

**Sabine Parish School Board
Many, Louisiana**

Financial Statements and
Independent Auditor's Reports
as of and for the Year Ended
June 30, 2015

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 09 2016

Fortenberry & Ballard, PC
Certified Public Accountants

SABINE PARISH SCHOOL BOARD

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FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION**

Superintendent and School Board
Sabine Parish School Board

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 Sabine Parish School Board as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Sabine Parish 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 of 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 School Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the school School Board adopted Governmental Accounting Standards Board ('GASB') Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. As a result, net position as of July 1, 2014, has been restated. 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 the management's discussion and analysis, budgetary comparison information and the Schedules of the School Board's Proportionate Share of the Net Pension Liability and of the School Board's Contributions on pages 9 to 19 and 65 to 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sabine Parish School Board's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), the combining nonmajor fund financial statements, Agency Fund - Schedule of Changes in Deposit Balances of Individual School Activity Fund, Capital Assets Information, Schedule of Compensation Paid Board Members, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are

presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), the combining nonmajor fund financial statements, Agency Fund - Schedule of Changes in Deposit Balances of Individual School Activity Fund, Capital Assets Information, Schedule of Compensation Paid Board Members, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information mentioned above is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of the Sabine Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sabine Parish School Board's internal control over financial reporting and compliance.

Fortenberry & Ballard, PC
December 21, 2015

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

PART I

**SABINE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

The following discussion and analysis of Sabine Parish School Board's financial performance provides an overall of the School Board's financial activities for the year ended June 30, 2015. The intent of this discussion and analysis is to look at the School Board's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the School Board's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this School Board's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the School Board's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Total net position for 2015 decreased \$60,141,450, including a prior period adjustment of (\$62,461,497), which represents a 435% decrease from fiscal year 2014. Total net position for 2014 decreased \$3,074,954, including a prior period adjustment of (\$2,352), which represents an 18% decrease from fiscal year 2013.
- General revenues account for \$41,475,742 in revenue, or 80% of all revenues. This amount was more than the general revenues reported for the year 2014 of \$36,442,727, or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,196,436 or 20% of total revenues, compared with \$10,518,741 or 22% in 2014.
- Sabine Parish School Board had \$49,352,131 in expenses, a decrease of 1% from \$50,034,070 in expenses from the prior year. Of these expenses, \$10,196,436 was offset by program specific charges for services, grants and contributions in 2015.
- Among major funds, the General Fund had \$35,411,292 in revenues and \$34,728,632 in expenditures. In 2014, the General Fund had \$32,639,876 in revenues and \$34,901,757 in expenditures. The General Fund's fund balance increased \$739,779 over the prior year.
- Capital assets, net of accumulated depreciation, increased by \$2,748,837. Capital assets increased from 2014 due primarily to the additions to construction in progress, buildings and improvements, and vehicles and equipment.
- Long-term debt decreased by \$2,011,263. This decrease from prior year was due primarily to principal payments on outstanding long-term debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the School Board's basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information and supplementary information.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the School Board's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the School Board's nonfiduciary assets and liabilities, with the differences between the two reported as "net position". Over time, increases or decreases in School Board's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

The Statement of Activities presents information showing how the School Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements outline functions of the School Board that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the School Board include instruction, support services, food services, community service programs, pension expense, and interest on long-term debt.

Fund Financial Statements

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

Governmental funds - Most of the School Board's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the School Board's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may gain a better understanding of the long-term impact of the School Board's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains individual governmental funds in accordance with the *Louisiana Accounting & Uniform Governmental Handbook*, published by the Louisiana Department of Education. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these reports as other governmental funds.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School Board. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the School Board's own programs. These funds are reported using the accrual basis of accounting. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and note proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the financial statements.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules as required supplementary information. The School Board adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund as required by the Governmental Accounting Standards Board. Additionally, the Schedules of the School Board's Proportionate Share of the Net Pension Liability and of the School Board's Contributions are included in this section.

Supplementary Information

Additionally, a Schedule of Expenditures of Federal Awards as required by OMB Circular A-133, the combining nonmajor fund financial statements, Agency Funds - Schedule of Changes in Deposit Balances of Individual School Activity Fund, Capital Asset Information and the Schedule of Compensation Paid Board Members can be found in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of government's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$46,305,535 as of June 30, 2015.

The School Board's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the other post-employment benefits liability, the acquisition and disposal of capital assets and the depreciation of capital assets.

Table 1 presents a summary of the School Board's net position at June 30, 2015 and June 30, 2014.

GASB 68 was implemented in fiscal year 2015. Prior year amounts were not restated to reflect the implementation of GASB 68.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Table 1
Condensed Statement of Net Position

	June 30, 2015	June 30, 2014	Percentage Change
Current assets	\$ 41,517,132	47,380,547	(12) %
Capital assets, net	27,397,377	24,648,540	11 %
Total assets	14,119,755	72,029,087	(80) %
Deferred outflows of resources	6,814,201	-	
Current liabilities	8,317,469	10,715,356	(22) %
Long-term debt outstanding	27,576,171	29,587,434	(7) %
Net pension liability and other postemployment benefits	72,737,397	17,890,382	307 %
Total liabilities	108,631,037	58,193,172	87 %
Deferred inflows of resources	13,403,208	-	
Net position:			
Net investment in capital assets	567,539	(4,205,639)	(113) %
Restricted	21,111,256	20,844,050	1 %
Unrestricted	(67,984,330)	(2,802,496)	2,326 %
Total net position	\$ (46,305,535)	13,835,915	(435) %

Additionally information on unrestricted net position:

In connection with the implementation of new standards on accounting and financial reporting for pensions, management presents the following additional information:

Total unrestricted net position (deficit)	(\$66,774,354)
Less: unrestricted deficit in net position resulting from implementation of GASB 68 & 71	58,730,675
Unrestricted net position, exclusive of the net pension liability effect	<u>(\$8,043,679)</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- Increase in net capital assets in the amount of \$2,748,837.
- The principal retirement of \$2,024,341 of long-term debt.
- The recognition of Net Pension Liability in the amount of \$52,141,668 as a result of GASB Statement No. 68 implementation.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Changes in net position

The School Board's total revenues for the fiscal years ended June 30, 2015 and 2014 were \$51,672,178 and \$46,961,468, respectively. The total cost of all programs and services was \$49,352,131 for 2015 and \$50,034,070 for 2014.

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

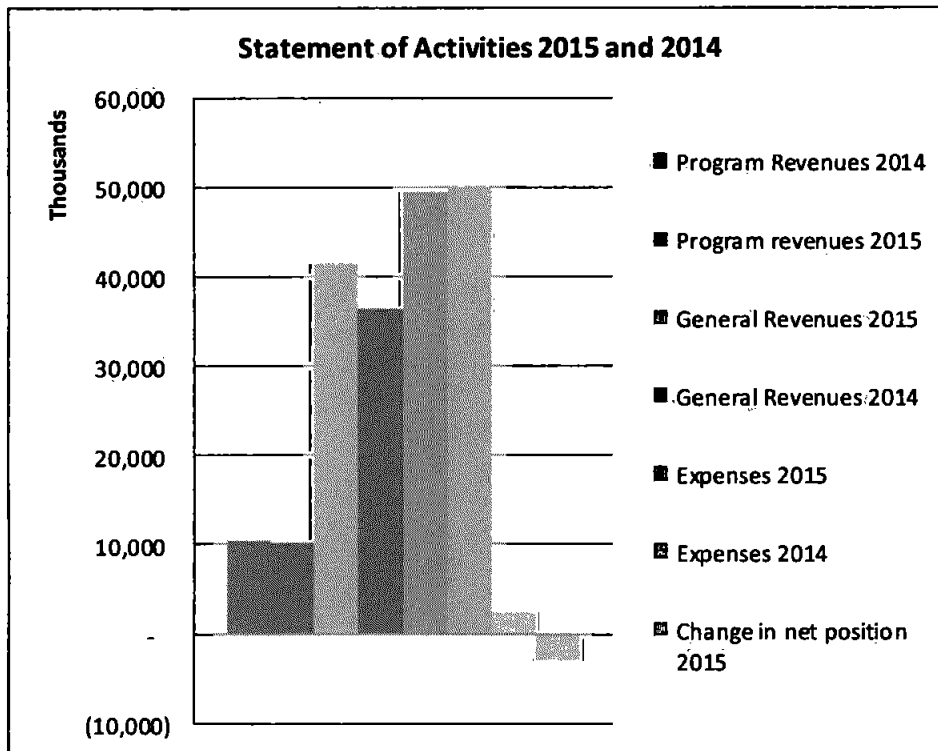
GASB 68 was implemented in fiscal year 2015. Prior year amounts were not restated to reflect the implementation of GASB 68.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Table 2
Changes in Net Position

	For the Year Ended June 30, 2015	For the Year Ended June 30, 2014	Percentage Change
Revenues:			
<u>Program revenues</u>			
Charges for services	\$ 861,688	\$ 579,356	49 %
Operating grants & contributions	9,334,748	9,939,385	(6) %
Total program revenues	<u>10,196,436</u>	<u>10,518,741</u>	(3) %
<u>General revenues</u>			
Property taxes	6,503,767	5,410,084	20 %
Sales and use taxes	8,624,013	8,520,249	1 %
State revenue sharing	155,501	154,414	1 %
Minimum foundation program	26,069,420	21,664,650	20 %
Other unrestricted revenues	35,065	256,105	(86) %
Federal revenue in lieu of taxes	-	277	(100) %
Interest & investment earnings	87,976	419,058	(79) %
Miscellaneous	-	17,890	(100) %
Total general revenues	<u>41,475,742</u>	<u>36,442,727</u>	14 %
Total Revenues	<u>51,672,178</u>	<u>46,961,468</u>	10 %
Expenses:			
Instruction	24,023,419	27,753,955	(13) %
Support services	18,186,115	18,567,367	(2) %
Food services	3,044,844	2,996,551	2 %
Community service programs	63,770	197,322	(68) %
Pension expense	2,967,947		
Interest on long-term debt	1,066,036	518,875	105 %
Total Expenses	<u>49,352,131</u>	<u>50,034,070</u>	(1) %
Increase (decrease) in net position	<u>2,320,047</u>	<u>(3,072,602)</u>	176 % %
Net position, July 1, 2014, as previously reported	13,835,915	16,910,869	(18) %
Prior period adjustment	(62,461,497)	(2,352)	(2,655,576) %
Net position, July 1, 2014, as restated	<u>(48,625,582)</u>	<u>16,908,517</u>	(388) %
Net position, June 30, 2015	<u>\$ (46,305,535)</u>	<u>\$ 13,835,915</u>	(435) %

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015



Governmental activities

The following table presents the cost of the six major School Board functional activities: instruction, support services, food services, community service programs, pension expense, and interest on long-term debt. The table also shows each functional activity's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost presents the financial burden that was placed on the State and School Board's taxpayers by each of these functions.

