ACADIA PARISH SCHOOL BOARD

FINANCIAL REPORT

JUNE 30, 2019

ACADIA PARISH SCHOOL BOARD

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

BROUSSARD POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Mr. Scott Richard, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Acadia Parish School Board (the "School Board"), as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2019, 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.

4112 West Congress Street | P.O. Box 61400 | Lafayette, LA 70596-1400 | 337.988.4930 | 146 West Main Street | New Iberia, LA 70560 | 337.364.4554 | 103 North Avenue F | Crowley, LA 70526 | 337.783.5693

Members of: American Institute of Certified Public Accountants / Society of Louisiana Certified Public Accountants

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 11 and 72 through 79, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for the consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information on pages 88 through 97 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 104 and 105 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor governmental fund and fiduciary funds financial statements, the schedule of expenditures of federal awards and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements and fiduciary funds, the schedule of expenditures of federal awards and the schedule of compensation, benefits and other payments to agency head are 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 18, 2019, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Broussard Poché, LLP

Lafayette, Louisiana
December 18, 2019

ACADIA PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the Acadia Parish School Board's (the "School Board") financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the financial statements and the notes to the basic financial statements, which are all included in this report, to enhance their understanding of the School Board's financial performance.

The MD&A is required by the Governmental Accounting Standards Board to supplement the basic financial statements. Certain comparative information between the current year (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A. The current year includes prior period adjustments that were not recorded on the comparative prior year numbers for the MD&A. All prior year numbers are shown as previously reported.

FINANCIAL HIGHLIGHTS

The School Board's financial position remains stable despite challenging external factors. The staff is continually monitoring expenditures and restructuring departments and positions whenever possible to maximize our potential to deliver the optimum educational opportunities to our students. The School Board has also continued to adjust staffing levels in light of enrollment trends, providing sufficient resources in times of change.

The School Board's net position decreased by $11.0 million from July 1, 2018 to June 30, 2019 as reported in the statement of activities on page 18. An analysis of the major revenues components is as follows:

Minimum Foundation Program (MFP) - MFP is the funding formula from the state for school systems in Louisiana. The funding is based on a formula with many variables and two levels of funding. Level one funding is based on the number of students enrolled in the school system. Level two funding is based on the dollar amount of local funding. The more local tax support received by a District, the more state support (MFP) we receive through level two funding. The School Board received approximately $5,648 for each student during 2018-2019, which is a .52% increase from 2017-2018. The unrestricted portion of the MFP funding was $53.4 million during 2018-2019 compared to $53.4 million during 2017-2018, an increase of $41,912 or .08%. Enrollment of MFP membership decreased .05% from the previous year.

Operating Grants - Operating grants and contributions for the School Board were $19.4 million for 2018-2019. Operating grants and contributions increased $1.7 million or 9.63% compared to 2017-2018.

Ad Valorem Taxes - Ad valorem taxes collected for general and specific purposes was $11.8 million for 2018-2019. Property taxes increased $119,113 or 1.02% compared to 2017-2018.

Sales Taxes - Sales tax collections were $12.8 million during the 2018-2019 fiscal year. This amount includes an additional one-half cent sales tax that became effective in 2004. This new source of revenue is dedicated exclusively to salaries and benefits for employees and is accounted for in a separate fund. The first amount distribution of excess accumulations was made in 2006 and continues to be made each year in January. Sales tax revenue collections decreased in the 2018-2019 fiscal year by $213,891, or 1.65%, from 2017-2018 operations.

Interest - Interest rates slightly rebounded in the 2018-2019 fiscal year. Interest and investment earnings totaled $228,794, which is a 53.3% increase compared to 2017-2018.

Rentals, Leases and Royalties - 16th section revenues, which include oil and gas royalties, as well as revenues from agricultural crops, decreased over the 2017-2018 fiscal year by $103,553 or a 17.8%, totaling $479,072 for the 2018-2019 fiscal year.

The expenses of the School Board, as reported in the statement of activities, were $111.3 million in 2018-2019. The major expense components are as follows:

Salaries and Related Benefits - Salaries and related benefits for active employees continue to be the School Board's largest expense items. Payments for salaries and related benefits account for $64.7 million, or 58.1% of total expenses in 2018-2019. Comparatively, this is a $.3 million decrease from 2017-2018, or a decrease of .51%. The decrease is largely the result of adjustments related to the recording of pension expense and the related pension liabilities in the government wide financial statements in the amount of $7 million.

The School Board contributes over 65% of the cost of group health insurance rates for retired employees. The cost of covering retired employees was $3.7 million, a decrease of $50,699 from 2017-2018. Including the OPEB adjustment of $20.6 million, retiree benefits accounted for 21.8% of total operating costs in 2018-2019.

Capital Projects – During the fiscal year, the School Board made capital investments for a total of approximately $2.1 million in 2019 and $2.8 million in 2018. In 2018, the School Board completed one elementary gymnasium and started construction on a second gymnasium. The second gymnasium was completed in the current fiscal year.

USING THIS FINANCIAL REPORT

This financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and the statement of activities provide information about the activities of the School Board as a whole and present a longer term view of the School Board's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board. These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is the School Board's most significant fund.

REPORTING THE SCHOOL BOARD AS A WHOLE

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the fiscal year. In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net position and the change in those assets. This change in net position is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the state of the oil and gas industry, trends in agricultural, the parish's sales and property tax bases, the state and federal government's continued funding, and economic conditions in general.

The statement of net position and the statement of activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and child nutrition program.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School Board's major fund begins on page 22. Fund financial statements provide detailed information about the School Board's major fund. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Boards' most significant funds. The School Board's only major governmental fund for the 2018-2019 fiscal year is the General Fund.

The School Board's nonmajor governmental funds for the 2019 fiscal year are the Special Federal Funds Fund, the No Child Left Behind Fund, the Special Education Fund, the State Programs Fund, the School Lunch Fund, and the Headstart Fund.

Governmental Funds

Most of the School Board's activities are reported as governmental funds, which focus on how many flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds' statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

THE SCHOOL BOARD AS TRUSTEE

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its School Activity Fund and the Sales Tax Fund. All of the School Board's fiduciary activities are reported in a separate comparative statement of asset and liabilities, accompanied by supporting schedules on page 94 through 96. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School Board as a Whole

$6.1 million of the $276.5 million deficit in net position at June 30, 2019 were restricted. Restricted net position is reported separately to show legal constraints from trust and debt covenants and enabling legislation that limit the School Board's ability to use those funds for day-to-day operations. The following analysis focuses on the net position (Table 1) and change in net position (Table 2) of the School Board's governmental activities.

Table 1
Governmental Activities
Statement of Net Position
June 30, 2019
(With Comparative Totals for June 30, 2018)

	2019	2018
Assets:		
Current and other assets	$ 41,294,105	$ 38,573,629
Capital assets	29,646,026	30,752,437
Total assets	$ 70,940,131	$ 69,326,066
Deferred outflows of resources	$ 53,452,725	$ 39,203,945
Liabilities:		
Current and other liabilities	$ 13,304,631	$ 12,852,093
Long-term liabilities	372,220,541	352,829,863
Total liabilities	$ 385,525,172	$ 365,681,956
Deferred inflows of resources	$ 15,385,355	$ 8,360,914
Net position:		
Net investment in capital assets	$ 28,655,828	$ 29,453,229
Restricted	6,124,978	4,724,405
Unrestricted	(311,298,477)	(299,690,493)
Total net position	$(276,517,671)	$(265,512,859)

The deficit of $311.3 million in unrestricted net position represents the accumulated results of all past years' operations. The results of this year's operations for the School Board as a whole are reported in the statement of activities on page 18. Table 2 reports the information from the statement of activities in a different format so that total revenue for the year can be more easily identifiable.

Table 2
Governmental Activities
Changes in Net Position
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	2019	2018
Revenues:		
Program revenues-		
Charges for services	$ 837,831	$ 823,536
Operating grants and contributions	19,426,272	17,719,265
General revenues-		
Ad valorem taxes	11,764,543	11,645,430
Sales taxes	12,758,035	12,971,926
State equalization	53,502,120	53,474,373
Other general revenues	1,975,687	2,659,454
Total revenues	$ 100,264,488	$ 99,293,984
Functions/Programs Expenses:		
Instruction-		
Regular programs	$ 49,557,868	$ 47,397,505
Special education programs	8,406,003	8,257,778
Vocational programs	2,014,891	2,173,769
Other instructional programs	304,390	262,434
Special programs	5,148,398	4,845,546
Adult and continuing education programs	71,370	117,394
Support services-		
Pupil support services	6,479,753	6,803,400
Instructional staff support services	4,558,222	4,206,306
General administration	2,480,083	2,226,002
School administration	6,574,036	6,339,641
Business services	1,208,479	1,022,533
Plant services	7,648,317	7,609,822
Student transportation services	5,578,870	5,432,761
Central services	1,011,263	935,080
Food services	7,078,217	6,966,496
Facilities acquisition and construction	2,519,250	1,793,737
Community service programs	530,164	496,431
Debt service-		
Interest on long-term obligations	99,726	113,019
Total expenses	$ 111,269,300	$ 106,999,654
Total net position	$(11,004,812)	$ (7,705,670)

Program revenues and general revenues totaled $20.3 million and $80.0 million, respectively, in the 2018-2019 fiscal year, compared to $18.5 million and $80.8 million, respectively, in 2017-2018.

Instruction, support services and debt service expenses totaled $65.5 million, $45.7 million and $0.09 million, respectively, in the 2018-2019 fiscal year compared to $64.0 million, $43.8 million and $0.1 million, respectively in 2017-2018.

Governmental Activities

As reported in the statement of activities on pages 18, the net cost of governmental activities this year was $91.0 million. The taxpayers in the Parish provided $24.6 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. The state contributed $53.4 million through the MFP, which is the main funding source for the School Board. The balance of the cost of governmental activities for the year was provided through state and Federal grants.

Table 3 presents the total cost of each of the School Board's five largest functions - regular programs, special education programs, pupil support services, plant services, and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of those functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Governmental Activities
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Regular programs	$ 49,557,868	$ 47,397,505	$ 48,386,579	$ 46,203,463
Special education programs	8,406,003	8,257,778	7,514,096	7,544,527
Pupil support services	6,479,753	6,803,400	4,143,803	4,570,214
Plant services	7,648,317	7,609,822	7,287,319	7,262,183
Food services	7,078,217	6,966,496	(215,537)	(35,806)
Subtotal	$ 79,170,158	$ 77,035,001	$ 67,116,260	$ 65,544,581
All others	32,099,142	29,964,654	23,888,937	22,912,273
Total	$111,269,300	$106,999,655	$ 91,005,197	$ 88,456,854

The School Board Funds

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it and it may also give the reader more insight into the School Board's overall financial health.

General Fund - The General Fund is the School Board's only major fund. The General Fund's fund balance increased by $1.1 million, to $25.0 million at June 30, 2019 from $24.0 million at June 30, 2018. This represents a 4.5% increase in fund balance. In the previous year, the fund balance increased by $0.6 million or 2.8%. Ad valorem tax decreased $119,113 or 1.02%. We continue to rely on other funding sources, when available, to enhance the educational opportunities provided through our General Fund. Unassigned fund balance was $2.2 million at June 30, 2019 in the General Fund.

Non-Major Governmental Funds - The nonmajor funds' fund balances were generally stable.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15 of each year. In accordance with state law, the School Board may have variances of 5% of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2018-2019 budget on July 9, 2018. The original budgeted revenues increased by 0.9% or $0.7 million from $79.6 million to $80.3 million. The major change in budgeted revenue was an increase in sales and use tax. The budgeted expenditures decreased from the original budget to the final budget by $.9 million or 1.07%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets of the School Board used in performance of general School Board functions are recorded in the fund financial statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the fund financial statements as explained in the notes to the basic financial statements. In the government-wide financial statements, the capital assets are recorded as assets at their original cost at the time of purchase or fair market value, if donated. Depreciation of capital assets has been recognized in the government-wide financial statements.

