33,821	27,818	8,270
Washington Career	13,993	21,098	18,414	16,677
Total balances	$ 2,024,595	$ 4,163,927	$ 4,252,231	$ 1,936,291

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S 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*

Mr. Patrick Jenkins, Superintendent,
and Members of the St. Landry Parish School Board
Opelousas, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Landry Parish School Board (the School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 18, 2018.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year auditing findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2018-001, 2018-002, and 2018-005 to be material weaknesses.

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 changed with governance. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2018-003 and 2018-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2018-006 and 2018-007.

School Board's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 18, 2018

KOLDER, SLAVEN & COMPANY, LLC

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

Mr. Patrick Jenkins, Superintendent,
and Members of the St. Landry Parish School Board
Opelousas, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the St. Landry Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the St. Landry Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 18, 2018

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Revenue Recognized	Expenditures
U. S. Department of Education:				
Passed through State Department of Education:				
Migrant Education - State Grant Program	28-18-M1-49	84.011	$ 70,141	$ 70,141
Twenty-First Century Community Learning Centers	28-18-2C-49	84.287	347,757	347,757
Carl Perkins Grant - Career and Technical Education	28-18-02-49	84.048	208,822	208,822
Teacher and School Leader Incentive Grants	28-18-TP-49	84.374	232,559	232,559
Teacher and School Leader Incentive Grants - PBCS Teacher Incentive Funds	28-18-PBCS-49	84.374	77,454	77,454
Temporary Emergency Impact Aid for Displaced Students				
Emergency Impact Aid	Unknown	84.938	51,875	51,875
Rural Education Achievement Program	28-18-RE-49	84.358	139,538	139,538
Special Education-Preschool Grants -				
Early Childhood Network Lead Consolidated - IDEA 619	28-18-CY-49	84.173	9,219	9,219
IDEA Preschool 619	28-18-P1-49	84.173	161,312	161,312
Special Education - Grants to States -				
IDEA Part B 611	28-18-B1-49	84.027	3,775,517	3,775,517
IDEA Transition Support	Unknown	84.027	11,000	11,000
Formula Transition - IDEA	28-18-BPT6-49	84.027	11,347	11,347
Total Special Education Cluster			3,968,395	3,968,395
Title I Grants to Local Education Agencies	28-18-T1-49	84.010	7,030,948	7,030,948
Education for Homeless Children and Youth	Unknown	84.196	1,147	1,147
Title I Redesign Planning 1003a	Unknown	84.010	49,819	49,819
Title I Believe and Prepare Formula Transition 1003a	Unknown	84.010	22,000	22,000
Title IVA SSAE - Student Support and Academic Enrichment Program	28-18-71-49	84.424	147,717	147,717
School Improvement Grants - SIG1003g Rnd 7	28-17-TC07-49	84.377	516,414	516,414
Title III - English Language Acquisition State Grants	28-18-S3-49	84.365	5,896	5,896
Title II A - Supporting Effective Instruction State Grants	28-18-50-49	84.367	658,996	658,996
Passed through Louisiana Workforce Commission:				
Rehabilitation Services Vocational Rehabilitation Grants to States				
Pre-Employment Transition Services (PETS)	Unknown	84.126	16,875	16,875
Total U.S. Department of Education			13,546,353	13,546,353
U.S. Department of Health and Human Services:				
Passed through State Department of Education:				
CCDF Cluster - Child Care and Development Block Grant - CCDF	Unknown	93.575	35,199	35,199
Cecil J. Picard LA 4 Early Childhood Program - TANF				
Temporary Assistance for Needy Families	28-18-36-49	93.558	706,458	706,458
Passed through Department of Children and Family Services:				
Jobs for America's Graduates - TANF	Unknown	93.558	717	717
Total TANF Cluster			707,175	707,175
Total U.S. Department of Health and Human Services			742,374	742,374
U.S. Department of Agriculture:				
Passed through Louisiana Department of Agriculture and Forestry -				
Food Distribution Program	N/A	10.555	778,758	778,758
Passed through State Department of Education -				
National School Lunch Program	N/A	10.555	6,004,599	6,004,599
School Breakfast Program	N/A	10.553	2,134,943	2,134,943
Summer Food Service Program for Children -				
Summer Food Service Program	N/A	10.559	84,108	84,108
Total Child Nutrition Cluster			9,002,408	9,002,408
Child and Adult Care Food Program - Supper Program	N/A	10.558	232,915	232,915
Fresh Fruit and Vegetable Program	N/A	10.582	56,166	56,166
2017 NSLP Equipment Grants	N/A	10.579	28,568	28,568
Total U.S. Department of Agriculture			9,320,057	9,320,057
U.S. Department of Defense:				
ROTC Language and Culture Training Grants	N/A	12.357	60,731	60,731
U.S. Department of Homeland Security				
Disaster Grants - Public Assistance	Unknown	97.036	243,337	243,337
TOTAL FEDERAL AWARDS			$23,912,852	$23,912,852