GASB 68 was implemented in fiscal year 2015. Prior year amounts do not reflect the implementation of GASB 68.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Functional expenses	2015	2014	2015	2014
	Expenses	Expenses	Net (Expense)/ Revenue	Net (Expense)/ Revenue
Instruction	\$ 24,023,419	27,753,955	(21,380,690)	(25,030,841)
Support services	18,186,115	18,567,367	(11,552,263)	(11,709,554)
Food services	3,044,844	2,996,551	(2,124,989)	(2,058,737)
Community service programs	63,770	197,322	(63,770)	(197,322)
Pension expense	2,967,947	-	(2,967,947)	-
Interest on long-term debt	1,066,036	518,875	(1,066,036)	(518,875)
Total	\$ 49,352,131	50,034,070	(39,155,695)	(39,515,329)

- Net cost of governmental activities \$39,155,695, was financed by general revenues. General revenues consist of the Minimum Foundation Program funding, \$26,069,420, Other unrestricted revenues, \$35,065, property taxes, \$6,503,767, sales and use taxes, \$8,624,013, investment earnings, \$87,976, and state revenue sharing, \$155,501.

FINANCIAL ANALYSIS OF THE SCHOOL BOARD'S FUNDS

As noted earlier, the School board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the School Board's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Board's net resources available for spending at the end of the fiscal year.

The financial performance of the Board as a whole is reflected in its governmental funds. As the Board completed the year, its governmental funds reported a combined fund balance of \$33,533,886, a decrease of \$3,467,525. \$12,088,407 or 36% of the fund balance is unassigned, which represents the residual classification for the general fund's fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes within the general fund. The remaining fund balance of \$21,445,479 or 64% is either restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted or assigned.

The General Fund is the principal operating fund of the Board. The increase in fund balance in the General Fund for the fiscal year was \$739,779. The fund balance of Other Governmental Funds increased \$632,644.

Major Fund	Increase (Decrease)
Many Elementary Construction Fund	\$ (4,839,948)

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revised the annual operating budget. Historical data, tentative allocations of state and federal funds, legislative mandates, and anticipated needs are used to determine original budget amounts.

The Board's original budget was prepared with the Board's goals and long range commitments in mind, using historical data, tentative allocations or estimates of state and federal funds, legislative mandates, staffing studies, and current and anticipated needs. Over the course of the year, the Board revised the annual operating budget as changes occurred.

At the time the original budget was prepared only estimates were available for federal funding. Typically original budgets are prepared using prior year allocation as estimates. Once federal awards were known, budgets were amended to the actual grant award amount. Over the course of the year, the Board revised the annual operating budget.

A schedule showing the original and final budget amounts compared to the Board's actual financial activity for the General Fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2015, the Board's total capital assets were \$54,753,769, including land, construction in progress, school buildings, buses, other school vehicles, furniture and equipment. This amount represents an increase of \$4,207,146 from the previous year. Total accumulated depreciation as of June 30, 2015 was \$27,356,392, and total depreciation expense for the year was \$1,505,973, resulting in total net capital assets of \$27,397,377.

	2015	2014	Percentage Change
Land	\$ 321,743	321,743	- %
Construction in progress	5,334,455	1,250,145	327 %
Buildings & improvements	20,220,924	21,287,485	(5) %
Automobiles & equipment	1,520,255	1,789,167	(15) %
Total	<u>\$ 27,397,377</u>	<u>24,648,540</u>	11 %

Additional information about the Board's capital assets can be found in Note 6 of this report.

Debt Administration. At June 30, 2015, the School Board had \$25,861,838 in bonds outstanding, \$968,000 constitutes other long-term debt outstanding, and \$746,333 in compensated absences payable, of which \$2,151,786 is due within one year.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Compensated absences	\$ 746,333	733,255	2 %
Certificates of indebtedness	968,000	1,174,000	(18) %
General obligation bonds	<u>25,861,838</u>	<u>27,680,179</u>	(7) %
Total long-term debt	<u>\$ 27,576,171</u>	<u>29,587,434</u>	(7) %

Additional information of the Board's long-term debt can be found in Note 11 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

1. Minimum foundation program revenues
2. Taxes (ad valorem and sales)
3. Intergovernmental revenues (federal and state grants)

The Sabine Parish School Board does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, parents, students, and investors and creditors with a general overview of the school board's finances and to show the school board's accountability for the financial resources it receives. If you have questions about this report, please contact Dr. Sara Ebarb, Superintendent or Mr. Rodney Wilson, Director of Business Services, at the Sabine Parish School Board, PO Box 1079, Many, LA 71449, telephone number (318) 256-9228.

BASIC FINANCIAL STATEMENTS

SABINE PARISH SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 27,627,281
Investments	8,900,000
Receivables	4,861,977
Inventory	127,589
Other current assets	285
Capital assets, nondepreciable:	
Land	321,743
Capital assets (net of accumulated depreciation):	
Construction in progress	5,334,455
Buildings & building improvements	20,220,924
Furniture & equipment	1,520,255
Total Assets	<u>68,914,509</u>
Deferred Outflows of Resources	
Pension related	6,814,201
Total Deferred Outflows of Resources	<u>6,814,201</u>
Liabilities	
Accounts, salaries, and other payables	7,966,976
Accrued interest payable	334,223
Other current liabilities	16,270
Long-term liabilities (due within one year):	
Capital related liabilities	2,114,469
Non-capital related liabilities	37,317
Long-term liabilities (due beyond one year):	
Capital related liabilities	24,715,369
Non-capital related liabilities	709,016
Net pension liability	52,141,668
Other postemployment benefits liability	20,595,729
Total Liabilities	<u>108,631,037</u>
Deferred Inflows of Resources	
Pension related	13,403,208
Total Deferred Inflows of Resources	<u>13,403,208</u>
Net Position	
Net Investment in Capital Assets	567,539
Restricted For:	
Debt Service	1,913,858
Capital Projects	13,386,315
Workers' Compensation	1,577
Food Service	1,209,976
Other Purposes	4,599,530
Unrestricted	(67,984,330)
Total Net Position	<u>\$ (46,305,535)</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	15,289,183	446,584	291,181	(14,551,418)
Special programs	3,836,229	--	--	(3,836,229)
Vocational programs	1,126,822	--	--	(1,126,822)
All other programs	3,771,185	--	1,904,964	(1,866,221)
Support services:				
Student services	2,676,977	--	97,908	(2,579,069)
Instructional staff support	2,864,102	--	5,071,691	2,207,589
General administration	814,052	--	--	(814,052)
School administration	2,096,730	--	--	(2,096,730)
Business services	467,099	--	--	(467,099)
Plant services	5,487,019	--	--	(5,487,019)
Student transportation services	3,014,800	--	--	(3,014,800)
Central services	765,336	--	1,464,253	698,917
Food services	3,044,844	415,104	504,751	(2,124,989)
Community service programs	63,770	--	--	(63,770)
Pension expense	2,967,947	--	--	(2,967,947)
Interest on long-term debt	1,066,036	--	--	(1,066,036)
Total Governmental Activities	\$ 49,352,131	\$ 861,688	\$ 9,334,748	(39,155,695)
Taxes:				
Property taxes, levied for general purposes				4,262,601
Property taxes, levied for debt services				2,235,230
Property taxes				5,936
Sales and use taxes, levied for general purposes				8,624,013
State revenue sharing				155,501
Grants and contributions not restricted to specific purposes:				
State Source - Minimum Foundation Program				26,069,420
State Source - Other Unrestricted Revenues				35,065
Interest and investment earnings				87,976
Total general revenues and special items				41,475,742
Change in net position				2,320,047
Net position, Beginning, as previously reported				13,835,915
Prior period adjustment				(62,461,497)
Net position, Beginning, as restated				(48,625,582)
Net position, June 30, 2015				\$ (46,305,535)

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Many Elementary Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 12,087,658	\$ 5,222,009	\$ 10,317,614	\$ 27,627,281
Investments	3,100,000	5,800,000	--	8,900,000
Receivables	2,922,660	--	1,939,317	4,861,977
Inventories	--	--	127,589	127,589
Other current assets	285	--	--	285
Total Assets	\$ 18,110,603	\$ 11,022,009	\$ 12,384,520	\$ 41,517,132
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts, salaries, and other payables	\$ 6,004,349	\$ --	\$ 1,962,627	\$ 7,966,976
Deposits due others	16,270	--	--	16,270
Total Liabilities	6,020,619	--	1,962,627	7,983,246
Fund Balances:				
Restricted:				
Workers' Compensation	1,577	--	--	1,577
Debt Service	--	--	2,248,081	2,248,081
Capital Projects	--	11,022,009	2,364,306	13,386,315
Food Service	--	--	1,209,976	1,209,976
Other Purposes	--	--	4,599,530	4,599,530
Unassigned	12,088,407	--	--	12,088,407
Total Fund Balances	12,089,984	11,022,009	10,421,893	33,533,886
Total Liabilities and Fund Balances	\$ 18,110,603	\$ 11,022,009	\$ 12,384,520	\$ 41,517,132

The accompanying notes are an integral part of this statement.

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

Total fund balances for governmental funds	\$ 33,533,886
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not reported in the funds.	27,397,377
Liabilities due in one year are not recognized in the funds.	(2,151,786)
Payables for bond principal which are not due in the current period are not reported in the funds.	(23,957,369)
Payables for bond interest which are not due in the current period are not reported in the funds.	(334,223)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(709,016)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	(758,000)
Other post-employment liability is not reported in the funds.	(20,595,729)
Recognition of the Sabine Parish 's proportionate share of the net pension liability is not reported in the funds.	(52,141,668)
Deferred Inflows of Resources related to TRSL and LSERS are not reported in the funds.	(13,403,208)
Deferred Outflows of Resources related to TRS and LSERS are not reported in the funds.	<u>6,814,201</u>
 Net position of governmental activities	 <u>\$ (46,305,535)</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Many Elementary Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 1,056,779	\$ --	\$ 5,446,988	\$ 6,503,767
Sales and use	6,899,968	--	1,724,045	8,624,013
Interest earnings	43,175	28,447	16,354	87,976
Charges for services	--	--	415,104	415,104
Other	518,378	--	39,534	557,912
Total Local Sources	<u>8,518,300</u>	<u>28,447</u>	<u>7,642,025</u>	<u>16,188,772</u>
State sources:				
Minimum Foundation Program	25,798,482	--	270,938	26,069,420
Other	1,094,510	--	63,921	1,158,431
Total State Sources	<u>26,892,992</u>	<u>--</u>	<u>334,859</u>	<u>27,227,851</u>
Federal Sources				
	--	--	8,255,555	8,255,555
Total Revenues	<u>35,411,292</u>	<u>28,447</u>	<u>16,232,439</u>	<u>51,672,178</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	15,891,364	--	271,960	16,163,324
Special programs	4,219,115	--	375,545	4,594,660
Vocational programs	1,304,500	--	44,514	1,349,014
All other programs	1,489,182	--	3,029,775	4,518,957
Support services:				
Student services	1,670,092	--	227,926	1,898,018
Instructional staff support	1,556,872	--	1,837,699	3,394,571
General administration	727,638	218	179,100	906,956
School administration	2,284,057	--	48,192	2,332,249
Business services	483,371	--	37,036	520,407
Plant services	1,034,135	36	2,838,016	3,872,187
Student transportation services	2,916,144	--	266,980	3,183,124
Central services	829,880	--	14,349	844,229
School food services	89,745	--	2,929,598	3,019,343
Community service programs	40,124	--	23,646	63,770
Capital outlay	14,462	4,868,141	439,021	5,321,624
Debt service:				
Principal retirement	159,000	--	1,865,341	2,024,341
Interest and bank charges	18,701	--	1,044,028	1,062,729
Other	250	--	5,054	5,304
Total Expenditures	<u>34,728,632</u>	<u>4,868,395</u>	<u>15,477,780</u>	<u>55,074,807</u>
Other Financing Sources (Uses):				
Transfers In	417,190	--	1,575,230	1,992,420
Transfers Out	(295,175)	--	(1,697,245)	(1,992,420)
Local Revenue Transfers - Charter Schools	(64,896)	--	--	(64,896)
Total Other Financing Sources (Uses)	<u>57,119</u>	<u>--</u>	<u>(122,015)</u>	<u>(64,896)</u>
Net Change in Fund Balances	739,779	(4,839,948)	632,644	(3,467,525)
July 1, 2014	11,350,205	15,861,957	9,789,249	37,001,411
June 30, 2015	<u>\$ 12,089,984</u>	<u>\$ 11,022,009</u>	<u>\$ 10,421,893</u>	<u>\$ 33,533,886</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
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, 2015