At June 30, 2019, the School Board had $29.6 million invested in land, buildings and improvements and furniture and equipment and construction in progress, net of depreciation. Net capital assets decreased by $1.1 million, or 3.6% during the current fiscal year. In accordance with State guidelines, effective with the 2002-2003 fiscal year, items costing less than $1,000 are considered supplies, items costing between $1,000 and $5,000 are tagged and tracked, and items costing $5,000 and more are capitalized. Table 4 presents capital assets net of depreciation at June 30, 2019.

Table 4
Governmental Activities
Capital Assets at Year End
Net of Depreciation
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	2019	2018
Land	$ 1,168,245	$ 1,168,245
Buildings and improvements	21,613,844	21,127,675
Furniture and equipment	6,695,325	7,320,105
Construction in progress	168,612	1,136,412
Total	$ 29,646,026	$ 30,752,437

Debt

At June 30, 2019, the School Board had $6.9 million in taxable certificates of indebtedness (Qualified Zone Academy Bond Program [QZAB] and Qualified School Construction Bonds [QSCB]) and $1 million in obligations under capital leases. Of the amount outstanding, $.9 million is due within one year. Table 5 summarizes bonds and capital leases outstanding at June 30, 2019.

Table 5
Governmental Activities
Outstanding Debt
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	2019	2018
Taxable Certificates of Indebtedness:		
Qualified Zone Academy Bond (QZAB)	$ 5,718,974	$ 6,130,464
Qualified School Construction Bonds (QSCB)	1,200,000	1,400,000
Obligations under capital lease	990,198	1,299,208
Total	$ 7,909,172	$ 8,829,672

The state limits the amount of general obligation debt that school boards can issue to 35% of the assessed value of all taxable property within the school board's corporate limits. At June 30, 2018, the School Board's maximum legal debt limit was $134.6 million. The District's outstanding general obligation bonded debt of $6.9 million is well below the maximum debt limit. Other long-term obligations of the School Board include accrued vacation pay and sick leave, the obligation for post-retirement benefits and the proportionate share of the state pension plans the School Board participates. We present more detailed information about our long-term obligations in Note 7 to the basic financial statements.

FOR THE FUTURE

The School Board's General Fund unassigned fund balance has increased $772,546. The deficits are largely attributable to the rising cost of employee benefits. At the end of the 2018-2019 fiscal year, the General Fund's fund balance is 31.4% of the 2018-2019 final budgeted expenditures. The School Board is anticipating continued minimum increases in property tax and stagnant funding from the state. Sales tax collections are expected to remain flat.

The School Board's share of group health insurance for active and retired employees increased slightly over the previous year. Employer's contributions for state-sponsored plans costs remained stable in the current year. The cost of retirement contributions averaged 26.8% of payroll during the 2018-2019 year, as opposed to 26.6% in 2017-2018.

The School Board adopted a "vesting" schedule for its contribution toward retirees insurance, upon an employee's retirement to curtail some costs. The employer's share of health insurance will be commensurate with the years of coverage during employment. This change became effective July 1, 2007.

Other concerns include increasing energy and maintenance costs as buildings continue to age as well as increases in property insurance and health insurance.

For the 2019-2020 year, both state and local pay increases are anticipated. The legislature passed a $1,000 teacher pay raise as well as a $500 support worker pay raise beginning with the 2019-2020 year. At the local level the June supplement was increased by $200 for all employees in fiscal year 2019 and will remain with the 2020 fiscal year.

Initiatives of the Acadia Parish School Board for 2019-2020 include: (1) continued focus on district-wide Tier 1 curricular implementation in English Language Arts, Mathematics, Social Studies, and Science; (2) other curricular adjustments to better align instruction in the parish to the more rigorous Leap 2025 statewide assessments.

The School Board has budgeted to continue its supplemental pay distribution in November of 2019 for support personnel and in December 2019, January 2020, and June of 2020 for all employees.

Although we have some concerns about increasing expenditures in certain areas, overall, we feel that the future of the School Board is steady, both financially and educationally.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Justin Carrier, Chief Financial Officer, Acadia Parish School Board, Post Office Box 309, Crowley, Louisiana, 70527.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

ACADIA PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
June 30, 2019

ASSETS	
Cash	$ 21,706,847
Certificates of deposit	10,337,780
Investments	3,857,594
Receivables	3,941,509
Due from external parties	553,632
Inventories	796,743
Prepaid expenses	100,000
Capital assets, net	29,646,026
Total assets	$ 70,940,131
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions subsequent to plan measurement	$ 12,660,145
Change in assumptions	18,591,175
Difference between expected and actual experience	19,704,443
Difference between expected and actual earnings	133,463
Difference between expected and actual employer contributions to pension plans	2,335,947
Change in proportionate share of pension plans from prior year	27,552
Total deferred outflows of resources	$ 53,452,725
LIABILITIES	
Accounts, salaries and other payables	$ 10,655,991
Unearned revenue	670,082
Interest payable	47,315
Long-term liabilities:	
Due within one year	1,931,243
Due in more than one year	372,220,541
Total liabilities	$385,525,172
DEFERRED INFLOWS OF RESOURCES	
Difference between expected and actual experience	$ 3,133,976
Change in assumptions	1,371,835
Difference between expected and actual earnings	5,770,416
Difference between expected and actual employer contributions	242,308
Change in proportionate share of pension plans from prior year	4,866,820
Total deferred inflows of resources	$ 15,385,355

(continued)

ACADIA PARISH SCHOOL BOARD

STATEMENT OF NET POSITION (CONTINUED)
GOVERNMENTAL ACTIVITIES
June 30, 2019

NET POSITION	
Net investment in capital assets	$ 28,655,828
Restricted for:	
Sales tax supplement	1,536,256
Special purposes	2,718,193
Insurance	996,003
Workers compensation	874,526
Unrestricted (deficit)	(311,298,477)
Total net position (deficit)	$(276,517,671)

See Notes to Financial Statements.

Exhibit B

ACADIA PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction -				
Regular programs	$ 49,557,868	$ -	$ 1,171,289	$ (48,386,579)
Special education programs	8,406,003	-	891,907	(7,514,096)
Vocational education programs	2,014,891	-	129,246	(1,885,645)
Other instructional programs	304,390	-	63	(304,327)
Special programs	5,148,398	-	4,597,567	(550,831)
Adult and continuing education programs	71,370	-	-	(71,370)
Support services -				
Pupil support services	6,479,753	698,500	1,637,450	(4,143,803)
Instructional staff support services	4,558,222	-	1,681,535	(2,876,687)
General administration	2,480,083	-	898,015	(1,582,068)
School administration	6,574,036	-	183,464	(6,390,572)
Business services	1,208,479	-	106,314	(1,102,165)
Operation and maintenance of plant services	7,648,317	63,336	297,662	(7,287,319)
Student transportation services	5,578,870	-	162,830	(5,416,040)
Central services	1,011,263	-	10,339	(1,000,924)
Non-instructional services -				
Food services	7,078,217	75,995	7,217,759	215,537
Community service programs	530,164	-	440,832	(89,332)
Facilities acquisition and construction	2,519,250	-	-	(2,519,250)
Interest on long-term debt	99,726	-	-	(99,726)
Total governmental activities	$111,269,300	$ 837,831	$ 19,426,272	$ (91,005,197)

Taxes:	
Ad valorem taxes, levied for -	
General purposes	$ 9,853,557
Special purposes	1,910,986
Sales and use taxes levied for -	
General purposes	8,489,464
Special purposes	4,268,571
Sales and use taxes collection fees	472,396
State revenue sharing	254,358
Grants and contributions not restricted to specific programs -	
State source – Minimum Foundation Program	53,406,316
State source – Other programs	95,804
Interest and investment earnings	228,794
Miscellaneous	1,015,793
Gain on disposal of capital assets	4,346
Total general revenues	$ 80,000,385
Change in net position	$ (11,004,812)
Net position, beginning	(265,512,859)
Net position, ending	$(276,517,671)

See Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

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MAJOR FUND DESCRIPTION

GENERAL FUND - The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Exhibit C

ACADIA PARISH SCHOOL BOARD

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

ASSETS	General Fund	Other Governmental Funds	Total
Cash and equity in pooled cash	$ 19,946,461	$ 2,874,906	$ 22,821,367
Certificates of deposit	10,337,780	-	10,337,780
Investments	3,857,594	-	3,857,594
Receivables	363,081	1,914,000	2,277,081
Due from other funds	553,632	-	553,632
Inventories	258,540	538,203	796,743
Prepaid expenses and other assets	100,000	-	100,000
Total assets	$ 35,417,088	$ 5,327,109	$ 40,744,197
LIABILITIES AND FUND BALANCES			
Liabilities:			
Pooled cash deficit	$ -	$ 1,114,520	$ 1,114,520
Accounts payable	883,170	206,235	1,089,405
Accrued salaries and related benefits	8,773,201	749,958	9,523,159
Unearned revenue	670,082	-	670,082
Other payables	43,427	-	43,427
Total liabilities	$ 10,369,880	$ 2,070,713	$ 12,440,593
Fund balances:			
Nonspendable -			
Inventory	$ 258,540	$ 538,203	$ 796,743
Prepaid expenses	100,000	-	100,000
Restricted for -			
Sales tax supplement	1,536,256	-	1,536,256
Special purposes	-	2,718,193	2,718,193
Insurance	996,003	-	996,003
Workers compensation	874,526	-	874,526
Committed for -			
Operations	8,050,000	-	8,050,000
Pay supplements	6,000,000	-	6,000,000
Debt service	3,000,000	-	3,000,000
Roof repairs	1,242,734	-	1,242,734
Capital improvements	500,000	-	500,000
Transportation	250,000	-	250,000
Unassigned	2,239,149	-	2,239,149
Total fund balances	$ 25,047,208	$ 3,256,396	$ 28,303,604
Total liabilities and fund balance	$ 35,417,088	$ 5,327,109	$ 40,744,197

See Notes to Financial Statements.

ACADIA PARISH SCHOOL BOARD

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balances for governmental funds at June 30, 2019		$ 28,303,604
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	$ 1,336,857	
Buildings and improvements, net of $47,404,306 accumulated depreciation	21,613,844	
Furniture and equipment, net of $8,310,220 accumulated depreciation	6,695,325	29,646,026
Long-term labilities at June 30, 2019:		
Bonds payable	$ (6,918,975)	
Equipment capital lease	(990,198)	
Accrued interest payable	(47,315)	
Compensated absences payable	(4,611,820)	
Workers compensation claims payable	(1,634,997)	
Net OPEB obligation payable	(263,688,853)	
Net pension liabilities	(96,306,942)	(374,199,100)
Sales taxes which are not "measured" at year end and, therefore, are not available soon enough to pay for current period expenditures		1,664,428
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Pension contributions subsequent to plan measurement	$ 12,660,145	
Changes in assumptions	17,219,340	
Difference between expected and actual experience	16,570,467	
Difference between actual and projected earnings of pension plan assets	(5,636,953)	
Difference between expected and actual contributions, net	2,093,640	
Change in proportionate share of pension plans from prior year, net	(4,839,268)	38,067,371
Net position at June 30, 2019		$ (276,517,671)

See Notes to Financial Statements.