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

(1) General

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the St. Landry Parish School Board under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the St. Landry Parish School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the St. Landry Parish School Board.

(2) Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The St. Landry Parish School Board has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

(3) Commodities

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2018, the School Board had $456,384 of commodities inventory.

(4) Relationship to Fund Financial Statements

Federal financial assistance revenues are reported in the School Board's fund financial statements as follows:

From federal sources:	
General Fund	$ 462,300
Special Revenue Funds	23,450,552
Total	$23,912,852

(5) Relationship to Federal Financial Reports

Amounts reported in the schedule agree with the amounts reported in the related federal financial reports except for the amounts in reports submitted as of a date subsequent to June 30, 2018, which will differ from the schedule by the amount of encumbrances as of June 30, 2018.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the St. Landry Parish School Board were prepared in accordance with GAAP.

2. Five deficiencies in internal control were disclosed by the audit of the financial statements. Three of these deficiencies were considered to be material weaknesses. Two of these deficiencies were considered to be significant deficiencies.

3. Two instances of noncompliance material to the financial statements of the School Board, which are be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. There were no significant deficiencies or material weaknesses in internal control over the major federal award programs disclosed.

5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.

6. The audit disclosed no findings that are required to be reported under 2 CFR section 200.516(a).

7. The following programs were considered to be major programs: Title I Grants to Local Education Agencies Program (CFDA 84.010), Special Education Grants to State (CFDA 84.027), and Special Education Preschool Grants (CFDA 84.173).

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

9. The School Board did not qualify as a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

Internal Control –

See Internal Control Findings 2018-001, 2018-002, 2018-003, 2018-004, and 2018-005 on the Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan.

Compliance Findings –

See Compliance Findings 2018-006 and 2018-007 on the Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan.

Part III. Findings and questioned costs relating to Federal Programs:

There were no significant deficiencies or instances of material noncompliance noted during the audit.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Prior Findings and Questioned Costs
Year Ended June 30, 2018

Part I. Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

Internal Control –

See Internal Control Findings 2017-001, 2017-002, 2017-003, 2017-004, and 2017-005 on the Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan.

Compliance Findings –

There were no instances of noncompliance disclosed by the audit of the financial statements.

Part II. Findings and questioned costs relating to Federal Programs:

There were no significant deficiencies or instances of material noncompliance noted during the audit.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2018

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

2018-001 Oversight of School Activity Accounts

Fiscal year finding initially occurred: Unknown

CONDITION: The School Board is not providing proper oversight over the school activity accounts.

CRITERIA: Proper oversight of school activity funds is imperative for a sound internal control environment.

CAUSE: The cause of the condition is due to a lack of oversight by management over employees administering school activity funds.

EFFECT: The lack of adequate oversight provides for the opportunity of misappropriation of cash and for the funds designated for a particular club to be expended by another group.

RECOMMENDATION: The School Board should implement procedures to ensure that proper oversight is provided over all school activity funds through regular review and monitoring of account activity.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The School Board performs routine audits of the school activity funds. In the past, school administrators allowed certain groups to spend funds that were not available to their group, which has created negative cash balances for some groups. All school administrators have been informed of the proper procedures for spending school activity funds.

2018-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2018

CONDITION: The School Board did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and* Assessing *the Risks of Material Misstatement*, defines internal control as follows:

> "Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT§501.07 states:

> "An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both."

CAUSE: The cause of the condition is the fact that management did not adequately segregate duties amongst accounting staff when reassigning duties after staff turnover.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The School Board will evaluate all duties within the accounting system and ensure that adequate segregation of duties exists.