Net change in fund balances - total governmental funds	\$ (3,467,525)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	4,268,149
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,505,973)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(13,339)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(2,705,347)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,818,341
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	206,000
(Increase) decrease in accrued interest from beginning of period to end of period.	1,997
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(13,078)
Pension contributions made after the measurement date.	6,698,769
The Sabine Parish's pension expense for TRLS and LSERS.	<u>(2,967,947)</u>
Change in net position of governmental activities	<u>\$ 2,320,047</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH SCHOOL BOARD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015**

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 523,519
Total Assets	<u>\$ 523,519</u>
LIABILITIES	
Amounts Due to Others	\$ 523,519
Total Liabilities	<u>\$ 523,519</u>

The accompanying notes are an integral part of this statement.

Sabine Parish School Board

Notes to the Financial Statements
June 30, 2015

SABINE PARISH SCHOOL BOARD

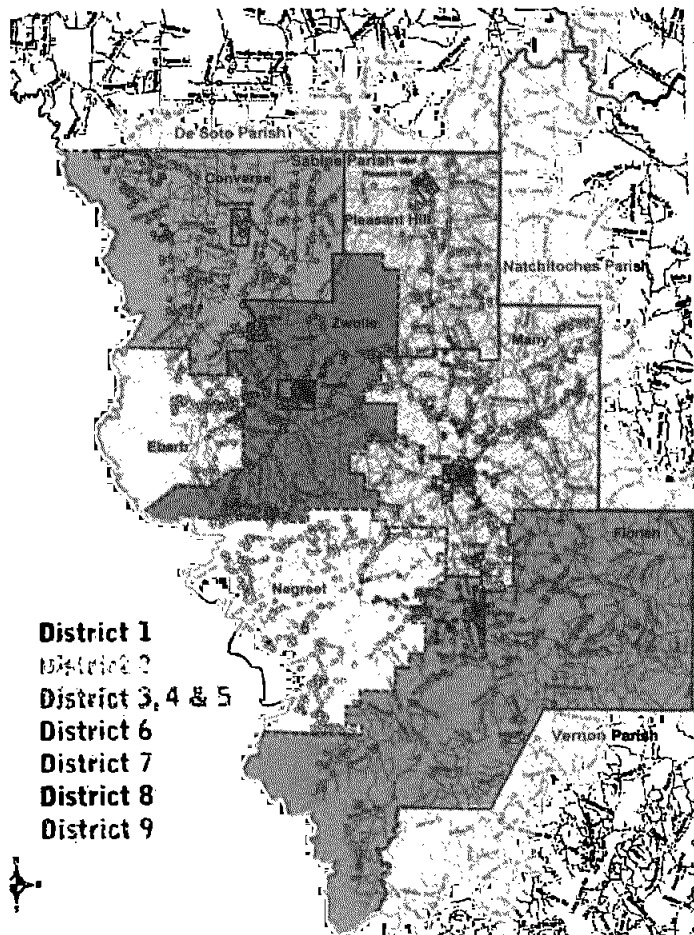
Notes to the Financial Statements

For the Year Ended June 30, 2015

INTRODUCTION

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

The school board operates 11 schools within the parish with a total enrollment of 4,404 pupils. The school board serves an area of approximately 1,012 square miles. 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.



SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Sabine Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the school board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the school board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The school board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the school board has a significant relationship.

C. FUNDS

The school board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain school board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the school board are classified into two categories: governmental and fiduciary, as follows:

Governmental Funds

Governmental funds account for all or most of the school board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the school board. The following are the school board's primary governmental funds:

General fund - the primary operating fund of the school board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to school board policy.

Special revenue funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the school board to be accounted for separately.

Debt service funds - account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

Capital projects funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

The only fund accounted for in this category by the school board is the agency fund. The agency fund accounts for assets held by the school board as an agent for schools, and school organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but does use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

Allocation of Indirect Expenses - The school board reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

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

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

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The school board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

Revenues

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

Federal commodities are recognized as revenues in the accounting period they are received. Food service income is recorded when collected. All food service income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use tax revenues are recorded in the month collected by the tax collector.

Interest earnings are recorded when the investments have matured and the interest is available.

Revenues from rentals, leases, and oil royalties are recorded when earned. Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Teacher salaries are earned over a nine (9) month period, but are paid over a twelve (12) month period.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Food costs are recognized as expenditures in the period in which the food is consumed.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term debt proceeds, etc.) are accounted for as other financing sources (uses).

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

These other financing sources (uses) are recognized at the time the underlying events occur.

Unearned Revenues

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

E. BUDGETS

The school board adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the business manager, the superintendent, and the finance committee of the school board during July and/or August of each year. During August and/or September, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in an official journal. At its first meeting in September, the school board holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the school board as a whole. The budgets are then adopted, and notice is published in an official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to ensure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The superintendent of schools is authorized to transfer amounts between line items within a fund; however, when requested by the school board, budgetary comparisons are prepared and presented to the school board during a regular meeting. The school board reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments.

The adoption of the amendments is included in the school board minutes published in the official journal. Budget amounts included in the accompanying financial statements include the originally adopted and the final amended budget amounts.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of 90 days or less. Under state law, the school

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. INVESTMENTS

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

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the school board, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct US Treasury Obligations, bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or the US government instrumentalities, provided that such obligations are backed by the full faith and credit of the US government. The school board may invest in savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the school board may invest in mutual or trust fund institutions, limited to 25% of the funds considered available for investment under this section. These mutual or trust fund institutions must be registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies.

Investments are stated at fair value.

H. SHORT-TERM INTERFUND RECEIVABLES/ PAYABLES

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

I. INVENTORIES

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the school board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at the lower of cost, using the first-in, first-out (FIFO) method. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are assigned values based on information provided by the USDA, also on a FIFO basis. The amount of commodity inventory is included in unearned revenue until consumed.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$5,000 or more for capitalizing capital assets. Expenditures for maintenance, repairs and minor renewals are charged as an expenditure as incurred.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	N/A
Buildings and building improvements	10 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 10 years
Equipment	5 - 10 years

K. COMPENSATED ABSENCES

The School Board's policy relating to vacation leave is that all 12-month employees earn 12 days of vacation leave each year. Vacation time may be accumulated up to 20 days maximum. Upon separation, all unused vacation leave shall be paid to the employee at the next pay period at the employee's current rate of pay.

Dependent upon months employed anywhere from 10 to 12 days of sick leave can be accumulated per year and can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement, the total unused accumulated sick leave, including the 25 days paid, is included in the retirement benefits calculation as earned service.

Sabbatical leave may be granted for medical leave or 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.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. EQUITY CLASSIFICATION

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

1. Net investment in capital assets—consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position—consists of net position with constraints placed on use either by (a) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. At June 30, 2015, Sabine Parish School Board reported \$19,901,280 in restricted net position.
3. Unrestricted net position—all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Beginning with fiscal year 2011, the School Board implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance—amounts that are not in a spendable form (such as prepaid items) or are required to be maintained intact; currently there is no nonspendable fund balance for this school board.
- Committed fund balance—amounts constrained to a specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint; currently there is no committed fund balance for this school board;
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

- Assigned fund balance—amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; currently there is no assigned fund balance for this school board;
- Unassigned fund balance—amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose (such as for the purchase of capital assets, construction, debt service, or other purposes).

M. NEW PRONOUNCEMENTS

In June 2012, the GASB issued GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, note disclosure and required supplementary information requirements about pensions also are addressed. This Statement is effective for fiscal years beginning after June 15, 2014.

N. INTERFUND TRANSACTIONS

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

O. SALES TAXES

The Sabine Parish Sales Tax Commission is authorized to collect, within Sabine Parish, the following sales and use taxes for the benefit of the Sabine Parish School Board:

1. A 1% parish-wide sales and use tax with the net proceeds, after deducting cost of collection, administration, and the portion dedicated to supplement salaries of school board employees and/or operations of the public schools within the parish.
2. A one-half of 1% sales and use tax within the territorial boundaries of the Many School School Board (Sales Tax School Board No. 1) with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

construction, improving, operating and maintaining the public school building and facilities of Sales Tax School Board No. 1. Additionally, the school board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of Sales Tax School Board No. 1.

3. A one-half of 1% sales and use tax within the territorial boundaries of the Sabine Parish, excluding the Many School School Board (Sales Tax School Board No. 2), with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to construction, improving, operating and maintaining the public school building and facilities of Sales Tax School Board No. 2. The proceeds of the tax are to be allocated for expenditures within the various schools, underlying the School Board, on a per pupil basis. Additionally, the school board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of the Sales Tax School Board No. 2.
4. A 1% parish-wide sales and use tax with the net proceeds, after deducting costs of collection, administration, and the portion dedicated to supplement salaries of school board employees.

P. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. LEVIED TAXES

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2015, taxes were levied by the School Board in August 2009, and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Sabine 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, 2015, taxes were levied on property with net assessed valuations totaling \$173,001,953, and were dedicated as follows:

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

Parish-wide Taxes:

Constitutional 5.15 mills

Maintenance 8.68 mills

School Board Taxes:

School Board No. 20 (South Sabine) - maintenance 7.82 mills, debt service 12.50 mills

School Board No. 62 (Negreet) - maintenance 6.63 mills, debt service 17.45 mills

School Board No. 34 (Many) - maintenance 7.23 mills, debt service 29.45 mills

School Board No. 17 (Ebarb) - maintenance 16.09 mills, debt service 28.65 mills

School Board No. 8 (Converse) - maintenance 12.90 mills, debt service 5.45 mills

School Board No. 42 (Pleasant Hill) - maintenance 10.75 mills, debt service 2.30 mills

School Board No. 61 (Zwolle) - maintenance 11.24 mills, debt service 9.05 mills

Gross taxes levied for the current fiscal year totaled \$6,327,670. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$6,503,767.