ACADIA PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	General Fund	Other Governmental Funds	Total
Revenues:			
Local sources -			
Ad valorem taxes	$ 11,764,543	$ -	$ 11,764,543
Sales taxes	12,645,302	-	12,645,302
Sales tax fees	418,678	-	418,678
Other	1,923,073	-	1,923,073
Total local sources	$ 26,751,596	$ -	$ 26,751,596
State sources	53,756,478	1,257,008	55,013,486
Federal source	-	18,169,264	18,169,264
Other sources	-	774,495	774,495
Total revenues	$ 80,508,074	$ 20,200,767	$100,708,841
Expenditures:			
Current -			
Instruction:			
Regular programs	$ 41,274,505	$ 1,171,289	$ 42,445,794
Special education programs	6,429,428	891,907	7,321,335
Vocational education programs	1,609,358	129,246	1,738,604
Other instructional programs	260,850	63	260,913
Special programs	153,949	4,408,169	4,562,118
Adult and continuing education programs	59,513	-	59,513
Support services:			
Pupil support services	3,892,002	1,637,450	5,529,452
Instructional staff support services	2,308,854	1,681,535	3,990,389
General administration	1,362,967	282,865	1,645,832
School administration	5,434,654	183,464	5,618,118
Business services	973,052	106,314	1,079,366
Operation and maintenance of services	7,309,720	297,662	7,607,382
Student transportation services	4,970,967	162,830	5,133,797
Central services	819,729	10,339	830,068
Non-instructional services:			
Food services	317,109	6,475,376	6,792,485
Community service programs	11,600	440,832	452,432
Facilities acquisition and services	1,094,203	-	1,094,203
Indirect cost	-	615,150	615,150
In-kind	-	698,500	698,500
Debt service -			
Principal retirement	920,499	-	920,499
Interest and fiscal charges	102,385	-	102,385
Total expenditures	$ 79,305,344	$ 19,192,991	$ 98,498,335

(continued)

ACADIA PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
Year Ended June 30, 2019

	General Fund	Other Governmental Funds	Total
Excess of revenues over expenditures	$ 1,202,730	$ 1,007,776	$ 2,210,506
Other financing sources (uses):			
Proceeds from sale of assets	$ 1,702	$ 6,250	$ 7,952
Transfers in	-	131,815	131,815
Transfers out	(131,815)	-	(131,815)
Total other financing sources (uses)	$ (130,113)	$ 138,065	$ 7,952
Net change in fund balances	$ 1,072,617	$ 1,145,841	$ 2,218,458
Fund balances, beginning	23,974,591	2,110,555	26,085,146
Fund balances, ending	$ 25,047,208	$ 3,256,396	$ 28,303,604

See Notes to Financial Statements.

ACADIA PARISH SCHOOL BOARD

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Total net change in fund balances for the year ended at June 30, 2019 per statement of revenues, expenditures and changes in fund balances.		$ 2,218,458
Add: Facilities acquisition and constructions costs which are considered as expenditures on statement of revenues, expenditures and changes in fund balance.	$ 2,110,589	
Less: Disposals of capital assets	(3,606)	
Less: Depreciation expense for year ended June 30, 2019.	(3,213,394)	(1,106,411)
Add: Long-term debt retirement considered as an expenditure on Statement of revenues, expenditures and changes in fund balance.		920,499
Add: School Districts pension contributions for fiscal year ended June 30, 2019.	$ 12,503,191	
Less: Cost of benefits earned net of employee contributions (pension expense).	(5,545,841)	6,957,350
Add: Decrease in compensated absences for the year ended June 30, 2019.		459,211
Less: Increase in net OPEB obligation at June 30, 2019.		(20,614,604)
Less: Excess of insurance claims incurred over claims paid.		23,245
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis.		2,659
Less: Net sales tax revenues which are collected several months after year end and are not considered available in the governmental funds.		134,781
Total change in net position for the year ended June 30, 2019 per statement of activities		$ (11,004,812)

See Notes to Financial Statements.

Exhibit G

ACADIA PARISH SCHOOL BOARD

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

ASSETS	
Cash and equity in pooled cash	$ 3,799,817
LIABILITIES	
Accounts payable	$ 1,359,573
Due to other funds	553,632
Accrued interest payable	2,224
Deposits due to others	1,884,388
Total liabilities	$ 3,799,817

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

The financial statements of the Acadia Parish School Board (the "School Board") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board (GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the School Board are described below.

Financial reporting entity:

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

The School Board operates 26 schools within the parish with a total enrollment of 9,343 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government.

Basic financial statements:

The basic financial statements include both government-wide financial statements (based on the School Board as a whole) and fund financial statements. In the government-wide statement of net position, the governmental activities (a) are presented on a consolidated basis, and (b) are reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation:

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measureable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property, franchise, sales and hotel occupancy taxes, and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when the government receives cash.

The various funds of the School Board are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental fund:

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

Additionally, the School Board reports the following fund types:

Special Revenue Funds - Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

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

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

Sales Tax Fund - Accounts for monies collected on behalf of other taxing authorities within the parish.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When fund balance resources are available for a specific purpose in more than one classification, it is the School Board's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Indirect expenses -

Indirect expenses not allocated to functions are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Revenues -

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected but not received by the Acadia Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

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

Substantially, all other revenues are recorded when received.

Expenditures -

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a 12 month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

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

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

Other financial sources (uses) -

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Unearned revenues -

Unearned revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Recognition of revenue from ad valorem tax collections has been deferred in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been deferred to the next fiscal year to allow proper matching of revenues and expenditures.

Assets, deferred outflows, liabilities, deferred inflows and equity:

Cash -

For purposes of the statement of net position, cash includes all demand accounts, savings accounts, and certificates of deposits of the School Board with an original maturity of three months or less from the date of acquisition.

Investments -

Investments are stated at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current asset transaction between willing parties. Fair value was determined based on quoted market prices.

Fair value measurements -

Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 - investments reflect prices quoted in active markets.

Level 2 - investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – investments reflect prices based upon unobservable sources.

The categorization of investments with the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Debt securities classified as Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Investments classified as Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Investments classified as Level 3 are valued based upon unobservable sources.

Interfund receivables and payables -

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

Receivables -

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and federal and state grants.

Inventories -

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the General Fund consists of instructional supplies maintained in the central warehouse for use of all schools, and janitorial and electrical supplies maintained in the central warehouse for the use of all departments and schools. All inventory purchased are valued at cost (first-in, first-out).

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventories are recorded as expenses when consumed. Commodities inventory at year end is recorded as deferred revenue. All inventory items purchased are valued at the lower of cost or market (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

Capital assets -

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of $5,000 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense of the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15 - 40 years
Furniture and equipment	5 - 10 years

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

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

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Compensated absences -

All 12-month employees earn 5 to 15 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated up to a maximum of 40 days. Upon retirement or termination of employment, the employee may choose to be paid for any unused accumulated vacation days or may convert such unused accumulated vacation leave to service credit for retirement purposes if allowed by the retirement system.

All employees earn up to 10 days of sick leave each year, depending on the number of months of the school year they are employed by the School Board. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 45 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Teachers' Retirement System of Louisiana and the Louisiana School Employees' Retirement System, the total unused accumulated sick leave, including the 45 days paid, is used in the retirement benefit computation as earned service. Under the Teachers' Retirement System of Louisiana, and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 45 days paid, is used in the retirement benefit computation as earned service.

Act 1341 of 1999 changed the extended sick leave (gayle pay) regulations for public school employees. The Act provides that if teachers and school bus operators have no remaining sick leave, they are allowed up to 90 days extended sick leave in a six year period. During these 90 days, the employee is paid 65% of their pay at the time that the leave begins.

Act 1342 of 1999 changed the sabbatical leave regulation. The Act allows both sabbatical medical leave and professional and cultural development sabbatical for teachers. It provides for two sabbatical semesters immediately following 12 or more consecutive semesters of consecutive service or one semester immediately following six semesters of consecutive service. Sabbatical medical leave may be granted if the teacher's regular sick leave balance is 45 days or less at the beginning of the sabbatical. No more than 5% of the work force can be on sabbatical at the same time. During sabbatical, the employee is paid 65% of their pay at the time the leave begins.

In the government-wide statements, the School Board accrues accumulated unpaid sick leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. No compensated absences liability is recorded in the governmental fund financial statements.

Long-term debt –

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, capital leases, accrued compensated absences, workers' compensation claims payable, post-retirement health care and life insurance benefits obligation and pension liabilities. For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond.

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

Post-Retirement Health Care and Life Insurance Benefits (OPEB): for the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Acadia Parish School Board Retiree Medical Plan (School Board OPEB Fund) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by School Board OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions -

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the three state retirement plans School Board employees participate, Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS) and Louisiana State Employees Retirement System (LASERS), and additions to/deductions from the respective plans' fiduciary net position have been determined on the same basis as they are reported by the systems. 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.

Equity classifications -

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

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

b. Restricted net position - Consists of net position with constraints place on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At June 30, 2019, the School Board reported $6,124,978 of restricted net position.

c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. 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 inventory and prepaid) or are required to be maintained intact;

- 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;

- Committed fund balance - amounts constrained to 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;

- 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;

- 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 specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Budget practices:

The proposed budget for 2019 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2019 budget on July 8, 2018. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September 15 of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds was published in the official journal 10 days prior to the public hearing. The budgets for the General and Special Revenue Funds for the fiscal year 2019 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds. The Superintendent and/or Assistant Superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by 5% or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by 5% or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Actual expenditures in the General Fund were under the final budgeted amounts by $553,122 for the year ended June 30, 2019, which is well below the requirement.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized for the General Fund and Special Revenue Funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbered appropriations lapse at the close of the fiscal year but are appropriately provided for in the subsequent year's budget.

Revenue restrictions:

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

Revenue Source	Legal Restrictions on Use
Ad valorem taxes	See Note 3
Sales taxes	See Note 8

The School Board uses unrestricted resources only when restricted resources are fully depleted.

Capitalization of interest expense:

It is the policy of the School Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2019, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

Use of estimates:

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

Interfund transfers:

Permanent reallocation of resources between funds is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual funds have been eliminated.

Impairments:

The School Board evaluates long-term assets to be held and used for impairment when events or changes in economic circumstances indicate the carrying value of such assets may be unrecoverable. The School Board uses an estimate of the future undisclosed net cash flows to measure whether the assets are recoverable and measured for impairment by reference to fair value. Fair value is generally estimated using the School Board's expectations of discounted net cash flows. Long-term assets to be disposed of are carried at the lower of cost or fair value less the costs of disposal.

Note 2. Cash and Investments

Cash and cash equivalents:

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The School Board consolidates cash into a pooled cash account. Each fund's equity (deficit) in the pooled cash accounts as of June 30, 2019 is as follows:

Total pooled cash in bank	$ 20,677,565
General Fund	$ 18,914,066
State Programs	442,047
Special Education	(180,989)
No Child Left Behind	(639,859)
Headstart	(138,573)
Special Federal Funds	(155,099)
School Lunch Fund	2,432,859
Sales Tax	3,113
Total pooled cash by fund	$ 20,677,565

At June 30, 2019, the School Board has cash and cash equivalents (book balances) totaling $25,506,664 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand	$ 21,706,697	$ 3,490,531	$ 25,197,228
Interest-bearing accounts	-	309,286	309,286
Petty cash	150	-	150
Total	$ 21,706,847	$ 3,799,817	$ 25,506,664

Certificates of Deposit:

At June 30, 2019, the School Board's interest bearing certificates of deposit, held in the General Fund, totaled $10,337,780, which had interest rates from .45% to 3.05%.

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 financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in the 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties.

As of June 30, 2019, the School Board's total bank balances were fully insured and collateralized with securities held in the name of the School Board by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk. Of the bank balances $2,000,000 was secured from risk by federal deposit insurance and the remainder by pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

Investments:

The School Board can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The School Board's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its agent in the School Board's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the School Board's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the School Board's name.