2018-003 Theft of Assets

Fiscal year finding initially occurred: 2018

CONDITION: While conducting a fixed asset test on December 1, 2017, it was determined that a ProBook Notebook with a value of $938 was missing from one of the classrooms at Beau Chene High School. The item was never located, and the individual it was assigned to is no longer employed by the district. No police report was filed. The Louisiana Legislative Auditor and the District Attorney were notified of the incident.

CRITERIA: Proper security is necessary to safeguard School Board property and assets.

CAUSE: The cause of the condition is the fact that the School Board did not have adequate security over equipment.

EFFECT: Failure to adequately secure equipment increases the risk that theft will occur.

RECOMMENDATION: Management should evaluate security controls to ensure they are adequate and functioning properly.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The School Board will continue to conduct routine inventory checks to mitigate these types of risks. As of the date of this report, the Notebook has not been recovered.

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2018

2018-004 Reconciliation of Interfund Accounts

Fiscal year finding initially occurred: 2018

CONDITION: The School Board's interfund accounts are not being reconciled properly or on a timely basis.

CRITERIA: Financial reporting is the primary tool used by management to monitor income and expenditures and to make decisions. An accounting system should be maintained that provides timely information and an accurate picture of the entity's financial condition.

CAUSE: The cause of the condition is the fact that staff charged with reconciling interfund accounts did not perform duties as instructed.

EFFECT: Failure to properly reconcile interfund accounts increases the risk of inaccurate financial reporting.

RECOMMENDATION: Management should reconcile interfund accounts monthly to ensure accurate financial reporting.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The School Board will properly reconcile all interfund accounts on a timely basis in the future.

2018-005 Reconciliation of Bank Accounts

Fiscal year finding initially occurred: 2018

CONDITION: The School Board did not prepare bank reconciliations for its payroll account and general fund operating account during the fiscal year.

CRITERIA: Timely reconciling all bank accounts is a key component of good controls over cash. Reconciling the bank balance with the book balance (general ledger) is necessary to ensure that (1) all receipts and disbursements are recorded (an essential process in ensuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance. State law [Louisiana Revised Statute (R.S.) 10:4-406(d) (2)] allows a customer 30 days to examine bank statements and cancelled checks for unauthorized signatures or alterations. After 30 days, the customer is precluded from asserting a claim against the bank for unauthorized signatures or alterations.

CAUSE: The cause of the condition is the fact that staff charged with preparing the bank reconciliation did not perform duties as instructed.

EFFECT: Failure to prepare bank reconciliations increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should prepare written bank reconciliations within 30 days of receipt of bank statements by an employee who does not have responsibility/authority to (1) sign checks; or (2) receive and deposit cash; or (3) authorize disbursements. The monthly bank reconciliations should be properly completed, dated, and signed by both the preparer and reviewer/approver and be maintained on file for subsequent review and audit.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The School Board will implement procedures to ensure that all cash accounts are reconciled on a monthly basis.

B. Compliance

2018-006 Untimely Reporting of Theft

Fiscal year finding initially occurred: 2018

CONDITION: The School Board learned of the misappropriation of a public asset in December 2017 and did not notify the Legislative Auditor or the District Attorney until October 2018.

CRITERIA: State law [Louisiana Revised Statute (R.S. 24:523 A)] states that an agency head of an auditee who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets shall immediately notify, in writing, the legislative auditor and the district attorney of the parish in which the agency is domiciled.

CAUSE: The cause of the condition is the fact that management misinterpreted the time requirements of LA R.S. 24:523 A.

EFFECT: The failure to notify the Legislative Auditor and District Attorney of the misappropriation of a public asset for ten months after knowledge of the misappropriation violates LA R.S. 24:523 A.

RECOMMENDATION: Management should notify the Legislative Auditor and the District Attorney immediately when misappropriation is identified.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The School Board will timely notify the Legislative Auditor and the District Attorney of any misappropriations in the future.

2018-007 Unsecured Deposits

Fiscal year finding initially occurred: 2018

CONDITION: At June 30, 2018, the School Board's deposits at one financial institution were not fully collateralized. The School Board had deposits in the amount of $44,028 which were unsecured.

CRITERIA: Louisiana Revised Statue 39:1225 states that the amount of the securities pledged by the financial institution shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by FDIC.

CAUSE: The cause of the condition is the fact that staff charged with monitoring the School Board's deposits did not perform duties as required.

EFFECT: Having unsecured deposits violates LA R.S. 39:1225 and increases the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered.