3. CASH AND CASH EQUIVALENTS

At June 30, 2015, the school board has cash and cash equivalents (book balances) totaling \$28,150,800 in interest-bearing demand deposits.

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

At June 30, 2015, the school board has \$28,491,194 in deposits (collected bank balances). These deposits are secured from risk by \$1,055,506 of federal deposit insurance and \$27,435,689 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

4. INVESTMENTS

As of June 30, 2015, the Sabine Parish School Board had the following investments:

<u>Investment type</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of deposit	n/a	1 year	\$ <u>8,900,000</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School Board does not have a formal investment policy

SABINE PARISH SCHOOL BOARD
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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Board does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, the School Board will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Board does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2015, the School Board did not have any investments to which this would apply.

Concentration of Credit Risk. Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investments for the School Board. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of June 30, 2015, the School Board did not have any investments to which this would apply.

5. RECEIVABLES

The receivables of \$4,861,977 at June 30, 2015, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Taxes:					
Sales and use	\$ 636,317	\$ 159,057	\$ -	\$ -	\$ 795,374
Intergovernmental grants:					
Federal	-	1,662,423	-	-	1,662,423
State	423,301	40,216	-	667	464,184
Local accounts	1,863,042	33,909	28,293	14,752	1,939,996
Total	\$ 2,922,660	\$ 1,895,605	\$ 28,293	\$ 15,419	\$ 4,861,977

The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

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 Many, Louisiana
 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

6. CAPITAL ASSETS

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

	Balance, July 1, 2014	Additions	Retirements	Balance, June 30, 2015
Land	\$ 321,743	-	-	321,743
Construction in progress	1,250,145	4,084,310	-	5,334,455
Buildings and improvements	45,027,643	60,424	-	45,088,067
Furniture and equipment	3,947,092	123,415	61,003	4,009,504
Total capital assets	<u>50,546,623</u>	<u>4,268,149</u>	<u>61,003</u>	<u>54,753,769</u>
Accumulated depreciation:				
Buildings and improvements	23,740,158	1,126,985	-	24,867,143
Furniture and equipment	2,157,925	378,988	47,664	2,489,249
Total accumulated depreciation	<u>25,898,083</u>	<u>1,505,973</u>	<u>47,664</u>	<u>27,356,392</u>
Net capital assets	<u>\$24,648,540</u>	<u>2,762,176</u>	<u>13,339</u>	<u>27,397,377</u>

Depreciation expense of \$1,505,973 for the year ended June 30, 2015, was charged to the following governmental functions:

<u>Depreciation Expense:</u>	<u>Amount</u>
Instruction	\$ 4,727
Support services	195,345
Food services	12,162
Plant services	1,293,739
Total depreciation expense	<u>\$ 1,505,973</u>

7. RETIREMENT SYSTEMS

Substantially all employees of the school board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

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Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2015

A. Teachers' Retirement System of Louisiana (TRSL)

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

Retirement Benefits:

1. **NORMAL RETIREMENT**

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

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

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

Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

Benefit Formula

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

Payment Options

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

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

2. DEFERRED RETIREMENT OPTION PROGRAM (DROP)

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

Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

3. DISABILITY BENEFITS

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

4. SURVIVOR BENEFITS

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Optional Retirement Plan (ORP)

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

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

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

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2015 are as follows:

2015 TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	28.0%
Higher Ed Regular Plan	8.0%	26.4%
Plan A	9.1%	33.1%
Plan B	5.0%	30.1%

ORP	Contributions	
	Employee	Employer
2015	8.0	22.7%

The School Board's contractually required composite contribution rate for the year ended June 30, 2015 was 28% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to the pension plan from the School Board were \$6,150,151 for the year ended June 30, 2015.

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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

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

At June 30, 2015, the Employer reported a liability of \$48,752,152 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the School Board's proportion was 0.47696%, which was a decrease of 0.05102% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School Board recognized pension expense of \$4,279,583.

At June 30, 2015, 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	\$	\$ 466,761
Net difference between projected and actual earnings on pension plan investments		6,220,884
Employer contributions subsequent to the measurement date	6,150,151	
Total	\$ 6,150,151	\$ 6,687,645

\$6,150,151 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$1,671,911
2017	1,671,911
2018	1,671,911
2019	<u>1,671,911</u>
Total	<u>\$6,687,644</u>

SABINE PARISH SCHOOL BOARD
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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2014, and 2013 are as follows:

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	\$0
Expected Remaining Service Lives	5 years
Investment rate of return	7.75% net of investment expenses
Inflation rate	2.5% per annum
Projected salary increases	3.50% - 10.0% varies depending on duration of service
Cost-of-living adjustments	None
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	31.0%	4.71%
International equity	19.0%	5.69%
Domestic fixed income	14.0%	2.04%
International fixed income	7.0%	2.80%
Alternatives	29.0	5.94%

Discount Rate

The discount rate used to measure the total pension liability was 7.75%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Current Discount Rate		
	1.0% Decrease (6.75%)	(7.75%)	1.0% Increase (8.75%)
Employer's proportionate share of the net pension liability	\$ 62,092,981	\$ 48,752,152	\$ 37,398,448

SABINE PARISH SCHOOL BOARD
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Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2015

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2014 Comprehensive Annual Financial Report at www.trsl.org.

B. Louisiana School Employees' Retirement System (LSERS)

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan Description

The State of Louisiana School Employees' Retirement System (LSERS) is the administrator of cost-sharing multiple-employer defined benefit pension plan and is a component unit of the State of Louisiana and is included in the State's CAFR as a Pension Trust Fund. The System was established and provided for by Louisiana Revised Statute (LRS) 11:1001. The accompanying statements present information only as to transactions of the System as authorized by Louisiana Revised Statutes.

Benefits Provided

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

Retirement Benefits:

1. **REGULAR SERVICE RETIREMENT PLAN**

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

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

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.

Benefit Formula

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

Payment Options

A member who retires can choose to receive benefits under the Maximum Plan, which is the largest benefit available, or under an optional plan, which reduces the member's benefit, but also provides benefits for a beneficiary after the member's death. No optional selection shall be effective if a member dies within 30 days after the effective date of retirement. The selection of a retirement plan is irrevocable once LSERS receives a properly completed affidavit from a member.

In lieu of early service retirement, the member may retire with a minimum of 20 years of service at any age, exclusive of military service and unused sick and annual leave. Your benefit is actuarially reduced under this plan based on your age and the number of years you are away from regular retirement. Under the regular service retirement, the member may retire and begin receiving a monthly benefit after meeting one of the minimum requirements. You are entitled to a lifetime monthly benefit based on your years of service, final average compensation, and the applicable retirement accrual rate.

2. DEFERRED RETIREMENT OPTION PROGRAM (DROP)

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

3. INITIAL BENEFIT RETIREMENT PLAN (IBRP)

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

4. DISABILITY BENEFITS

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs). Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.

SABINE PARISH SCHOOL BOARD
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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

Contributions

Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The School Board's contractually required composite contribution rate for the year ended June 30, 2015 was 33% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to the pension plan from the School Board were \$548,618 for the year ended June 30, 2015.

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

At June 30, 2015, the Employer reported a liability of \$3,389,516 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the School Board's proportion was 0.5847%, which was a decrease of 0.6822% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School Board recognized pension expense of \$17,330.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 185,500
Changes in assumptions	115,432	
Net difference between projected and actual earnings on pension plan investments		719,191
Changes in proportion and differences between Employer contributions and proportionate share of contributions		495,009
Employer contributions subsequent to the measurement date	548,618	
Total	\$ <u>664,050</u>	\$ <u>1,399,700</u>

\$548,618 reported as deferred outflows of resources related to pensions resulting from School

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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016.

There were no other amounts to report as deferred outflows of resources and deferred inflows of resources related to pensions that will be recognized in pension expense.

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2014, and 2013 are as follows:

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	\$115,432
Expected Remaining Service Lives	3 years
Investment rate of return	7.25% net of investment expenses
Inflation rate	2.75% per annum
Projected salary increases	Salary increases were projected based on a 2008-2012 experience study of the Plan's members. The annual salary growth rates are based upon the members' years of service.
Cost-of-living adjustments	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.

The long-term expected rate of return on pension plan investments was determined using a 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

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

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.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	30%	0.99%
Equity	51%	2.76%
Alternatives	13%	0.71%
Real Assets	6%	0.32%
Total	100%	4.78%
Inflation		
Expected Arithmetic Nominal Return		2.75%
		7.53%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Obligation would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

	<u>1.0% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
Employer's proportionate share of the net pension liability	\$ 4,687,420	\$ 3,389,516	\$ 2,094,268

Pension Plan Fiduciary Net Position

School Employees Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2014. Access to the audit report can be found on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

8. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Background

The State of Louisiana compensates its employees in a variety of ways in exchange for their services. In addition to a salary, many employees are provided benefits over their years of service that will not be received until their employment with the State ends. The most common of these postemployment benefits is a pension. Other postemployment benefits (OPEB) provided are healthcare and life insurance benefits. For fiscal years prior to 2009, the costs of providing the State's portion of retiree medical and life insurance benefit premiums were recognized as an expense when the benefit premiums were due and were financed on a pay-as-you-go basis. Effective July 1, 2008, the Sabine Parish School Board implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other postemployment benefits. The premiums will still be financed on a pay-as-you-go basis.

Plan Description

The Sabine Parish School Board's (SPSB) employees participate in the State of Louisiana's OPEB plan, Office of Group Benefits (OGB), is the administrator for the agent multiple-employer defined benefit OPEB plan. It provides healthcare coverage and life insurance to eligible participants who are employees of SBSB. The SPSB had 435 active participants and 353 retired participants in the plan for the fiscal year ending June 30, 2015. Benefit provisions are established or may be amended under the authority of LRS 42:802. All benefits and premium structures are reviewed by the OGB Policy and Planning Board. OGB does not issue stand-alone financial report of the Plan; however, the financial information is included in the State's Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained on the website at <http://www.doa.louisiana.gov/OSRAP/CAFR-2.htm>.

Funding Policy

Substantially all employees become eligible for postretirement benefits if they reach normal retirement age while working for the State and area member of OGB. Life insurance for the individual employee is financed by equal contributions from the State and the employee; insurance for eligible dependents and voluntary optional life products are funded totally through employee contributions. To be eligible for retiree health insurance coverage, the coverage must be in effect prior to the retirement date. For those beginning participation or rejoining on or after

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

January 1, 2002, the state subsidy of the premium is based on the number of years in a Group Benefits Health Plan. This also applies to dependents that begin coverage after July 1, 2002. OGB offers three standard healthcare plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (FFS) plan. Administrative costs of the OGB plan are financed through the premiums collected for all classes of active and retired plan members. Contribution amounts vary depending on which healthcare provider is selected from the plan, years of participation, and if the member has Medicare coverage. Following is a summary of plan provisions.

Health Insurance Monthly Premiums

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution %</u>	<u>Employee Contribution %</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Life insurance premiums are as follows, retiree pays 50 cents for each \$1,000 of life insurance and 88 cents for each \$1,000 of spouse life insurance.