In accordance with GASB Codification Section 150.165, the investment in the Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

The LAMP portfolio includes only securities and other obligations in which local governments of Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of it agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value of the School Board's investment in LAMP is the same as the value of the pool shares. Normally, investments are required to be reported at fair value. For purposes of determining participants' shares, investments are valued at amortized costs. Investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

In 1999, the Louisiana State Legislature created the Millennium Trust to provide for the disposition of proceeds from the tobacco settlement. The same legislation that created the Millennium Trust, Louisiana Revised Statute (LRS):39:98.1-98.5, also established the Education Excellence Fund (EEF) as a component of the Millennium Trust. The Louisiana Department of Education (LDOE) is responsible for providing the appropriations and oversight of monies from the Education Excellence Fund with the specific purpose of ensuring that all expenditures are used to support "excellence in educational practice." The Millennium Trust Fund is invested by the Louisiana State Treasurer. The School Board has been participating in the Education Excellence Fund since 2003.

As of June 30, 2019, the School Board's fair value measurements were classified as follows:

		Fair Value Measurements Using		
Investment by Fair Value Level	Fair Value	Quoted Prices In Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Louisiana Asset Management Pool	$2,071,393	$ -	$2,071,393	$ -
Government Securities	1,116,118	1,116,118	-	-
Education Excellence Fund	670,083	-	670,083	-
Investments	$3,857,594	$1,116,118	$2,741,476	$ -

Note 3. Ad Valorem 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, 2019, taxes were levied by the School Board in July 2018 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 Acadia 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, 2019, taxes were levied on property with net assessed valuations totaling $384,620,917 for the parish wide taxes and an aggregate of $184,943,642, collectively, for the school districts and were dedicated as follows:

Parish wide taxes:		
Constitutional	5.23	mills
Maintenance	15.28	mills
School Tax	5.10	mills
Total General Fund	25.61	mills
School District No. 7 (5th Ward) – maintenance	13.45	mills
School District No. 8 (Iota-Egan) – maintenance	10.92	mills
School District No. 6 (Church Point) – additional funding	10.00	mills
Total assessment	59.98	mills

Taxes levied for the current fiscal year, net of homestead exemptions, totaled $11,762,006. After deductions for various pension distributions and uncollectible taxes and additional collections of past due taxes from prior years, net taxes remitted to the School Board amounted to $11,747,622.

Note 4. Receivables

Receivables at June 30, 2019 of $3,941,509 consisted of the following:

Grants	$ 1,914,000
Sales taxes	1,664,428
Accrued interest	32,359
Other	330,722
Total receivables	$ 3,941,509

Note 5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions/ (Transfers)	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,168,245	$ -	$ -	$ 1,168,245
Construction in progress	1,136,412	(967,800)	-	168,612
Other capital assets:				
Building and improvements	66,813,886	2,246,362	42,098	69,018,150
Furniture and equipment	14,307,274	832,027	133,756	15,005,545
Total	$83,425,817	$ 2,110,589	$ 175,854	$85,360,552
Less accumulated depreciation;				
Buildings and improvements	$45,686,211	$ 1,760,193	$ 42,098	$47,404,306
Furniture and equipment	6,987,169	1,453,201	130,150	8,310,220
Total	$52,673,380	$ 3,213,394	$ 172,248	$55,714,526
Net capital assets	$30,752,437	$ (1,102,805)	$ 3,606	$29,646,026

Depreciation expense was charged to governmental activities as follows, which includes depreciation expense for assets purchased under a capital lease:

Regular programs	$ 43,225
Special education programs	1,700
Vocational education programs	3,568
Pupil support services	3,032
Operation and maintenance of plant services	398,638
Student transportation services	582,656
Central services	108,734
Food services	104,850
Facility acquisition and construction	1,966,991
Total depreciation expense	$ 3,213,394

Note 6. Accounts, Salaries and Other Payables

At June 30, 2019, accounts, salaries, and other payables of $10,655,991 consisted of the following:

Accrued salaries and related benefits payable	$ 9,523,159
Accounts payable	1,089,405
Other payables	43,427
Total accounts, salaries and other payables	$ 10,655,991

Note 7. Long-Term Liabilities

Long-term debt outstanding at June 30, 2019 is as follows:

Obligations under capital lease, due in monthly installments of $6,421, including interest at 2.6%, maturing September 7, 2022.	$ 233,972
Obligations under capital lease for buses, due in annual installments of $265,706, including interest at 2.68%, maturing May 24, 2022.	756,226
$3,000,000 Certificates of Indebtedness (Taxable Qualified School Construction Bonds – QSCB), Series 2009, due in annual installments of $200,000, plus interest at 0.8%, due October 1, 2024 (to be retired from excess annual revenues).	1,200,000
$7,358,000 Taxable Limited Tax Revenue Bonds (Qualified Zone Academy Bond – QZAB), Series 2014, due September 16, 2031, Interest at 0.95% (to be retired from property tax revenues).	5,718,974
	$ 7,909,172

Other liabilities at June 30, 2019 were comprised of the following components:

Accrued compensated absences	4,611,820
Worker's compensation claims payable	1,634,997
Net OPEB obligation	263,688,853
Proportionate share of pension liabilities:	
Teachers' Retirement System of Louisiana (TRSL)	89,535,817
Louisiana School Employees Retirement System (LSERS)	6,626,406
Louisiana State Employees' Retirement System (LASERS)	144,719
Total long-term liabilities	$ 374,151,784

The long-term debt is due as follows:

Years Ending	Bonds Payable		Capital Lease Obligation		
June 30,	Principle	Interest	Principle	Interest	Total
2020	$ 615,399	$ 63,130	$ 317,256	$ 25,498	$ 1,021,283
2021	619,345	57,584	325,725	17,031	1,019,685
2022	623,329	52,000	334,417	8,337	1,018,083
2023	627,350	46,379	12,800	42	686,571
2024	631,410	40,719	-	-	672,129
2025 – 2029	2,419,311	130,133	-	-	2,549,444
2030 – 2031	1,382,830	26,357	-	-	1,409,187
Total	$ 6,918,974	$ 416,302	$ 990,198	$ 50,908	$ 8,376,382

Interest cost incurred and charged to expense in the government-wide financial statements for the year ended June 30, 2019 totaled $99,726.

Total costs associated with the capital leases through June 30, 2019 was $1,813,227 and the accumulated depreciation in the amount of $659,621, which was included in capital assets on the government-wide financial statements.

Changes in General Long-Term Liabilities

During the year ended June 30, 2019, the following changes occurred in long-term liabilities transactions and balances:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due In One Year
Qualified School Construction Bond	$ 1,400,000	$ -	$ 200,000	$ 1,200,000	$ 200,000
Obligations Under Capital Leases – buses	303,949	-	69,977	233,972	71,817
Obligations Under Capital Lease – buses	995,259	-	239,033	756,226	245,439
Qualified Zone Academy Bond, Series 2014	6,130,464	-	411,490	5,718,974	415,399
Accrued compensated absences	5,071,031	-	459,211	4,611,820	230,591
Worker's compensation claims payable	1,658,242	1,084,584	1,107,829	1,634,997	767,997
Net OPEB Obligation	237,048,153	32,061,019	5,420,319	263,688,853	-
Proportionate share of pension liability:					
TRSL	95,281,459	5,917,257	11,662,899	89,535,817	-
LSERS	6,652,892	762,929	789,415	6,626,406	-
LASERS	131,697	27,288	14,266	144,719	-
Total	$354,673,146	$ 39,853,077	$ 20,374,439	$374,151,784	$ 1,931,243

Compensated absences typically have been liquidated by the General Fund and a few other governmental funds. Workers compensation claims liabilities typically have been liquidated by the General Fund.

All principal interest requirements on the general obligation bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the parish.

Note 8. Sales and Use Taxes

The School Board is authorized to collect within the parish a 1% sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers, school bus operators, and the expenditures of operating the schools, including salaries of other personnel. Also, effective October 1, 2004, the School Board is authorized to collect within the parish an additional one-half cent sales tax to supplement salaries and benefits of employees.

The sales tax department of the School Board is also authorized to collect sales and use taxes levied by various municipalities located in Acadia Parish. The municipalities pay the School Board a 1-1/2% fee for collecting their sales and use taxes. The collection and distribution of the above sales taxes are accounted for in the Sales Tax Agency Fund.

Note 9. Pension Plans

Substantially, all employees of the School Board are members of one of three 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. Other personnel that don't fall into one of these plans are enrolled in the Louisiana State 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:

Teachers' Retirement System of Louisiana (TRSL)

General Information about the Pension Plan

Plan description:

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

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 hired prior to July 1, 1999

2.0% benefit factor	At least age 60 with at least 5 years of service credit, or Any age with at least 20 years of service credit
2.5% benefit factor	At least age 65 with at least 20 years of service credit, or At least age 55 with at least 25 years of service credit, or Any age with at least 30 years of service credit

Members joining system between July 1, 1999 and December 31, 2010

2.5% benefit factor	At least age 60 with at least 5 years of service credit, or At least age 55 with at least 25 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced), or Any age with at least 30 years of service credit

Members first eligible to join & hired between January 1, 2011 and June 30, 2015

2.5% benefit factor	At least age 60 with at least 5 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced)

Members first eligible to join & hired on or after July 1, 2015

2.5% benefit factor	At least age 62 with at least 5 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced)

Plan A – Plan A is closed to new entrants.

All Plan A members

3.0% benefit factor	At least age 60 with at least 5 years of service credit, or At least age 55 with at least 25 years of service credit Any age with at least 30 years of service credit

Plan B –

Members hired before July 1, 2015

2.0% benefit factor	At least age 60 with at least 5 years of service credit, or At least age 55 with at least 30 years of service credit

Members first eligible to join and hired on or after July 1, 2015

2.0% benefit factor	At least age 62 with at least 5 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced)

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

Upon termination of DROP participation, the member can continue employment and earn additional benefit 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.

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

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) 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.

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, 2019 are as follows:

2019 TRSL Sub Plan	Total Employer Contributions
K-12 Regular Plan, Plan A & B	26.7%
Higher Ed Regular Plan	25.5%
Optional Retirement Plan	**Employer UAL**
2019	21.8%

Note: In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

The agency's contractually required composite contribution rate for the year ended June 30, 2019 was 26.7% 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 Agency were $12,020,159 for the year ended June 30, 2019.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2019, the Employer reported a liability of $89,535,817 for its proportionate share of the Net Pension Liability for the Teachers Retirement System of Louisiana. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Agency's proportion was .91103%, which was a decrease of .01838% from its proportion measured as of June 30, 2017. For the year ended June 30, 2019, the School Board recognized pension expense of $2,638,367.

At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement System of Louisiana pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,949,494
Change in assumptions	5,752,970	-
Net difference between projected and actual earnings on pension plan investments	-	5,770,416
Change in proportionate share from prior year	-	4,655,787
Differences between actual employer contributions and expected contributions	2,332,625	-
Employer contributions subsequent to the measurement date	11,893,768	-
	$ 19,979,363	$ 13,375,697

$11,893,768 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. 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:	
2020	$ (33,624)
2021	$ (1,596,603)
2022	$ (3,311,428)
2023	$ (348,447)

Actuarial assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
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	3.3% - 4.8% varies depending on duration of service
Cost-of-living adjustments	None
Mortality	Active members – RP-2014 White collar Employee tables, adjusted by 1.010 for males and by 0.997 for females Non-Disabled retiree/inactive members – RP-2014 White collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2012 – June 30, 2017) experience study of the System's members.