RECOMMENDATION: Management should implement procedures to ensure that the School Board's deposits are regularly monitored and fully secured at all time as required by LA R.S. 39:1225.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The School Board will monitor deposits on a recurring basis to ensure compliance with LA R.S. 39:1225.

Part II. Prior Year Findings:

A. Internal Control Over Financial Reporting

2017-001 Oversight of School Activity Accounts

CONDITION: The School Board is not providing proper oversight over the school activity accounts.

RECOMMENDATION: The School Board should implement procedures to ensure that proper oversight is provided over all school activity funds through regular review and monitoring of account activity.

CURRENT STATUS: Unresolved. See item 2018-001.

2017-002 Theft of Assets

CONDITION: In October of 2016, a break-in occurred at a school and four (4) iPods with a value of $916 were stolen. The Louisiana Legislative Auditor, Grand Coteau Police Department and the District Attorney were notified of the incident.

RECOMMENDATION: Management should evaluate its security controls to ensure they are function properly.

CURRENT STATUS: Resolved.

ST. LANDRY PARISH SCHOOL BOARD
Opelousas, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2018

2017-003 Theft of Assets

CONDITION: On September 16, 2016, a printer with a value of $199 was delivered to the front office of a high school and was stolen before it made it to the designated classroom. The school performed an internal investigation and security footage was viewed but neither revealed what happened to the printer. The Louisiana Legislative Auditor, Eunice Police Department and District Attorney were notified of the incident.

RECOMMENDATION: Management should evaluate security controls to ensure they are adequate and functioning properly.

CURRENT STATUS: Resolved.

2017-004 Theft of Assets

CONDITION: On May 2, 2017, a classroom was broken into at an elementary school and an iPad and iPad mini were stolen. An investigation was performed and both stolen items were returned to the School. The Louisiana Legislative Auditor, Grand Coteau Police Department and the District Attorney were notified of the incident.

RECOMMENDATION: Management should evaluate security controls to ensure they are adequate and functioning properly.

CURRENT STATUS: Resolved.

2017-005 Theft of Assets

CONDITION: In June of 2017, while conducting an annual fixed asset inventory, the School Board determined that an HP tablet with a value of $526 was missing from school food services. The School Board conducted an internal investigation but was unable to determine what happened or when it was stolen. The Louisiana Legislative Auditor, Opelousas Police Department and District Attorney were notified of the incident.

RECOMMENDATION: Management should evaluate security controls to ensure they are adequate and functioning properly.

CURRENT STATUS: Resolved.

B. Compliance

There were no compliance findings reported.

ST. LANDRY PARISH SCHOOL BOARD

SPECIAL AGREED-UPON PROCEDURES
REPORT ON SCHOOL BOARD
PERFORMANCE MEASURES

Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the St. Landry Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Landry Parish School Board; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the St. Landry Parish School Board for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514. Management of the St. Landry Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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:

I. <u>General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)</u>

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

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

   There were no exceptions noted.

II. <u>Class Size Characteristics (Schedule 2)</u>

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

   There were no exceptions noted.

III. Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

   There were no exceptions noted.

IV. Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

   There were no exceptions noted.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing* Standards, issued by the United States Comptroller General. 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 the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the St. Landry Parish School Board, as required by Louisiana Revised Statute 24:514, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 18, 2018

ST. LANDRY PARISH SCHOOL BOARD

Opelousas, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2018

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

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

Schedule 2 – (Formerly Schedule 6) Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

St. Landry Parish School Board
Opelousas, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2018

	Column A	Column B
General Fund Instructional and Equipment Expenditures		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	$ 41,715,660	
Other Instructional Staff Activities	4,309,073	
Instructional Staff Employee Benefits	26,612,347	
Purchased Professional and Technical Services	326,124	
Instructional Materials and Supplies	1,781,644	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		$ 74,744,848
Other Instructional Activities		1,545,452
Pupil Support Services	5,486,330	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		5,486,330
Instructional Staff Services	1,678,148	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,678,148
School Administration	8,098,317	
Less: Equipment for School Administration	-	
Net School Administration		8,098,317
Total General Fund Instructional Expenditures (Total of Column B)		$ 91,553,095
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		$ -
Certain Local Revenue Sources		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		$ 2,821,918
Renewable Ad Valorem Tax		10,428,697
Debt Service Ad Valorem Tax		168
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		383,262
Sales and Use Taxes		23,368,563
Total Local Taxation Revenue		$ 37,002,607
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		$ 20,774
Earnings from Other Real Property		2,150
Total Local Earnings on Investment in Real Property		$ 22,924
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		$ 121,709
Revenue Sharing - Other Taxes		449,792
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		$ 571,501
Nonpublic Textbook Revenue		$ 66,960
Nonpublic Transportation Revenue		$ -