Annual OPEB Cost and Net OPEB Obligation

The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Effective July 1, 2008, the Sabine Parish School Board implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other postemployment benefits and the OPEB liability at transition was zero. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows:

Annual Required Contribution	\$ 5,084,500
Annual OPEB cost	\$ 5,084,500
Premium payments made on behalf of retirees	\$ 2,379,153
Increase in net OPEB obligation	\$ 2,705,347
Net OPEB obligation, beginning	\$ 17,890,382
Net OPEB obligation, ending	\$ 20,595,729
Percentage of Annual OPEB Cost Contributed	46.79%

SABINE PARISH SCHOOL BOARD
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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$72,624,000 for Sabine Parish School Board, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,607,200, and the ratio of unfunded actuarial accrued liability to the covered payroll was 1,099%.

Actuarial valuation of the plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 8% investment rate of return (net of administrative expenses). The unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll amortization method on an open basis. The remaining amortization period at June 30, 2015, was 25 years. The actuarially determined funding progress and required contributions for OGB OPEB Plan using the projected unit credit method is as follows:

Schedule of Funding Progress

Actuarial valuation date	7/01/2014
Actuarial accrued liability (AAL)	\$72,624,000
Unfunded AAL (UAAL)	\$72,624,000
Funded ratio	0%
Covered payroll	\$6,607,200
UAAL as a Percentage of Covered Payroll	1,099%

SABINE PARISH SCHOOL BOARD
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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

Schedule of Employer Contributions

Annual Required Contribution (ARC)	\$5,084,500
Premium payments made on behalf of retirees	\$2,379,153
Percentage Contributed	46.79%

9. ACCOUNTS, SALARIES, AND OTHER PAYABLES

Payables of \$7,966,976 at June 30, 2015, are as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Salaries & withholdings	\$ 5,471,024	\$ 782,503	\$ 6,253,527
Accounts payable	520,551	1,099,988	1,620,539
Other	12,774	80,136	92,910
Total	<u>\$ 6,004,349</u>	<u>\$ 1,962,627</u>	<u>\$ 7,966,976</u>

10. COMPENSATED ABSENCES

At June 30, 2015, employees of the School Board have accumulated and vested \$746,333 of employee leave benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

11. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2015:

	<u>Balance, July 1, 2014</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance, June 30, 2015</u>	<u>Due within one year</u>
Bonds payable	\$ 27,680,179	-	1,818,341	25,861,838	1,904,469
Certificates of Indebtedness	1,174,000	-	206,000	968,000	210,000
Compensated Absences	733,255	13,078	-	746,333	37,317
Total	<u>\$ 29,587,434</u>	<u>13,078</u>	<u>2,024,341</u>	<u>27,576,171</u>	<u>2,151,786</u>

All school board bonds outstanding at June 30, 2015, for \$25,861,838, are general obligation or sales tax bonds. The individual issues are as follows:

SABINE PARISH SCHOOL BOARD
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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

Bond Issue	Original Issue Amount	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding	Funding Source
General Obligation:						
Zwolle #61 Refunding, 5/25/2006	\$ 1,520,000	.1% to 4.75%	3/1/2020	\$ 121,362	\$ 825,000	Sabine State Bank
Zwolle, 10/20/2010	1,000,000	.1% to 4.95%	3/1/2030	340,020	931,000	Sabine State Bank
Converse #8A Refunding, 7/18/2003	519,000	.1% to 4.95%	3/1/2021	33,664	201,000	Sabine State Bank
Converse #8A Refunding, 12/20/2007	1,465,000	.1% to 4.5%	3/1/2019	73,352	650,000	Argent Trust
Ebarb #17 Refunding, 12/05/2002	350,000	4.55%	2/1/2016	1,820	40,000	City Bank & Trust
Ebarb #17, 3/28/2007	1,159,000	4.125%	3/28/2037	573,185	980,838	USDA
Many #34 Refunding, 4/3/2006	3,240,000	3.95% to 4.15%	3/1/2020	226,845	1,770,000	Whitney Bank
Pleasant Hill #42 Refunding, 8/11/2003	712,000	.1% to 4.95%	2/1/2020	36,102	252,000	Sabine State Bank
Negreet #62A Refunding, 05/25/2006	3,325,000	1% to 4.75%	3/1/2018	115,188	1,190,000	JP Morgan Chase
South Sabine #20, 03/01/2011	2,300,000	2.25% to 4%	3/1/2026	433,290	1,910,000	Whitney Bank
Many School School Board# 34, 03/19/14	17,225,000	2% to 4%	3/1/2034	7,344,100	16,735,000	Whitney Bank
Sales Tax:						
Zwolle #2 Refunding, 5/1/2001	1,100,000	2.82%	8/1/2020	33,177	377,000	Bank of NY Trust Co.
Total Bonds				<u>\$ 9,332,105</u>	<u>\$25,861,838</u>	

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish (or other as indicated). At June 30, 2015, the school board has accumulated \$2,232,662 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2016	\$ 1,904,469	995,699	2,900,168
2017	1,946,644	921,735	2,868,379
2018	2,042,866	845,970	2,888,836
2019	1,695,140	770,826	2,465,966
2020	1,558,465	702,326	2,260,791
2021-2025	5,656,208	2,773,825	8,430,033
2026-2030	5,852,587	1,722,687	7,575,274
2031-2037	5,205,459	599,036	5,804,495
Total	<u>\$ 25,861,838</u>	<u>9,332,104</u>	<u>31,193,942</u>

In accordance with R.S. 39:562, the school board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2015, the statutory limit is \$60,550,684, and outstanding bonded debt totals \$25,861,838.

In addition, the school board is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails of the tax. The school board was within this 75% limitation in 2001 and 2006, when the sales tax bonds were issued.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2015

The individual Certificates of Indebtedness are as follows:

Certificate of Indebtedness	Original Issue Amount	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding	Funding Source
Sabine Parish SB, 6/5/2003	1,185,000	2.35% to 5%	1/1/2019	-	75,000	Hancock Bank, Argent Trust
GF Excess Revenue, 7/31/2008	500,000	3.77%	7/1/2018	12,931	169,000	Hancock Bank, LPFA
Ebarb School Improvement, 7/31/2008	500,000	4.09%	8/1/2021	36,498	297,000	Hancock Bank, LPFA
Sabine Parish SB, Refunding	631,000	0.9 to 3.25%	1/1/2019	24,816	427,000	Sabine State Bank
				<u>\$ 74,245</u>	<u>\$ 968,000</u>	

The certificates are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2016	\$ 210,000	25,697	235,697
2017	217,000	20,254	237,254
2018	229,000	14,080	243,080
2019	174,000	7,147	181,147
2020	44,000	3,886	47,886
2021-2022	94,000	3,181	97,181
Total	<u>\$ 968,000</u>	<u>74,245</u>	<u>1,042,245</u>

Defeased Debt:

In prior years, the school board defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the school board's financial statements. On June 30, 2015, a total of \$6,485,000 of bonds outstanding is considered defeased.

12. INTER-FUND TRANSFERS

The following is a summary of inter-fund transfers:

Receiving Fund	Paying Fund	Amount
General	Other Governmental	\$ 417,190
Other Governmental	General	295,175
Other Governmental	Other Governmental	1,280,055
Total		<u>\$ 1,992,420</u>

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2015

The purpose of the transfers was to provide funds for general operating activities. All transfers were routine and consistent with the fund making the transfer.

13. RISK MANAGEMENT

The school School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the school board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

With respect to injuries to employees (worker's compensation), the school board has initiated a risk management program for worker's compensation insurance. Operation of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$200,000 with an aggregate limit of \$1,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.

14. LITIGATION AND CLAIMS

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

15. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue.

The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$26,069,420 to the School Board, which represents approximately 50% of the School Board's total revenue for the year.

16. PERFORMANCE-BASED ENERGY EFFICIENCY CONTRACT

In prior years, the School Board entered into an energy performance contract with Siemens Building Technologies, Inc. (Energy Service Company or ESCO) for the purpose of the purchase and installation of an energy saving scope of work. ESCO installed equipment designed to save energy and reduce related costs for certain property and buildings owned by the School Board.

SABINE PARISH SCHOOL BOARD
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 Notes to the Financial Statements (Continued)
 For the Year Ended June 30, 2015

The Louisiana Attorney General issued an opinion (A.G. Opinion Number 07-0002) regarding a similar contract with another school board and concluded that because the operational stipulated savings are not guaranteed by the contractor, the contract does not meet the statutory definition of a performance-based energy efficiency contract.

The contractor sued the other school board in the 18th Judicial School Board Court for payment relating to the contract. The court for the School Board found and determined that the contract was not fully guaranteed and was found to be null and void. Siemen's requests for review and reversal by the Fifth Circuit Court of Appeals and the Supreme Court were rejected.

The contract of the Sabine Parish School Board, in addition to the operational stipulated savings clause, the contract also contains a verifiable (measured) energy savings clause. The School Board entered into the contract based solely on the savings provided by the verifiable (measured) energy savings clause without consideration for the amount of the stipulated savings clause. Management of the School Board determined that their verifiable (measured) savings is more than the annual payments being made, and they will continue to monitor the performance of the contract.

17. EFFECT ON DEFERRED AMOUNTS ON NET POSITION

The unrestricted net position amount of \$66,774,354 includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. The \$6,814,201 balance of deferred outflow of resources, at June 30, 2015 will be recognized as an expense and will decrease the unrestricted net position over the next 3 years.

The unrestricted net position amount of \$66,774,354 includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$13,403,208 balance of deferred inflow of resources, at June 30, 2015 will be recognized as a revenue and will increase the unrestricted net position over the next 4 years.