**The investment rate of return used in the actuarial valuation for funding purposes was 8.05% recognizing an additional 40 basis points for gain sharing. Prior to fiscal year 2018/2019, administrative expenses were funding in accordance with R.S. 11 Section 102, which by omission of language regarding the funding of administrative expenses precluded funding by a direct allocation through the employer contribution rate. Per Act 94 of 2016, noninvestment-related administrative expenses will be directly funded with employer contributions as a percentage of projected payroll beginning fiscal year 2018/2019.*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.07% for 2018. 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, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	27.0%	4.01%
International equity	19.0%	4.90%
Domestic fixed income	13.0%	1.36%
International fixed income	5.5%	2.35%
Private equity	25.5%	8.39%
Other private assets	10.0%	3.57%

Discount rate:

The discount rate used to measure the total pension liability was 7.65%.

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

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.65%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.65%) or one percentage-point higher (8.65%) than the current rate:

	1.0% Decrease (6.65%)	Current Discount Rate (7.65%)	1.0% Increase (8.65%)
Employer's proportionate share of the net pension liability	$ 122,772,334	$ 89,535,817	$ 65,007,460

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2018 Comprehensive Annual Financial Report at *www.trsl.org*.

Louisiana School Employees' Retirement System (LSERS)

Plan description:

Certain employees of the Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana School Employees' Retirement System (LSERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1001) grants to LSERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LSERS issues a publicly available financial report that can be obtained at www.lsers.net.

Benefits provided:

The following is a description of the plan and its benefits and is provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement benefits:

1. Normal Retirement

A member whose first employment making him/her eligible for membership in one of Louisiana's state retirement systems occurred 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 ten years are creditable service and is at least age 60. A member whose first employment making him/her eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2010 and on or before June 30, 2015, is eligible for normal retirement if he has at least five years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. A member whose first employment making him/her eligible for membership in one of Louisiana's state retirement system occurred on or after July , 2015, is eligible for normal retirement if he has at least five years of creditable service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially-reduced benefit.

For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation. For members who joined the system on or after July 1, 2006 and whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or before 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 whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred 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 Plan 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.

2. 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 regular service retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with 20 or more years of creditable service, who has withdrawn from active service prior to the age at which he is eligible for retirement benefits, 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 statutes, a spouse is entitled to 75% of the member's benefit.

3. Deferred Retirement Option Program (DROP)

Members of the Plan 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, 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 DROP. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund Account.

The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. 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 Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or disbursements in any manner approved by the Board.

The Plan 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 Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select certain benefit options. 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).

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 actual employer contribution rate for the year ended June 30, 2018 was 27.6%. Contributions to the pension plan from the School Board were $789,415 for the year ended June 30, 2019.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2018, the Employer reported a liability of $6,626,406 for its proportionate share of the Net Pension Liability in the Louisiana School Employees' Retirement System. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Agency's proportion was 0.991773%, which was an decrease of .04786% from its proportion measured as of June 30, 2017. For the year ended June 30, 2019, the Agency recognized pension expense of $348,794.

At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to the Louisiana School Employees' Retirement System pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 182,859
Changes in assumptions	279,158	-
Net difference between projected and actual earnings on pension plan investments	131,586	-
Change in proportionate share from prior year	27,552	211,033
Differences between actual employer contributions and expected contributions	-	240,832
Employer contributions subsequent to the measurement date	749,580	-
	$ 1,187,876	$ 634,724

$749,580 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction in pension expense as follows:

Year Ended:	
2020	$ 59,118
2021	$ (86,262)
2022	$ (200,098)
2023	$ 30,814

Actuarial assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Actuarial cost method	Entry Age Normal
Investment rate of return (discount rate)	7.0625% per annum; net of plan investment expenses, including inflation
Inflation rate	2.50% per annum
Mortality	RP-2014 Healthy Annuitant Tables RP-2014 Sex Distinct Employee Tables RP-2014 Sex Distinct Disabled Tables
Expected Remaining Service Life	3 years, closed period
Cost-of-living adjustments (COLA)	Not substantively automatic The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values and accrued liabilities include one future COLA , though not yet authorized by the legislature by including the recognition of the existing balance in the Experience Account together with the present value of future contributions to the Account up to the maximum permissible value of the Account based upon current amount limitations.
Salary Increases, including inflation and merit increases	2013-2017 experience study, 3.25%

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 7.76%.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income:		
Core Fixed Income	8.00%	1.68%
High Yield	5.00%	4.13%
Emerging Markets Debt	7.00%	4.42%
Global Fixed Income	10.00%	1.63%
Equity:		
US Equity	20.00%	6.15%
Developed Equity	18.00%	7.11%
Emerging Markets Equity	10.00%	9.41%
Global REITs	3.00%	5.77%
Alternatives:		
Private Equity	5.00%	10.28%
Hedge Fund of Funds	3.00%	3.94%
Real Estate	5.00%	4.90%
Real Assets:		
Timber	2.00%	5.67%
Oil & Gas	2.00%	10.57%
Infrastructure	2.00%	6.25%
Total	100.00%	

Discount rate:

The discount rate used to measure the total pension liability was 7.0625%. 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 Public Retirement Systems' Actuarial Committee, 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 7.0625%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate as of June 30, 2018:

	1.0% Decrease (6.06%)	Current Discount Rate (7.06%)	1.0% Increase (8.06%)
Employer's proportionate share of the net pension liability	$ 9,096,486	$ 6,626,406	$ 4,514,982

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at www.lsers.net.

Louisiana State Employees' Retirement System (LASERS)

Plan description:

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

Benefits provided:

The following is a description of the plan and its benefits and is provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement benefits:

1. Normal Retirement

   The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

   Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual eared compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

2. Deferred Retirement Option Program (DROP)

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

4. Survivor Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

5. 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.

Contributions:

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the fiscal year ended June 30, 2018 are as follows:

Plan	Plan Status	Employer
Appellate Law Clerks:		
hired before 7/1/2006	Closed	37.90%
hired on or after 07/01/2006	Open	37.90%
Alcohol Tobacco Control	Closed	32.70%
Bridge Police		
Hired before 07/01/2006	Closed	36.50%
Hired on or after 07/01/2006	Closed	36.50%
Corrections Primary	Closed	33.20%
Corrections Secondary	Closed	37.60%
Harbor Police	Closed	6.10%
Hazardous Duty	Open	38.30%
Judges:		
Hired before 01/01/2011	Closed	40.10%
Hired after 12/31/2010	Closed	39.60%
Hired on or after 07/01/2015	Open	39.60%
Legislators	Closed	41.70%
Optional Retirement Plan (ORP)		
before 7/1/2006	Closed	37.90%
on or after 07/01/06	Closed	37.90%
Peace Officers	Closed	36.70%
Regular Employees:		
Hired before 07/01/2006	Closed	37.90%
Hired on or after 07/01/2006	Closed	37.90%
Hired on or after 01/01/2011	Closed	37.90%
Hired on or after 07/01/2015	Open	37.90%
Special Legislative Employees	Closed	43.70%
Wildlife Agents	Closed	46.60%
Aggregate Rate		37.80%

The agency's contractually required composite contribution rate for the year ended June 30, 2018 was 37.8% 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 Agency were $14,266 for the year ended June 30, 2019.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2019, the Employer reported a liability of $144,719 for its proportionate share of the Net Pension Liability in the Louisiana State Employees' Retirement System. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Agency's proportion was .00212%, which was an increase of .00025% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Agency recognized pension expense of $11,815 plus employer's amortization of the change in proportionate share and differences between employer contributions and proportionate share of contributions, $21.

At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to the Louisiana State Employees' Retirement System pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ 1,473	$ -
Net difference between projected and actual earnings on pension plan investments	1,877	-
Change in proportionate share from prior year	-	-
Difference between expected and actual experience	-	1,623
Differences between actual employer contributions and expected contributions	3,322	1,476
Employer contributions subsequent to the measurement date	16,797	-
	$ 23,469	$ 3,099

$16,797 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. 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:	
2020	$ 4,868
2021	$ 2,770
2022	$ (3,537)
2023	$ (528)

Actuarial assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Expected Remaining Service Lives	3 years
Investment rate of return	7.65% per annum, net of investment expenses*
Inflation rate	2.75% per annum
Mortality	Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled Members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability and Retirement	Termination, disability and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
Salary increases	Salary increased were projected based on a 2009-013 experience study of the System's members. The salary increase ranges from 2.8% - 14.3% depending the specific types of members.
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

**The investment rate of return used in the actuarial valuation for funding purposes was 8.05% recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.83% which is reasonably close to the 7.65% discount rate.*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.83% for 2018. Best estimates of geometric real rates of return for each major asset class included in the System's target allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	-0.48%
Domestic equity	4.31%
International equity	5.26%
Domestic fixed income	1.49%
International fixed income	2.23%
Alternative investments	7.67%
Risk parity	4.96%
Total fund	5.40%

The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the 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 7.65%, 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 or one percentage-point higher than the current rate:

	1.0% Decrease (6.65%)	Current Discount Rate (7.65%)	1.0% Increase (8.65%)
Employer's proportionate share of the net pension liability	$ 182,645	$ 144,719	$ 112,055

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at *www.lasersonline.org*.

Note 10. Post-Retirement Health Care and Life Insurance Benefits

Plan description:

The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially, all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The plan is a single-employer defined benefit health care plan administered by the School Board. The plan does not issue a publicly available financial report. The membership as of July 1, 2017 (valuation date) includes 763 active participants, 649 retirees and surviving spouses, and 252 spouses of current retirees.

Funding policy:

The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 35%) and the School Board (approximately 65%). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB cost:

The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefits plans other than pension (OPEB) and participating employers in 2015. These standards, GASB Statements No. 74 and 75 have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45. The most notable change is that the annual required contributions (ARC) has been eliminated and the net OPEB liability will be an item on the employer's financial statement rather than a footnote entry. Changes in the net OPEB liability is recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows or resources depending on the nature of the change.

The following table shows the changes in the net OPEB liability:

Service Cost	$ 6,863,332
Interest on net OPEB obligation	9,335,487
Recognition of economic/demographic gains or losses	7,020,231
Recognition of assumption changes or inputs	2,815,874
OPEB expense	$ 26,034,924
Deferred inflows/outflows:	
Differences between expected and actual experience	$ 5,537,343
Changes in assumptions	488,752
Benefit payments	(5,420,319)
Increase in OPEB Liability	$ 26,640,700
Net OPEB obligation – beginning of year	237,048,153
Net OPEB obligation – end of year	$263,688,853

At June 30, 2019, the School Board recognized OPEB expense of $26,034,924. At June 30, 2019, the School Board reported deferred inflows of resources and deferred outflows of resources related to the post-retirement health care and life insurance benefits:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 19,704,443
Changes in assumptions	1,371,835	12,557,574
	$ 1,371,835	$ 32,262,017

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended:	
2020	$ 9,836,104
2021	$ 9,836,104
2022	$ 8,574,275
2023	$ 2,643,699

Actuarial methods and assumptions:

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the School Board's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical costs inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

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 and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The costs of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long-term assumptions, the costs determined by the valuation must be regarded as estimates of the trust costs of the plan. Actual liabilities and comparative costs are computed using the unit credit actuarial costs method, which consists of the following cost components:

- The normal costs – the actuarial present value of benefits allocated to the valuation year.
- The actual accrued liability – actuarial present value of benefits accrued as of the valuation date.
- Valuation assets – equal to the market of assets as of the valuation date, if any.

- Unfunded actuarial accrued liability – difference between the actuarial accrued liability and the valuation of assets. It is amortized over the maximum permissible period under GASB 45 of 30 years.