St. Landry Parish School Board
Opelousas, Louisiana

Class Size Characteristics
As of June 30, 2018

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	71%	1,901	25%	665	4%	109	0%	11
Elementary Activity Classes	62%	226	19%	67	6%	22	13%	45
Middle/Jr. High	65%	410	25%	155	10%	64	0%	3
Middle/Jr. High Activity Classes	77%	125	15%	25	7%	12	1%	2
High	75%	1,471	16%	317	8%	153	1%	11
High Activity Classes	94%	429	3%	15	2%	7	1%	3
Combination	100%	12	0%	-	0%	-	0%	-

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

ST. LANDRY PARISH SCHOOL BOARD

Opelousas, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the St. Landry
Parish School Board, and
The Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Landry Parish School Board (School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The School Board's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

   Written policies and procedures were obtained and address the functions noted above.

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

   Written policies and procedures were obtained and address the functions noted above.

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

   Written policies and procedures were obtained and address the functions noted above.

   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

Written policies and procedures were obtained; however, they do not address the following: management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and did not address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were obtained; however, they do not address the following: (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the functions noted above.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity* *relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

   a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

   The entity's main operating account has not been reconciled for the month selected. The other 4 selected bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

   The entity's main operating account has not been reconciled for the month selected. The other 4 selected bank reconciliations include evidence that a member of management has reviewed each bank reconciliation.

   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

   The entity's main operating account has not been reconciled for the month selected. The other 4 selected bank reconciliations did not have any outstanding reconciling items for more than 12 months from the statement closing date.

Collections

4. Obtain a listing of <u>deposit sites</u> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

   Obtained a listing of deposit sites for the fiscal period and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of <u>collection locations</u> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their

job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a) Employees that are responsible for cash collections do not share cash drawers/registers.

Some of the employees responsible for cash collections do share cash drawers/registers.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

One of the employees responsible for collecting cash is responsible for preparing/making bank deposits, and there is not another employee/official responsible for reconciling collection documentation to the deposit.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Two of the employees responsible for collecting cash are responsible for posting collection entries to the general ledger, and there is not another employee/official responsible for reconciling ledger posting to each other and to the deposit.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Employees responsible for reconciling cash collections to the general ledger by revenue source are responsible for collecting cash, however another employee verifies the reconciliation.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Through inquiry of management all employees who have access to cash are covered by an insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

Receipts are sequentially pre-numbered.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Unable to trace sequentially pre-numbered receipts to the deposit slip for 2 out of 10 deposits, however system reports and other related collection documentation was traceable to the deposit slip.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Traced the deposit slip totals to the actual deposit per the bank statement.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).

Two (2) out of ten (10) deposits were not made within one business day of receipt.

e) Trace the actual deposit per the bank statement to the general ledger.

Traced the actual deposits per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

   Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   b) At least two employees are involved in processing and approving payments to vendors.

   At least two employees are involved in processing and approving payments to vendors.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

   The employees responsible for processing payments are prohibited from adding/modifying vendor files.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

   The employees responsible for processing payments are also responsible for mailing the signed checks.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe that the disbursement matched the related original invoice/billing statement.

    Observed that disbursements matched the related original invoices/billing statements.

    b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

    Observed that disbursement documentation included evidence of segregation of duties.

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

(The following procedures were not performed since there were no exceptions in the prior year.)

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

    b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

(The following procedures were not performed since there were no exceptions in the prior year.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

    c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

    d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, <u>excluding the practitioner's contract</u>, and:

    a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

    b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

    c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

    d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

    b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
    b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

    Management has asserted that the entity did have misappropriations of public assets. Examined all supporting documentation noting that management reported all instances to the LLA and the district attorney of St. Landry Parish.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    Observed that notice required by R.S. 24:523.1 was posted on the entity's premises and website.

Management's Response:

Management of the St. Landry Parish School Board concurs with the exceptions and are working to address the deficiencies identified.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 18, 2018