18. PRIOR PERIOD ADJUSTMENTS

Explanation	Amount
Implementation of GASB 68 and 71:	\$
Net pension liability (06-30-14)	(68,232,404)
Deferred outflows - contributions made during fiscal year 2014	<u>5,770,907</u>
Total prior period adjustment related to GASB 68 and 71	
Total	<u>\$ (62,461,497)</u>

SABINE PARISH SCHOOL BOARD
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Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2015

19. SUBSEQUENT EVENTS

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Sabine Parish School Board evaluated the activity of the board through the date the financial statements were available to be issued and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

Budgetary Comparison Schedule

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

SABINE PARISH SCHOOL BOARD
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GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (Budgetary Basis)	VARIANCE WITH FINAL BUDGET Positive (Negative)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ (6,024,838)	\$ 6,298,314	\$ 10,876,236	\$ 4,577,922
RESOURCES (Inflows)				
Local sources:				
Taxes:				
Ad valorem	2,483,845	1,056,779	1,056,779	-
Sales and use	6,730,000	6,899,968	6,899,968	-
Interest earnings	43,990	43,175	43,175	-
Other	174,400	430,867	518,378	87,511
Transfers from other funds	7,915,136	7,944,241	417,190	(7,527,051)
Proceeds - Disposal of Real/Personal Property	17,142	87,511		(87,511)
Total local sources	<u>17,364,513</u>	<u>16,462,541</u>	<u>8,935,490</u>	<u>(7,527,051)</u>
State sources:				
Minimum Foundation Program	25,810,046	25,798,482	25,798,482	-
Other	919,923	1,094,510	1,094,510	-
Total state sources	<u>26,729,969</u>	<u>26,892,992</u>	<u>26,892,992</u>	-
Federal sources	<u>277</u>	<u>0</u>	<u>0</u>	-
Amounts available for appropriations	<u>38,069,921</u>	<u>49,653,847</u>	<u>46,704,718</u>	<u>(2,949,129)</u>
CHARGES TO APPROPRIATIONS (Outflows)				
Instruction:				
Regular programs	16,066,670	15,890,828	15,891,364	(536)
Special programs	4,202,543	4,219,115	4,219,115	0
Vocational programs	1,363,080	1,304,500	1,304,500	0
All other programs	1,298,232	1,489,182	1,489,182	0
Support services:				
Student services	1,554,963	1,670,092	1,670,092	0
Instructional staff support	1,631,126	1,556,872	1,556,872	0
General administration	643,788	727,638	727,638	0
School administration	2,124,233	2,284,057	2,284,057	0
Business services	448,647	483,371	483,371	0
Plant services	2,545,672	1,034,135	1,034,135	0
Student transportation services	2,957,208	2,916,144	2,916,144	0
Central services	579,073	829,880	829,880	0
School food services	92,001	89,745	89,745	0
Community service programs	27,779	39,978	40,124	(146)
Capital outlay	159,750	14,462	14,462	0
Debt service payments	179,001	177,951	177,951	0
Transfers to other funds	7,864,122	7,887,268	295,175	7,592,093
Total charges to appropriations	<u>43,737,888</u>	<u>42,615,218</u>	<u>35,023,807</u>	<u>7,591,411</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ (5,667,967)</u>	<u>\$ 7,038,629</u>	<u>\$ 11,680,911</u>	<u>\$ 4,642,282</u>

The accompanying notes are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
GENERAL FUND
Budget to GAAP Reconciliation
For the Year Ended June 30, 2015

Sources/inflows of resources:

Actual amounts (budgetary basis) available for appropriation: \$ 46,704,718

Fund Balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes: (10,876,236)

Transfers from other funds are a budgetary resource, but is not a current year revenue for financial reporting purposes: (417,190)

Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances (Exhibit E) 35,411,292

Uses/outflows of resources:

Actual amounts (budgetary basis) charges to appropriations: 35,023,807

Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes: (295,175)

Total expenditures as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances (Exhibit E) \$ 34,728,632

Sabine Parish School Board
Schedule of the School Board's Proportionate Share of the Net Pension Liability
LSERS
Last 10 Fiscal Years*

	<u>2015</u>
School Board's proportion of the net pension liability (asset)	\$ 3,389,516
School Board's proportionate share of the net pension liability (asset)	0.5847%
School Board's covered - employee payroll	1,674,768
School Board's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	202.39%
Plan fiduciary net position as a percentage of the total pension liability	76.18%

The notes to the required supplementary information are an integral part of this schedule.

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the School Board has only presented information for the years in which information is available.

Sabine Parish School Board

Schedule of the School Board's Proportionate Share of the Net Pension Liability

TRSL

Last 10 Fiscal Years*

	<u>2015</u>
Board's proportion of the net pension liability (asset) \$	48,752,152
Board's proportionate share of the net pension liability (asset)	0.47696%
Board's covered - employee payroll	19,227,783
Board's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	253.55%
Plan fiduciary net position as a percentage of the total pension liability	63.65%

The notes to the required supplementary information are an integral part of this schedule.

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the School Board has only presented information for the years in which information is available.

Sabine Parish School Board
 Schedule of the School Board Contributions
 LSERS
 Last 10 Fiscal Years*

	2015
Contractually required contribution	\$ <u>548,618</u>
Contributions in relation to the contractually required contribution	548,618
Contribution deficiency (excess)	\$ <u><u>-</u></u>
School Board's covered - employee payroll	1,662,479
Contributions as a percentage of covered - employee payroll	33.00%

The notes to the required supplementary information are an integral part of this schedule.

Sabine Parish School Board
Schedule of School Board Contributions
TRSL
Last 10 Fiscal Years*

	2015
Contractually required contribution	\$ <u>6,150,151</u>
Contributions in relation to the contractually required contribution	6,150,151
Contribution deficiency (excess)	\$ <u><u>-</u></u>
School Board's covered - employee payroll	21,964,825
Contributions as a percentage of covered - employee payroll	28.00%

The notes to the required supplementary information are an integral part of this schedule.

Sabine Parish School Board
Notes to the Required Supplementary Information
For the Year Ended June 30, 2015

A. BUDGETS

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

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

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

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

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original and adopted budget and all subsequent amendments. These revisions were not considered significant.

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

B. PENSION SCHEDULES

1. Changes of benefit terms

A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session.

1. Changes of assumptions

The changes of benefit assumptions for the State of Louisiana School Employees' Retirement System (LSERS) for the year ended June 30, 2015 was \$115,432.

SCHEDULES REQUIRED BY STATE LAW

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

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES TO THE
MANAGEMENT OF SABINE PARISH SCHOOL BOARD**

Superintendent and School Board
Sabine Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Sabine Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Sabine Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

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

Comment: No findings were noted as a result of applying agreed upon procedures.

Education Levels of Public School Staff (Schedule 2)

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

1929 SPILLWAY ROAD
BRANDON, MISSISSIPPI 39047
TELEPHONE (601) 992-5292 FAX (601)992-2033

Comment: No findings were noted as a result of applying agreed upon procedures.

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

Comment: No findings were noted as a result of applying agreed upon procedures.

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

Comment: No findings were noted as a result of applying agreed upon procedures.

Number and Type of Public Schools (Schedule 3)

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

Comment: No findings were noted as a result of applying agreed upon procedures.

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

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

Comment: No findings were noted as a result of applying agreed upon procedures.

Public School Staff Data: Average Salaries (Schedule 5)

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

Comment: No findings were noted as a result of applying agreed upon procedures.

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

Comment: No findings were noted as a result of applying agreed upon procedures.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule

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

Comment: No findings were noted as a result of applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

Comment: No findings were noted as a result of applying agreed upon procedures.

Graduation Exit Examination (GEE) (Schedule 8)

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

Comment: No findings were noted as a result of applying agreed upon procedures.

iLEAP Tests (Schedule 9)

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

Comment: No findings were noted as a result of applying agreed upon procedures.

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

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

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
December 22, 2015

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 13,148,414	
Other Instructional Staff Activities	1,230,240	
Instructional Staff Employee Benefits	7,352,341	
Purchased Professional and Technical Services	21,146	
Instructional Materials and Supplies	937,532	
Total Teacher and Student Interaction Activities		\$ 22,689,673

Other Instructional Activities 94,933

Pupil Support Activities	1,670,092	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Activities		1,670,092

Instructional Staff Services	1,555,254	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,555,254

School Administration	2,284,057	
Less: Equipment for School Administration	-	
Net Instructional Staff Services		2,284,057

Total General Fund Instructional Expenditures 28,294,009

Total General Fund Equipment Expenditures -

Certain Local Revenue Sources

Local Taxation Revenues:

Constitutional Ad Valorem Taxes	\$ 889,082	
Renewable Ad Valorem Taxes	3,207,651	
Debt Service Ad Valorem Taxes	2,235,230	
Up to 1% of Collections by the Sheriff on Taxes	165,868	
Other than School Taxes	40,579	
Sales and Use Taxes	8,589,370	
Total Local Taxation Revenues		\$ <u>15,127,780</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 12,634	
Earnings from Other Real Property	81	
Total Local Earnings on Investment in Real Property		\$ <u>12,715</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	33,159	
Revenue Sharing - Other Taxes	114,730	
Total State Revenue in Lieu of Taxes		<u>147,889</u>

Nonpublic Textbook Revenue \$ 0

Nonpublic Transportation Revenue \$ 0

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified Number	Percent	Uncertificated Number	Percent	Certified Number	Percent	Uncertificated Number	Percent
Less than a Bachelor's Degree	0	0%	-	-	-	0%	-	-
Bachelor's Degree	217	73%	-	-	-	0%	-	-
Master's Degree	58	20%	-	-	14	70%	-	-
Master's Degree + 30	19	6%	-	-	5	25%	-	-
Specialist in Education	3	1%	-	-	1	5%	-	-
Ph. D. or Ed. D	0	0%	-	-	-	0%	-	-
	297	100%	0	0%	20	100%	0	0%

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

Type	Number
Elementary	2
Middle / Jr. High	1
Secondary	1
Combination	6
	<u>10</u>

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

Type	Years of Experience							Total
	0-1 Year	2-3 Years	4-10 Years	11-14 Years	15-19 Years	20-24 Years	25 + Years	
Assistant Principals	0	0	3	1	1	1	3	9
Principals	0	0	1	2	1	5	2	11
Classroom Teachers	33	21	78	31	59	32	43	297
	33	21	82	34	61	38	48	317

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2015

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retiree and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	45,770	45,604
Average Classroom Teachers' Salary Excluding Extra Compensation	45,121	44,945
Number of Teacher Full-time Equivalent (FTEs) used in computation of Average Salaries	300	294

Class Size Characteristics
 As of October 1, 2014

School Type	Class Size Range							
	1-20		21-26		27-33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	2%	22	2%	9	0%	-	0%	-
Elementary Activity Classes	4%	48	8%	28	0%	-	0%	-
Middle / Jr. High	2%	20	4%	16	6%	3	38%	9
Middle / Jr. High Activity Classes	2%	27	9%	35	29%	15	0%	-
High	4%	49	3%	8	0%	-	0%	-
High Activity Classes	3%	35	3%	11	1%	-	0%	-
Combination	38%	430	17%	61	27%	14	62%	15
Combination Activity Classes	45%	504	54%	201	37%	19	0%	-
Other	0%	0	0%	-	0%	-	0%	-
	100%	1,135	100%	369	100%	51	100%	24

Louisiana Educational Assessment Program (LEAP)
For the Years Ended June 30, 2015, 2014 and 2013

District Achievement Level Results Students:	English Language Arts					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	6	2%	20	6%	16	6%
Mastery	105	33%	85	25%	67	24%
Basic	108	34%	155	45%	143	50%
Approaching Basic	68	21%	56	16%	47	17%
Unsatisfactory	31	10%	25	7%	11	4%
Total	318	100%	341	100%	284	100%

District Achievement Level Results Students:	Mathematics					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
	10	3%	52	15%	33	12%
	83	25%	99	29%	79	28%
	102	31%	121	35%	115	40%
	81	25%	42	12%	34	12%
	52	16%	27	8%	23	8%
Total	328	100%	341	100%	284	100%

District Achievement Level Results Students:	Science					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	5	2%	14	4%	7	2%
Mastery	38	12%	59	17%	51	18%
Basic	148	46%	175	51%	149	53%
Approaching Basic	85	27%	70	21%	61	22%
Unsatisfactory	43	13%	23	7%	15	5%
Total	319	100%	341	100%	283	100%