1. Discount rate for valuing liabilities of 3.50% per annum, compounded annually.

2. Compensation Increases of 3.0%, including inflation.

3. Mortality rate – RP-2014 Mortality table adjusted backwards to 2006 with mortality improvement scale MP-2014 and projected forward with mortality improvement Scale MP-2018.

4. Retirement rates.

Age	Male	Female	Age	Male	Female
38	2.0%	2.0%	59	30.3%	30.3%
39-40	4.0%	4.0%	60	25.5%	25.5%
41-48	3.0%	3.0%	61	29.8%	29.8%
49-50	2.7%	2.7%	62	28.8%	28.8%
51	2.6%	2.6%	63	38.8%	38.8%
52	1.8%	1.8%	64	33.9%	33.9%
53	3.0%	3.0%	65	32.8%	32.8%
54	4.8%	4.8%	66	40.2%	40.2%
55	9.4%	9.4%	67	24.5%	24.5%
56	18.4%	18.4%	68	34.8%	34.8%
57	22.1%	22.1%	69	34.0%	34.0%
58	44.6%	44.6%	70+	100.0%	100.0%

5. Early Retirement Rates
   a. Pre-June 30, 1999 hires – same as above retirement rates
   b. Pose-June 30, 1999 hires – same as withdrawal retirement rates

6. Withdrawal rates:

Age	Males/Females
18- 19	5.0%
20	10.0%
21	9.0%
22	4.0%
23	7.0%
24-30	13.0%
31-32	11.0%
33-34	10.0%
35	9.0%
36	8.0%
37	7.0%
38-40	6.0%
41-43	5.0%
44-47	4.0%
48-51	3.0%
52-74	4.0%

Withdrawal rates are multiplied by the following factors below:

Year	Factor
1	1.00
2	1.15
3	1.20
4	1.05
5	1.00

7. Participation Assumption: 60% of members are assumed to elect health coverage at retirement. For those that elect coverage it is assumed that they will stay in the same health plan as they were enrolled in as an active participant (if allowed). 30% of members are assumed to elect life insurance at retirement, if eligible.

8. Marriage Assumption: For actives it is assumed that husbands are three years older than their wives and 40% of participants electing spouse coverage at retirement.

9. Inflation rate of 2.30% per annum, compounded annually.

10. Medical inflation:

Year	Pre-65 Trend	Post-65 Trend	Year	Pre-65 Trend	Post-65 Trend
2017	4.40%	6.90%	2047	4.80%	5.00%
2018	4.50%	6.30%	2048	4.70%	5.30%
2019	4.70%	5.70%	2049-2050	4.70%	5.50%
2020	4.80%	5.40%	2051-2053	4.70%	5.40%
2021	4.80%	5.30%	2054-2057	4.70%	5.30%
2022	4.80%	5.20%	2058-2059	4.70%	5.20%
2023	4.80%	5.00%	2060-2061	4.60%	5.20%
2024	4.80%	4.90%	2062-2063	4.60%	5.10%
2025	4.80%	4.80%	2064	4.60%	5.00%
2026-2028	4.80%	4.70%	2065	4.50%	4.90%
2029	4.80%	4.80%	2066	4.40%	4.80%
2030-2035	4.90%	4.80%	2067	4.30%	4.70%
2036	4.90%	4.90%	2068	4.30%	4.60%
2037	4.90%	5.10%	2069	4.20%	4.60%
2038	4.90%	5.30%	2070	4.10%	4.50%
2039	5.00%	5.40%	2071	4.10%	4.40%
2040-2042	5.00%	5.30%	2072	4.00%	4.30%
2043	4.90%	5.20%	2073-2079	3.90%	4.20%
2044-2046	4.80%	5.10%	2080+	3.90%	4.10%

Discount rate:

The discount rate used to measure the Net OPEB obligation was 3.50%. The discount rate was based on the Bond Buyer's 20-year bond general obligation index. The discount rate is the single rate of return that, that when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of (1) the actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefits payments, calculated using the Long-Term Expected Rate of Return and (2) the actuarial present value of projected benefit payments not included in (1) using the Municipal bond Rate.

Sensitivity of the School Board's net OPEB obligation to changes in the discount rate

The following presents the School Board's net OPEB obligation calculated using the discount rate of 3.50%, as well as what the net OPEB obligation would be if it were calculated using a discount rate that is one-percentage point lower or one percentage-point higher than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Employer's proportionate share of the net pension liability	$318,882,532	$263,688,853	$221,345,098

Sensitivity of the School Board's net OPEB obligation to changes in the healthcare cost trend rate:

The following presents the School Board's net OPEB obligation calculated using the current healthcare cost trend rates as well as what the School Board's net OPEB obligation would be if it were calculated using trend rates that are one-percentage point lower or one-percentage point higher than the current trend rates.

	1% Decrease	Current Discount	1% Increase
Net OPEB obligation	$214,847,310	$263,688,853	$ 328,954,140

Note 11. Commitments and Contingencies

The School Board receives federal and state grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

Note 12. Interfund Transactions

Interfund receivables and payables, by fund, at June 30, 2019 are as follows:

	Interfund Receivables	Interfund Payables
Major funds:		
General fund	$ 553,632	$ -
Agency funds:		
Sales tax fund	$ -	$ 553,632
Total	$ 553,632	$ 553,632

The amounts due to the General Fund from the Sales Tax Agency fund is for sales tax collected at year end not remitted to the General Fund.

Transfers consisted of the following at June 30, 2019:

	Transfers In	Transfers Out
Major funds:		
General Fund	$ -	$ 131,815
Nonmajor funds:		
Special Federal Funds	$ 14	$ -
School Lunch Fund	130,316	-
State Programs	1,485	-
Total nonmajor funds	$ 131,815	$ -
Total	$ 131,815	$ 131,815

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

Note 13. Risk Management

Commercial insurance coverage:

The School Board purchases commercial insurance for property coverage, general liability, and automobile liability. The deductibles per occurrence are $100,000 for most perils and $50,000 for wind and hail damage, $25,000 for general liability, and $25,000 for automobile liability. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Workers' compensation:

The School Board has established a Workers' Compensation Self-Insurance Program for the purpose of providing medical and indemnity payments as required by law for on-the-job related injuries. The School Board has a contract with F.A. Richard for plan administration services. Under the program, the School Board has obtained reinsurance coverage for the excess workers' compensation and employer's liability. The retention for the policy for fiscal year ended June 30, 2019 is $450,000 per occurrence.

At June 30, 2019, the amount of the workers' compensation benefits liability was $1,634,997. This liability is the School Board's best estimate based on available information. Changes in the unpaid claims liability during the last three years ended June 30 are as follows:

	2019	2018	2017
Unpaid claims beginning	$ 1,658,242	$ 1,578,718	$ 1,532,019
Current year claims and changes in estimates	1,084,584	933,459	808,660
Claims paid	(1,107,829)	(853,935)	(761,961)
Unpaid claims, ending	$ 1,634,997	$ 1,658,242	$ 1,578,718

Note 14. U.S.D.A. Commodities

The School Board receives U.S.D.A. commodities from the U.S. Department of Agriculture. During the year, the School Board received $429,506 in commodities, consumed $552,781 and had an ending inventory balance of $146,360 of commodities in inventory at June 30, 2019. The commodities are reflected in inventory in the School Lunch Fund.

Note 15. Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2019 follows:

James Higginbotham	$ 7,200
Douglas Lacombe	6,000
Delo Hebert	6,000
Milton Simar	6,000
James Proctor	6,000
Ike Richard	3,000
Steven Jones	3,000
Rebecca Atkinson	3,000
Total	$ 40,200

Note 16. Education Excellence Fund

On August 27, 2003, the Joint Education Committee approved the School Board's plans regarding their share of the Millennium Trust Fund, referred to as the Education Excellence Trust Fund. For each fiscal year beginning with the 2006-2007 fiscal year, appropriations shall be made to the State Superintendent of Education and distributed to city, parish, and other local school systems in accordance with the formulas stipulated in the Millennium Trust. Such monies appropriated shall be restricted to expenditures for pre-kindergarten through 12th grade instructional enhancement for students, including early childhood educational programs focused on enhancing the preparation of at-risk children for school, remedial instruction, and assistance to children who fail to achieve the required scores on any test passage of which are required pursuant to state law or rule for advancement to a succeeding grade or other educational programs approved by the legislature. For the year ended June 30, 2019, $670,083 is included in deferred revenue for future expenditure in accordance with the Millennium Trust document.

Note 17. Headstart Funding

At June 30, 2019, the School Board had no Headstart funds available under the current project period which were unexpended.

Note 18. School Board Collections of Sales Taxes on Behalf of Other Taxing Authorities

The School Board collects sales taxes on behalf of other taxing authorities in Acadia Parish. The following schedule discloses those collections on behalf of other taxing authorities and is presented in accordance with Louisiana Revised Statute (R.S.) 24:513B.(3) enacted by ACT 711 of the 2010 Legislative Session.

	Annual Totals – Year Ending June 30, 2019 Tax Periods		
	Total Collections	Collection Costs	Final Distribution
Acadia Parish Police Jury (1.0%)	$ 8,299,163	$ 188,549	$ 8,110,614
Acadia Parish Police Jury (1.0%)	2,842,637	85,456	2,757,181
Acadia Parish Police Jury (0.25%)	1,023,969	27,405	996,564
	$ 12,165,769	$ 301,410	$11,864,359
City of Crowley (2.5%)	$ 7,389,532	$ 124,289	$ 7,265,243
Town of Church Point (2.0%)	$ 650,989	$ 10,406	$ 640,583
Town of Iota (2.0%)	$ 225,518	$ 3,811	$ 221,707
Village of Estherwood (1.0%)	$ 64,324	$ 1,139	$ 63,185
Village of Mermentau (1.0%)	$ 67,844	$ 1,681	$ 66,163
City of Rayne (2.0%)	$ 2,494,690	$ 58,093	$ 2,436,597
Village of Morse (1.0%)	$ 52,657	$ 1,007	$ 51,650
Church Point Law Enforcement (1.0%)	$ 650,984	$ 10,406	$ 640,578
Acadia Parish Sheriff (0.5%)	$ 4,149,579	$ 94,286	$ 4,055,293
Totals	$ 27,911,886	$ 606,528	$27,305,358

Note 19. Subsequent Events

The School Board evaluated the need for disclosures and/or adjustments resulting from subsequent events through December 18, 2019, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

Exhibit H-1

ACADIA PARISH SCHOOL BOARD

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Local sources –				
Ad valorem	$11,665,040	$11,762,749	$11,764,543	$ 1,794
Sales tax and use taxes	11,960,000	12,630,000	12,645,302	15,302
Sales tax fees	390,000	410,000	418,678	8,678
Other	1,611,000	1,803,500	1,923,073	119,573
Total local sources	$25,626,040	$26,606,249	$26,751,596	$ 145,347
State sources	54,002,124	53,763,365	53,756,478	(6,887)
Total revenues	$79,628,164	$80,369,614	$80,508,074	$ 138,460
Expenditures:				
Current –				
Instruction:				
Regular programs	$41,608,531	$41,599,729	$41,274,505	$ 325,224
Special education programs	6,905,784	6,464,486	6,429,428	35,058
Vocational education programs	1,764,772	1,618,028	1,609,358	8,670
Other instructional programs	235,891	259,319	260,850	(1,531)
Special programs	196,606	157,190	153,949	3,241
Adult and continuing education programs	125,743	59,730	59,513	217
Support services:				
Pupil support services	3,840,586	3,792,132	3,892,002	(99,870)
Instructional staff support services	2,440,479	2,340,490	2,308,854	31,636
General administration	1,370,881	1,370,785	1,362,967	7,818
School administration	5,517,169	5,479,639	5,434,654	44,985
Business services	913,112	1,008,669	973,052	35,617
Operation and maintenance of plant services	7,441,307	7,419,297	7,309,720	109,577
Student transportation services	4,857,071	5,068,627	4,970,967	97,660
Central services	914,318	816,280	819,729	(3,449)
Non-instructional services:				
Food services	338,000	355,000	317,109	37,891
Community services programs	14,000	11,500	11,600	(100)
Facilities acquisition and construction	1,218,600	1,014,680	1,094,203	(79,523)
Debt service -				
Principal retirement	920,499	920,499	920,499	-
Interest and fiscal charges	102,386	102,386	102,385	1
Total expenditures	$80,725,735	$79,858,466	$79,305,344	$ 553,122

(continued)

ACADIA PARISH SCHOOL BOARD

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess (deficiency) of revenues over expenditures	$(1,097,571)	$ 511,148	$ 1,202,730	$ 691,582
Other financing sources (uses):				
Proceeds from sales of assets	$ 1,000	$ 1,700	$ 1,702	$ 2
Transfers out	(136,000)	(131,000)	(131,815)	815
Total other financing sources (uses)	$ (135,000)	$ (129,300)	$ (130,113)	$ 817
Net change in fund balance	$(1,232,571)	$ 381,848	$ 1,072,617	$ 692,399
Fund balance, beginning	23,974,591	23,974,591	23,974,591	-
Fund balance, ending	$22,742,020	$24,356,439	$25,047,208	$ 692,399

See Notes to Budgetary Comparison Schedules.