District Achievement Level Results Students:	Social Studies					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
	1	0%	3	1%	8	3%
	30	9%	55	16%	44	16%
	162	51%	199	58%	162	57%
	65	21%	60	18%	46	16%
	60	19%	24	7%	23	8%
Total	318	100%	341	100%	283	100%

District Achievement Level Results Students:	English Language Arts					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	12	4%	11	4%	11	4%
Mastery	133	44%	53	18%	63	22%
Basic	80	26%	158	54%	137	47%
Approaching Basic	47	16%	58	20%	68	23%
Unsatisfactory	31	10%	12	4%	14	5%
Total	303	100%	292	100%	293	100%

District Achievement Level Results Students:	Mathematics					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
	4	1%	8	3%	5	2%
	95	31%	12	4%	23	8%
	81	27%	176	60%	175	60%
	75	25%	68	23%	62	21%
	48	16%	28	10%	28	10%
Total	303	100%	292	100%	293	100%

District Achievement Level Results Students:	Science					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	5	2%	10	3%	8	3%
Mastery	48	16%	40	14%	41	14%
Basic	136	45%	151	52%	145	50%
Approaching Basic	70	23%	75	26%	77	26%
Unsatisfactory	43	14%	14	5%	20	7%
Total	302	100%	290	100%	291	100%

District Achievement Level Results Students:	Social Studies					
	2015		2014		2013	
	Number	Percent	Number	Percent	Number	Percent
	4	1%	4	1%	3	1%
	38	13%	40	14%	36	12%
	140	46%	152	52%	161	55%
	69	23%	72	25%	57	20%
	51	17%	22	8%	34	12%
Total	302	100%	290	100%	291	100%

Graduation Exit Examination (GEE)
For the Years Ended June 30, 2015, 2014 and 2013

N/A: GEE is no longer administered.

iLEAP Test Results
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	14	5%	23	8%	24	8%	7	2%
Mastery	66	22%	62	21%	66	22%	49	16%
Basic	152	51%	141	47%	140	47%	165	55%
Approaching Basic	48	16%	45	15%	53	18%	48	16%
Unsatisfactory	18	6%	27	9%	15	5%	29	10%
Total	298	100%	298	100%	298	100%	298	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	15	5%	11	4%	3	1%	13	5%
Mastery	48	17%	44	16%	47	17%	49	18%
Basic	148	53%	123	44%	141	51%	142	51%
Approaching Basic	53	19%	54	19%	73	26%	53	19%
Unsatisfactory	13	5%	45	16%	13	5%	20	7%
Total	277	100%	277	100%	277	100%	277	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	15	6%	16	6%	5	2%	33	13%
Mastery	46	18%	43	17%	54	21%	39	15%
Basic	146	57%	151	59%	129	50%	132	51%
Approaching Basic	39	15%	29	11%	54	21%	40	16%
Unsatisfactory	11	4%	18	7%	15	6%	13	5%
Total	257	100%	257	100%	257	100%	257	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	18	7%	11	4%	6	2%	7	3%
Mastery	58	21%	46	17%	56	21%	43	16%
Basic	139	51%	154	57%	129	47%	138	51%
Approaching Basic	50	18%	39	14%	68	25%	56	21%
Unsatisfactory	7	3%	22	8%	13	5%	28	10%
Total	272	100%	272	100%	272	100%	272	100%

iLEAP Test Results
For the Year Ended June 30, 2014

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	10	3%	27	9%	7	2%	4	1%
Mastery	58	18%	42	13%	42	13%	27	9%
Basic	125	40%	121	38%	138	44%	150	48%
Approaching Basic	69	22%	76	24%	80	25%	79	25%
Unsatisfactory	53	17%	49	16%	48	15%	55	17%
Total	315	100%	315	100%	315	100%	315	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	10	4%	6	2%	5	2%	8	3%
Mastery	43	16%	27	10%	42	15%	22	8%
Basic	128	47%	125	46%	131	48%	141	51%
Approaching Basic	66	24%	57	21%	75	27%	77	28%
Unsatisfactory	27	10%	59	22%	21	8%	26	9%
Total	274	100%	274	100%	274	100%	274	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	7	3%	15	5%	5	2%	22	8%
Mastery	46	17%	32	12%	27	10%	34	12%
Basic	144	53%	153	56%	149	55%	138	51%
Approaching Basic	58	21%	53	19%	71	26%	63	23%
Unsatisfactory	18	7%	20	7%	21	8%	16	6%
Total	273	100%	273	100%	273	100%	273	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	17	6%	13	5%	9	3%	12	4%
Mastery	52	19%	34	13%	72	27%	42	16%
Basic	131	49%	170	64%	117	44%	143	54%
Approaching Basic	51	19%	33	12%	58	22%	50	19%
Unsatisfactory	16	6%	17	6%	11	4%	20	7%
Total	267	100%	267	100%	267	100%	267	100%

iLEAP Test Results
For the Year Ended June 30, 2015

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	3	1%	10	3%	13	4%	2	1%
Mastery	93	28%	83	25%	59	18%	43	13%
Basic	83	26%	102	31%	135	42%	148	46%
Approaching Basic	83	26%	81	25%	82	25%	75	23%
Unsatisfactory	63	19%	52	16%	36	11%	55	17%
Total	325	100%	328	100%	325	100%	323	100%

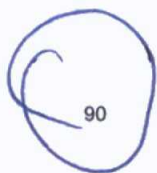
District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	1%	3	1%	8	2%	11	3%
Mastery	94	26%	77	22%	43	12%	52	14%
Basic	132	37%	94	26%	168	47%	181	51%
Approaching Basic	93	26%	145	40%	93	26%	74	21%
Unsatisfactory	37	10%	41	11%	46	13%	40	11%
Total	359	100%	360	100%	358	100%	358	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	5	2%	3	1%	8	3%	12	4%
Mastery	86	27%	55	17%	35	11%	39	12%
Basic	125	39%	98	31%	135	43%	138	44%
Approaching Basic	84	26%	125	39%	95	30%	79	25%
Unsatisfactory	18	6%	37	12%	42	13%	47	15%
Total	318	100%	318	100%	315	100%	315	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	13	4%	3	1%	10	3%	10	3%
Mastery	105	35%	50	16%	59	20%	50	17%
Basic	106	36%	111	37%	125	41%	140	46%
Approaching Basic	52	18%	112	37%	87	29%	77	26%
Unsatisfactory	22	7%	26	9%	21	7%	24	8%
Total	298	100%	302	100%	302	100%	301	100%

SUPPLEMENTARY INFORMATION

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SABINE PARISH SCHOOL BOARD
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Assets				
Cash and cash equivalents	\$ 5,748,939	\$ 2,232,662	\$ 2,336,013	\$ 10,317,614
Receivables	1,895,605	15,419	28,293	1,939,317
Inventory	127,589	-	-	127,589
TOTAL ASSETS	\$ 7,772,133	\$ 2,248,081	\$ 2,364,306	\$ 12,384,520
Liabilities and Fund Balances				
Liabilities:				
Accounts, salaries, and other payables	1,962,627	-	-	1,962,627
Deposits due others	-	-	-	-
Total Liabilities	1,962,627	-	-	1,962,627
Fund Balances:				
Restricted:				
Debt Service	-	2,248,081	-	2,248,081
Capital Projects	-	-	2,364,306	2,364,306
Food Service	1,209,976	-	-	1,209,976
Other purposes	4,599,530	-	-	4,599,530
Total Fund Balances	5,809,506	2,248,081	2,364,306	10,421,893
Total Liabilities and Fund Balances	\$ 7,772,133	\$ 2,248,081	\$ 2,364,306	\$ 12,384,520

The notes to the financial statements are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2015

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,211,758	\$ 2,235,230	\$ -	\$ 5,446,988
Sales and use	824,307	586,527	313,211	1,724,045
Interest earnings	8,576	3,777	4,001	16,354
Charges for services	415,104			415,104
Other	25,868		13,666	39,534
Total Local Sources	<u>4,485,613</u>	<u>2,825,534</u>	<u>330,878</u>	<u>7,642,025</u>
State sources:				
Minimum Foundation Program	270,938	-	-	270,938
Other	63,921	-	-	63,921
Total State Sources	<u>334,859</u>	<u>-</u>	<u>-</u>	<u>334,859</u>
Federal Sources	8,255,555	-	-	8,255,555
TOTAL REVENUES	<u>13,076,027</u>	<u>2,825,534</u>	<u>330,878</u>	<u>16,232,439</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	256,330	-	15,630	271,960
Special programs	375,545	-	-	375,545
Vocational programs	44,514	-	-	44,514
All other programs	3,029,775	-	-	3,029,775
Support services:				
Student services	227,926	-	-	227,926
Instructional staff support	1,837,699	-	-	1,837,699
General administration	98,174	80,926	-	179,100
School administration	48,192	-	-	48,192
Business services	37,036	-	-	37,036
Plant services	2,736,064	-	101,952	2,838,016
Student transportation services	264,547	-	2,433	266,980
Central services	14,349	-	-	14,349
School food services	2,929,598	-	-	2,929,598
Community service programs	23,646	-	-	23,646
Capital outlay	148,939	-	290,082	439,021
Debt service:				
Principal retirement	11,000	1,854,341	-	1,865,341
Interest and bank charges	1,051	1,042,977	-	1,044,028
Other	-	5,054	-	5,054
Total expenditures	<u>12,084,385</u>	<u>2,983,298</u>	<u>410,097</u>	<u>15,477,780</u>
EXCESS (Deficiency) OF REVENUES OVER (UNDER) EXPENDITURES	991,642	(157,764)	(79,219)	754,659
OTHER FINANCING SOURCES (Uses)				
Operating transfers in	1,575,230	-	-	1,575,230
Operating transfers out	(1,697,245)	-	-	(1,697,245)
Total other financing sources (uses)	<u>(122,015)</u>	<u>-</u>	<u>-</u>	<u>(122,015)</u>
NET CHANGES IN FUND BALANCES	<u>869,627</u>	<u>(157,764)</u>	<u>(79,219)</u>	<u>632,644</u>
FUND BALANCES - JULY 1, 2014	4,939,879	2,405,845	2,443,525	9,789,249
FUND BALANCES - JUNE 30, 2015	<u>\$ 5,809,506</u>	<u>\$ 2,248,081</u>	<u>\$ 2,364,306</u>	<u>\$ 10,421,893</u>

The notes to the financial statements are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
SUPPLEMENTARY INFORMATION SCHEDULES
As of and for the Year Ended June 30, 2015

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue:

Food Service Fund: To assist, through cash grants and food donations, in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Preschool Grants: To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children from 3 to 5 years old.

Title II: The purpose of the program is to increase academic achievement by improving teacher and principal quality. This program is carried out by: increasing the number of highly qualified teachers in classrooms; increasing the number of highly qualified principals and assistant principals in schools; and increasing the effectiveness of teachers and principals by holding schools accountable for improvements in student academic achievement.

Head Start: To provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and to involve parents in activities with their children so that the children will attain overall social competence.

School-Based Mental Health: This program provides grants to SEAs, LEAs, and Indian tribes for the purpose of increasing student access to quality mental health care by developing innovative programs that link school systems with local mental health systems.

Indian Education: This program is designed to address the unique education and culturally related academic needs of American Indian and Alaska Native students, including preschool children, so that these students can achieve to the same challenging state performance standards expected of all students. The program is the Department's principal vehicle for addressing the particular needs of Indian children.

IDEA (Special Education Grants): Funds are used by State and local educational agencies, in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services.

Adult Education: To fund local programs of adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participation in these programs is limited to adults and out-of-school youths aged 16 and older who do not have a high school diploma or equivalent.

Vocational Education: To develop more fully the academic, career, and technical skills of secondary and post-secondary students who elect to enroll in career and technical education programs.

Temporary Assistance to Needy Families: To provide grants to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

English Language Acquisition: To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaska Native children with certain modifications relative to the unique status of native American language under Federal Law; to award competitive grants in order to provide professional development activities to improve classroom instruction for LEP children.

Title I: To help local educational agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.

Gaining Early Awareness and Readiness for Undergraduate Programs: Provides 6-year grants to States and partnerships to provide support and maintain a commitment to eligible low-income students, including students with disabilities, to help the students obtain a secondary school diploma (or its recognized equivalent) and to prepare for and succeed in post-secondary education. GEAR UP has two major service components. All projects provide a comprehensive set of early intervention services including mentoring, tutoring, academic and career counseling, parental involvement, and other college preparation activities like exposure to college campuses and financial aid information and assistance. Some projects provide college scholarships to participating students.

Debt Service:

Florien (District 1)
Negreet (District 2)
Many (District 3-5)
Pleasant Hills (District 6)
Converse (District 7)
Zwolle (District 8)
Ebarb (District 9)

The debt service funds are used to account for the accumulation of resources to pay the principal and interest on the School Board's long-term debt.

Capital Projects Funds:

Negreet (District 1)
Many (Districts 3-5)
Converse (District 7)
Zwolle (District 8)
Ebarb (District 9)

The capital projects funds for these districts are used to account for major capital acquisitions or construction.

AGENCY FUND

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

SABINE PARISH SCHOOL BOARD

Many, Louisiana

AGENCY FUND

**Schedule of Changes in Deposit Balances of Individual School Activity Funds
For the Year Ended June 30, 2015**

<u>School</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Converse	\$ 74,531	244,676	234,915	84,292
Ebarb	89,178	262,194	253,752	97,620
Florien	63,274	285,745	278,920	70,099
Headstart	1,065	13,232	13,743	554
Many	132,966	776,306	787,252	122,020
Negreet	55,746	267,257	269,044	53,959
Spark	2,797	2,482	4,033	1,246
Pleasant Hill	1,669	205,552	171,595	35,626
Zwolle	68,537	315,087	325,521	58,103
Total School Activity Funds	<u>\$ 489,763</u>	<u>2,372,531</u>	<u>2,338,775</u>	<u>523,519</u>

SABINE PARISH SCHOOL BOARD
 Many, Louisiana
CAPITAL ASSETS

Schedule of Capital Assets by Function
 June 30, 2015

<u>Function</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Instructional services	\$ 294,984	\$ 5,334,455	\$ 40,955,344	\$ 2,888,770	\$ 49,473,553
Support services	24,206		3,810,116	1,016,484	4,850,806
School food services	2,553		322,607	104,250	429,410
Total	\$ 321,743	\$ 5,334,455	\$ 45,088,067	\$ 4,009,504	\$ 54,753,769

Schedule of Changes in Capital Assets by Function
 For the Year Ended June 30, 2015

<u>Function</u>	<u>Balance, July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2015</u>
Instructional services	\$ 45,389,243	\$ 4,084,310	\$ 61,003	\$ 49,412,550
Support services	4,727,970	183,839	-	4,911,809
School food services	429,410	-	-	429,410
Total	\$ 50,546,623	\$ 4,268,149	\$ 61,003	\$ 54,753,769

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2015

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment of compensation. Under this method, each member of the school board receives \$600 per month. In addition, the president receives \$100 per month for exercising the duties of the office.

Imon Jones	\$3,600
Daron Chandler	3,600
James R. Martin	7,800
Roderick Davis	7,200
Terrell Snelling	7,200
James (Buddy) Veuleman	7,800
Spencer Faust	7,200
Donald Garcie	7,200
Jessie Dale Skinner	7,200
Donald Remedies	<u>7,200</u>
Total	<u>\$66,000</u>

SABINE PARISH SCHOOL BOARD
Many, Louisiana

*Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended June 30, 2015*

Agency Head Name: Dr. Sara P. Ebarb, Superintendent

Purpose		Amount
Salary	\$	127,618
Benefits - insurance		9,353
Benefits - retirement		36,293
Benefits - life		324
Car allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		2,754
Travel		1,920
Registration fees		1,024
Conference travel		711
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-

SABINE PARISH SCHOOL BOARD
Many, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF AGRICULTURE		
Passed through Louisiana Department of Agriculture & Forestry		
Passed through Louisiana Department of Education:		
National School Lunch Program	10.555	\$ 1,894,260
Total United States Department of Agriculture		<u>1,894,260</u>
UNITED STATES DEPARTMENT OF EDUCATION		
Direct program:		
Indian Education - Grants to Local Educational Agencies	84.060	222,561
Subtotal		<u>222,561</u>
Passed through Louisiana Department of Education:		
Adult Education - Basic Grants to States	84.002	81,730
Title I Grants to Local Educational Agencies	84.010	1,464,253
Career and Technical Education - Basic Grants to States	84.048	47,415
Fund for the Improvement of Education	84.215G	361,463
Twenty-First Century Community Learning Centers	84.287	621,229
Special Education - State Personnel Development	84.323	49,414
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	56,720
Rural Education	84.358	70,123
English Language Acquisition State Grants	84.365	11,402
Improving Teacher Quality State Grants	84.367	275,891
Striving Readers	84.371C	443,916
Race to the Top	84.413	9,018
Subtotal		<u>3,492,574</u>
Special Education Cluster:		
Special Education - Grants to States	84.027	859,038
Special Education - Preschool Grants	84.173	5,961
Total Special Education Cluster		<u>864,999</u>
Total United States Department of Education		<u>4,580,134</u>
UNITED STATES DEPARTMENT OF HEALTH & HUMAN SERVICES		
Direct Programs:		
Child Care and Development Block Grant	93.575	16,010
Head Start	93.600	1,268,673
Subtotal		<u>1,284,683</u>
Passed through the Louisiana Department of Education:		
Temporary Assistance for Needy Families	93.558	516,588
Subtotal		<u>516,588</u>
Total United States Department of Health & Human Services		<u>1,801,271</u>
		<u>\$ 8,275,665</u>

The accompanying notes are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

Note 1. Basis of Presentation

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

Note 2. Noncash Programs

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

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Sabine Parish School Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sabine Parish School Board, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Sabine Parish School Board's basic financial statements, and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sabine Parish 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 Sabine Parish School Board's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sabine Parish School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance

with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
December 21, 2015

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Sabine Parish School Board

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sabine Parish School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school 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 Sabine Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item Finding 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

Sabine Parish School Board's response to the noncompliance finding identified in our audit is described in the accompanying auditee's corrective action plan. Sabine Parish School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-001 that we consider to be a significant deficiency.

Sabine Parish School Board's response to the internal control over compliance finding identified in our audit is described in the accompanying auditee's corrective action plan. Sabine Parish School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
December 21, 2015

Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued: Unmodified.
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? No.
 - b. Significant deficiency(ies) identified? None reported.
3. Noncompliance material to financial statements noted? No.

Federal Awards:

4. Internal control over major programs:
 - a. Material weakness(es) identified? No.
 - b. Significant deficiency(ies) identified? Yes.
5. Type of auditor's report issued on compliance for major programs: Unmodified.
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes.
7. Identification of major programs:
 - a. National School Lunch Program
CFDA# 10.555
 - b. Title I Grants to Local Educational Agencies
CFDA# 84.010
 - c. Fund for the Improvement of Education
CFDA #84.215
8. Dollar threshold used to distinguish between type A and type B programs: \$300,000.
9. Auditee qualified as low-risk auditee? Yes.

Section 2: Findings Relating to the Financial Statements

The results of our tests did not disclose any findings related to the financial statements which are required to be reported by *Government Auditing Standards*.

Section 3: Findings and Questioned Costs for Federal Awards

The results of our tests disclosed the following finding and questioned cost related to the federal awards.

Significant Deficiency and Noncompliance:

Finding 2015-001:

Program: National School Lunch Program
Passed-Through Louisiana Department of Education
CFDA Number: 10.555

Compliance Requirement: Cash Management

Criteria:

Management is responsible for compliance with Louisiana Department of Education's policies and procedures manual for child nutrition programs requiring report submissions to Louisiana Department of Education by the 10th following the reporting month.

Condition:

During test work surrounding submission of monthly claims for reimbursement report by deadline, we noted 9 out of 11 reports required were not submitted to Louisiana Department of Education by the 10th of the month.

Cause:

School Board failed to develop a system ensuring these reports would be submitted by the 10th of the month.

Effect:

Lack of adequate internal controls regarding timely submission of reports by deadline could result in the School Board not receiving federal reimbursement in a timely manner to cover program expenditures.

Recommendation:

School Board should implement policies and procedures to ensure compliance with the reporting requirements of the Child Nutrition Cluster.

AUDITEE'S CORRECTIVE ACTION PLAN

Sabine Parish School Board

TERRELL D. SNELLING
PRESIDENT

SARA P. EBARB, EdD
SUPERINTENDENT

JAMES R. MARTIN
VICE-PRESIDENT

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Fortenberry & Ballard, PC
Certified Public Accountants
1929 Spillway Road, Suite B
Brandon, MS 39047

Dear Mr. Ballard:

In response to finding 2015-001 of Fortenberry & Ballard, PC's audit of the Sabine Parish School Board for 2014-2015 FY, and whereas 9 out of 11 of the Child Nutrition Program's required reimbursement reports were found to not submitted to Louisiana Department of Education by the 10th of the month, the Sabine Parish School Board hereby declares the School Board's intent to address the finding with the following corrective action plan:

1. Child Nutrition Supervisor shall review and adjust the workload of the employee assigned the task of completing the reports to ensure they are completed in a timely manner.
2. Child Nutrition Supervisor shall instruct the employee assigned the task of completing the reports to give this task priority over other tasks to ensure this task is done earlier in the month.
3. Child Nutrition Supervisor shall review software that will assist in completing this task in a timelier manner and make a recommendation to the board on the purchase and implementation of such software.
4. Child Nutrition Supervisor shall review the timeliness of these submissions and report to the Superintendent and Director of Business Services any failure to complete the reimbursement reports by the 10th of the month from January 2016 forward. The report shall be made via email with a subject line clearly identifying the missed deadline.

Kind Regards,



Rodney Wilson
Director of Business Services
Sabine Parish School Board

"This institution is an equal opportunity provider and employer."