ACADIA PARISH SCHOOL BOARD

NOTES TO BUDGETARY COMPARISON SCHEDULES

Note. 1 Budgets and Budgetary Accounting

The proposed budget for 2019 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2019 budget on June XX, 2018. In accordance with R.S. 17.88 (A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue funds, was published in the official journal ten days prior to the public hearing. The budgets for the fiscal year 2019 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes in adopted by the School Board in an open meeting. Budgeted amounts included in the required supplementary information include the original adopted budget and final budgeted amounts.

Note. 2 Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual funds had actual expenditures in excess of budgeted expenditures for the year ended June 30, 2019.

	Original Budget	Final Budget	Actual	Excess
General Fund	$ 80,725,735	$ 79,858,466	$ 79,305,344	$ 553,122

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2019 and 2018

	2019	2018
Service Cost	$ 6,863,332	$ 7,385,258
Interest on total OPEB liability	9,335,487	8,362,682
Effect of economic/demographic gains or (losses)	-	33,744,905
Effect of assumption changes or inputs	15,862,199	(2,349,339)
Benefit payments	(5,420,319)	(5,162,871)
	$ 26,640,699	$ 41,980,635
Total OPEB liability beginning	237,048,153	195,067,518
Total OPEB liability ending	$ 263,688,852	$ 237,048,153
Covered payroll	$ 50,050,036	$ 48,653,113
Total OPEB liability as a % of covered payroll	526.85%	487.22%

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
For the Years Ended June 30, 2019, 2018, 2017, 2016, 2015 and 2014

	2019	2018	2017
Teachers' Retirement System of Louisiana (TRSL)			
School Board's proportion of the net pension liability	0.91%	0.93%	0.96%
School Board's proportion share of the net pension liability	$ 89,535,817	$ 95,281,459	$112,701,130
School Board's covered employee payroll	$ 44,556,255	$ 45,185,161	$ 45,788,942
School Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	200.95%	210.87%	246.13%
Plan fiduciary net position as a percentage on the total pension liability	68.20%	65.60%	59.90%
Louisiana School Employees' Retirement System (LSERS)			
School Board's proportion of the net pension liability	.99%	1.04%	1.03%
School Board's proportion share of the net pension liability	$ 6,626,406	$ 6,652,892	$ 7,750,941
School Board's covered employee payroll	$ 2,677,074	$ 2,860,202	$ 2,988,664
School Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	247.52%	232.60%	259.34%
Plan fiduciary net position as a percentage on the total pension liability	73.49%	74.44%	75.03%
Louisiana State Employees' Retirement System (LASERS)			
School Board's proportion of the net pension liability	.00212%	0.00187%	.00210%
School Board's proportion share of the net pension liability	$ 144,719	$ 131,697	$ 164,511
School Board's covered employee payroll	$ 44,314	$ 37,644	$ 28,345
School Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	326.58%	349.85%	582.50%
Plan fiduciary net position as a percentage on the total pension liability	64.30%	62.50%	57.73%

2016	2015	2014
0.98%	0.99%	1.01%
$105,043,298	$101,153,766	$121,107,754
$ 46,826,779	$ 46,915,321	$ 47,526,384
224.32%	215.61%	254.82%
62.47%	63.65%	56.47%
1.00%	1.05%	1.07%
$ 6,347,890	$ 6,089,249	$ 8,155,285
$ 2,928,644	$ 2,811,093	$ 2,835,530
216.75%	216.61%	287.61%
74.49%	76.18%	68.26%
.00207%	.00211%	.00100%
$ 140,791	$ 131,936	$ 72,846
$ 37,699	$ 37,420	$ 30,897
373.46%	352.58%	235.77%
62.66%	65.02%	58.64%

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF PENSION CONTRIBUTIONS
For the Years Ended June 30, 2019, 2018, 2017, 2016, 2015 and 2014

	2019	2018	2017
Teachers' Retirement System of Louisiana (TRSL)			
Contractually required contribution	$ 11,893,768	$ 12,020,158	$ 11,677,090
Contributions in relation to the contractually required contribution	11,893,768	12,020,158	11,677,090
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 44,556,255	$ 45,185,161	$ 45,788,942
Contributions as a percentage of covered-employee payroll	26.69%	26.60%	25.50%
Louisiana School Employees' Retirement System (LSERS)			
Contractually required contribution	$ 749,580	$ 789,416	$ 815,905
Contributions in relation to the contractually required contribution	749,580	789,416	815,905
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 2,677,074	$ 2,860,202	$ 2,988,664
Contributions as a percentage of covered-employee payroll	28.00%	27.60%	27.30%
Louisiana State Employees' Retirement System (LASERS)			
Contractually required contribution	$ 16,797	$ 14,267	$ 10,147
Contributions in relation to the contractually required contribution	16,797	14,267	10,147
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 44,314	$ 37,644	$ 28,345
Contributions as a percentage of covered-employee payroll	37.90%	37.90%	35.80%

2016	2015	2014
$ 12,316,344	$ 13,136,714	$ 12,927,176
12,316,344	13,136,714	12,927,176
$ -	$ -	$ -
$ 46,826,779	$ 46,915,321	$ 47,526,384
26.30%	28.00%	27.20%
$ 884,451	$ 927,661	$ 915,876
884,451	927,661	915,876
$ -	$ -	$ -
$ 2,928,644	$ 2,811,093	$ 2,835,530
30.20%	33.00%	32.30%
$ 14,493	$ 13,845	$ 9,671
14,493	13,845	9,671
$ -	$ -	$ -
$ 37,699	$ 37,420	$ 30,897
38.44%	37.00%	31.30%

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OTHER SUPPLEMENTARY INFORMATION

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OTHER FINANCIAL INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for special revenues that are legally restricted to expenditures for expenditures for specific purposes.

SPECIAL FEDERAL FUNDS FUND

This fund accounts for federal grants such as Career & Technical Education – Carl Perkins Grant and Early Childhood Programs.

NO CHILD LEFT BEHIND FUND

Title I - Title I of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived children which is federally financed, state administered, and locally operated by the School Board. The Title I services are provided through various projects which are designed to supplement services rather than replace state and locally mandated programs.

Title II - Title II of the IASA is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and to increase the accessibility of such instructions to all students.

Title IV - Title IV of the IASA is a program by which the federal government provides funds to the School Board for the Drug Free Schools program.

Title III – Title III – Immigrant is a program that focuses on assisting school districts in teaching English to limited English proficient students and in helping meet the challenging State standards required of all students.

Title VI - Title VI of the IASA is a program by which the federal government provides funds to the School Board for an afterschool tutorial homework assistance program and staff development. This fund also accounts for revenues and expenditures of the Class Size Reduction Program designed to help local elementary schools reduce class size by hiring additional highly qualified teachers.

Title V – Title V, Part B of Elementary and Secondary Education Act provides funds to high-poverty, rural local educational agencies (LEAs) to supplement the LEA's activities under selected for Federal programs.

Migrant - An educational program which focuses on the needs of children of migratory workers.

SPECIAL EDUCATION FUND

Individuals with Disabilities Education Act (IDEA) Program

The IDEA Program is a federally funded program which provides for special education services to accommodate children with disabilities.

The Preschool Program is a program by which funds are used to provide special education handicapped services for preschool aged children. The fund also provides for pre-kindergarten and kindergarten classes designed to prepare at-risk-four-year old children for kindergarten.

STATE PROGRAMS FUND

Medicaid Special Education

Funds are generated by providing services to Medicaid-eligible students. This money is used to provide health-related services and for special needs students sent to other parishes.

In addition to Medicaid Special Education this category also accounts for state funded programs which provide for summer remediation, instructional enhancements for students, state mandated Pre-Ged/Options 3 program, and other programs which are not accounted for in other special revenue funds.

SCHOOL LUNCH FUND

The School Food Service makes nutritious breakfasts and lunches available to all students at 12 central kitchens and 13 satellite locations. Funding is provided through collections at the schools from students and teachers, federal reimbursement of certain costs, USDA commodities, and transfer from the General Fund.

HEADSTART FUND

Headstart provides an early childhood environment for approximately 400 three and four year old at-risk children in the communities of Church Point, Rayne, Crowley, and Estherwood. This federal program, which receives funding through the regional Headstart office in Dallas, offers an additional source of preschool experience for children in the parish. This fund also accounts for funds for training/technical assistance for staff development and Headstart training conferences for employees, parents, and policy council members.

ACADIA PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2019

	Special Federal Funds	No Child Left Behind	Special Education	State Programs
ASSETS				
Cash and equity in pooled cash	$ -	$ -	$ -	$ 442,047
Receivables	184,354	973,370	280,083	88,608
Inventories	-	-	-	-
Total assets	$ 184,354	$ 973,370	$ 280,083	$ 530,655
LIABILITIES AND FUND BALANCES				
Liabilities:				
Pooled cash deficit	$ 155,099	$ 639,859	$ 180,989	$ -
Accounts payable	-	109,833	5,335	160
Accrued salaries and related benefits	29,255	223,678	93,759	56,889
Total liabilities	$ 184,354	$ 973,370	$ 280,083	$ 57,049
Fund balances:				
Nonspendable -				
Inventory	$ -	$ -	$ -	$ -
Restricted for special purposes	-	-	-	473,606
Total fund balances	$ -	$ -	$ -	$ 473,606
Total liabilities and fund balances	$ 184,354	$ 973,370	$ 280,083	$ 530,655

Exhibit I-1

School Lunch Funds	Headstart	Total
$ 2,432,859	$ -	$ 2,874,906
-	387,585	1,914,000
538,203	-	538,203
$ 2,971,062	$ 387,585	$ 5,327,109
$ -	$ 138,573	$ 1,114,520
11,271	79,636	206,235
177,001	169,376	749,958
$ 188,272	$ 387,585	$ 2,070,713
$ 538,203	$ -	$ 538,203
2,244,587	-	2,718,193
$ 2,782,790	-	$ 3,256,396
$ 2,971,062	$ 387,585	$ 5,327,109

ACADIA PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2019

	Special Federal Funds	No Child Left Behind	Special Education	State Programs
Revenues:				
State sources	$ -	$ -	$ -	$ 1,193,169
Federal sources	554,564	5,420,016	2,314,607	-
Other sources	-	-	-	-
Total revenues	$ 554,564	$ 5,420,016	$ 2,314,607	$ 1,193,169
Expenditures:				
Current –				
Instruction:				
Regular programs	$ 19,880	$ 1,125,271	$ 1,052	$ 25,086
Special education programs	3,404	-	756,744	92,516
Vocational education programs	129,246	-	-	-
Other instructional programs	-	-	-	63
Special programs	365,161	2,004,066	18,239	641,666
Adult and continuing education programs	-	-	-	-
Support services:				
Pupil support services	-	581,387	793,098	167,585
Instructional staff support services	7,084	1,163,851	454,466	32,434
General administration	184	11,298	93,755	43,231
School administration	-	-	-	-
Business services	-	7,100	60,863	-
Operation and maintenance of plant services	-	-	-	-
Student transportation services	253	-	6,399	-
Central services	6,770	-	-	1,176
Non-instructional services:				
Food service operation	-	-	-	-
Community service programs	-	221,642	-	-
Indirect cost	22,596	305,401	129,991	-
In-kind	-	-	-	-
Total expenditures	$ 554,578	$ 5,420,016	$ 2,314,607	$ 1,003,757
Excess (deficiency) of revenues over expenditures	$ (14)	$ -	$ -	$ 189,412
Other financing sources:				
Proceeds from the sale of assets	$ -	$ -	$ -	$ -
Transfer in	14	-	-	1,485
Total other financing sources	14	-	-	1,485
Net change in fund balances	$ -	$ -	$ -	$ 190,897
Fund balances, beginning	-	-	-	282,709
Fund balances, ending	$ -	$ -	$ -	$ 473,606

Exhibit I-2

School Lunch Funds	Headstart	Total
$ 63,839	$ -	$ 1,257,008
7,086,175	2,793,902	18,169,264
75,995	698,500	774,495
$ 7,226,009	$ 3,492,402	$ 20,200,767
$ -	$ -	$ 1,171,289
-	39,243	891,907
-	-	129,246
-	-	63
-	1,379,037	4,408,169
-	-	-
-	95,380	1,637,450
-	23,700	1,681,535
-	134,397	282,865
-	183,464	183,464
-	38,351	106,314
6,667	290,995	297,662
-	156,178	162,830
-	2,393	10,339
6,400,964	74,412	6,475,376
-	219,190	440,832
-	157,162	615,150
-	698,500	698,500
$ 6,407,631	$ 3,492,402	$ 19,192,991
$ 818,378	$ -	$ 1,007,776
$ 6,250	$ -	$ 6,250
130,316	-	131,815
$ 136,566	-	$ 138,065
$ 954,944	-	$ 1,145,841
1,827,846	-	2,110,555
$ 2,782,790	$ -	$ 3,256,396

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FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the School Board's own programs.

AGENCY FUNDS

School Activity Fund - The School Activity Fund accounts for monies generated by the individual schools and school organizations within Acadia Parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and is not available for the use by the School Board.

Sales Tax Fund - The Sales Tax Fund accounts for the collection and distribution of sales tax that the School Board has the responsibility of collecting. Effective December 1, 1967, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Acadia Parish. The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total.

ACADIA PARISH SCHOOL BOARD

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
June 30, 2019

	School Activity	Sales Tax	Totals
ASSETS			
Cash and equity in pooled cash	$ 1,884,388	$ 1,915,429	$ 3,799,817
LIABILITIES			
Accounts payable	$ -	$ 1,359,573	$ 1,359,573
Due to other funds	-	553,632	553,632
Accrued interest payable	-	2,224	2,224
Deposits due to others	1,884,388	-	1,884,388
Total liabilities	$ 1,884,388	$ 1,915,429	$ 3,799,817

Exhibit J-2

ACADIA PARISH SCHOOL BOARD

SCHOOL ACTIVITY AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
Armstrong Middle	$ 42,277	$ 101,501	$ 106,414	$ 37,364
Branch Elementary	29,671	79,067	82,512	26,226
Central Rayne Kindergarten	31,488	51,324	42,770	40,042
Church Point Elementary	77,880	127,055	123,467	81,468
Church Point High	136,047	316,780	312,467	140,360
Church Point Middle	22,534	104,143	101,956	24,721
Crowley High	121,399	347,576	319,087	149,888
Crowley Middle	22,507	96,716	83,930	35,293
Crowley Kindergarten	47,196	13,616	11,930	48,882
Egan Elementary	27,878	105,845	97,263	36,460
Estherwood Elementary	19,929	68,094	63,140	24,883
Evangeline Elementary	68,864	73,971	69,711	73,124
Iota Elementary	37,651	115,310	113,534	39,427
Iota High	128,940	630,676	577,311	182,305
Iota Middle	37,965	103,219	104,146	37,038
Martin Petitjean Elementary	28,339	51,868	46,700	33,507
Mermentau Elementary	33,563	33,875	24,330	43,108
Midland High	224,022	224,192	217,484	230,730
Mire Elementary	102,699	193,295	193,218	102,776
Morse Elementary	39,025	78,076	70,158	46,943
North Crowley Elementary	53,676	51,838	50,450	55,064
Rayne High	243,852	446,639	435,990	254,501
Richard Elementary	45,272	81,079	84,638	41,713
Ross Elementary	53,898	44,521	45,487	52,932
South Crowley Elementary	25,429	42,152	39,270	28,311
South Rayne Elementary	26,957	36,001	45,636	17,322
Total	$ 1,728,958	$ 3,618,429	$ 3,462,999	$1,884,388

Exhibit J-3

ACADIA PARISH SCHOOL BOARD

SALES TAX AGENCY FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2019

Receipts:	
Sales taxes	$ 40,406,528
Disbursements:	
Tax proceeds distributed to taxing authorities, net of collection costs	41,607,188
Decrease in cash	$ (1,200,660)
Cash balance, beginning	3,116,089
Cash balance, ending	$ 1,915,429

Exhibit J-4

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2019

Agency Head: Scott Richard, Superintendent

Purpose	Amount
Salary	$ 156,000
Benefits:	
Insurance	10,652
Retirement	44,215
Car and cell phone allowance	9,600
Membership dues	1,445
Conference registration fees	830
Expense reimbursements	1,660
	$ 224,402

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INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS

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

Mr. Scott Richard, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Acadia Parish School Board (the "School Board") as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School Board'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 to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance and 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*.

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Members of: American Institute of Certified Public Accountants / Society of Louisiana Certified Public Accountants

Purpose of This Report

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

Broussard Poche', LLP

Lafayette, Louisiana
December 18, 2019

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

Mr. Scott Richard, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Acadia Parish School Board's (the "School Board") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2019. The School Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the 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, 2019.

Report on Internal Control over Compliance

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

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

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

The purpose of the 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 requirements of Uniform Guidance. This report is intended for the information and use of management, the Board, others within the entity, and federal awarding agencies and pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

Broussard Poché, LLP

Lafayette, Louisiana
December 18, 2019

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Project Number	CFDA Number	Expenditures
United States Department of Education:			
Passed Through State Department of Education –			
Title I Grants to Local Educational Agencies:			
Title I – Part A Basic*	28-19-T1-01	84.010A	$ 4,157,767
Redesign Planning 1003a-2017	28-18-RD18-01	84.010A	$ 42,649
Formula Transition – 1003a	28-18-BPT0-01	84.010A	$ 3,250
School Redesign Planning Rd 3	28-17-RD3-01	84.010A	$ 4,574
Direct Student Services	28-19-DSS-01	84.010A	$ 13,057
Title II Improving Teacher Quality State Grants*	28-19-50-01	84.367A	$ 749,754
Title IV – A SSAE	28-19-71-01	84.424A	$ 246,875
Title V – Part B RLIS	28-18-RE-01	84.358B	$ 150,775
Title III – Immigrant – English Language Acquisition State Grants	28-19-S3-01	84,365A	$ 7,690
Migrant Education	28-19-M1-01	84.011A	$ 43,625
Special Education Grants (cluster):			
IDEA Part B 611	28-19-B1-01	84.027A	$ 2,259,025
Early Childhood Lead Agencies	28-18-CY-01	84.173A	3,457
School Redesign Award	N/A		5,740
Talent IDEA B Set Aside Federal	28-19-BPT6-01	84,027A	8,000
IDEA Preschool 619	28-19-CY-01	84.173A	38,385
			$ 2,314,607
Career & Technical Education	28-19-02-01	84.048A	$ 136,856
Early Childhood Lead Agencies	28-19-CO-01	93.575	$ 18,323
TANF – The Cecil Picard LA4 Early Childhood Program	28-19-36-01	93.558	$ 399,385
Total U.S. Department of Education			$ 8,289,187

(continued)

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Project Number	CFDA Number	Expenditures
United States Department of Health and Human Services:			
Head Start	N/A	93.600	$ 2,793,902
United States Department of Agriculture:			
Passed through State Department of Education -			
Child Nutrition Cluster			
School Breakfast Program	N/A	10.553	$ 1,538,292
National School Lunch and School Milk Program	N/A	10.555	3,794,266
			$ 5,332,558
Child and Adult Care Food Program	N/A	10.558	645,567
Passed through State Department of Agriculture and Forestry – National School Lunch Program (Commodities)	N/A	10.555	429,506
Total U.S. Department of Agriculture			$ 6,407,631
Total Expenditures of Federal Awards			$ 17,490,720

* Denotes major program

ACADIA PARISH SCHOOL BOARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School Board under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is present in accordance with the requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position of the School Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2019. Such expenditures are recognized following the cost principles in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

Note 3. Noncash Programs

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

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

We have audited the financial statements of the Acadia Parish School Board as of and for the year ended June 30, 2019, and have issued our report thereon dated December 18, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the Uniform Guidance. Our audit of the financial statements as of June 30, 2019 resulted in an unmodified opinion on the regulatory basis of accounting and adverse on U.S. generally accepted accounting principles.

Section I. Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material weaknesses — Yes ☐ No ☒

Control deficiencies identified that are not considered to be material weaknesses — Yes ☐ No ☒

Compliance

Compliance material to financial statements — Yes ☐ No ☒

b. Federal Awards

Internal Control:

Material weaknesses — Yes ☐ No ☒

Control deficiencies identified that are no considered to be material weaknesses — Yes ☐ No ☒

Type of Opinion on:

Compliance for Major Programs — Unmodified ☒ Modified ☐ Disclaimer ☐ Adverse ☐

Are there findings required to be reported in accordance with the provisions of the Uniform Guidance? — Yes ☐ No ☒

c. Identification of Major Programs:

CFDA Number	Name of Federal Program
84.010A	Title I – Part A Basic
84.367A	Title II – Improving Teacher Quality State Grant

Dollar threshold used to distinguish between Type A and Type B Programs: $750,000

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? — Yes ☒ No ☐

Section II. Financial Statement Findings

No matters are reported.

Section III. Federal Award Findings and Questioned Costs

No matters are reported.

ACADIA PARISH SCHOOL BOARD

SCHEDULE OF PRIOR FINDINGS
Year Ended June 30, 2019

Section I. Internal Control and Compliance Material to the Financial Statements

No matters are reported.

Section II. Internal Control and Compliance Material to Federal Awards

Finding 2018-001 – Awarding Agency approvals – capital expenditures

Condition: The School Board did not obtain approval of all capital purchases over $5,000.

Recommendation:School Board should begin obtaining prior awarding agency approval for capital expenditures of $5,000 or more, as required.

Current status:The finding is resolved in the current year. Proper awarding agency approval was obtained for capital expenditures of $5,000 or more, as required.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended June 30, 2018.

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SUPPLEMENTAL SCHEDULES OF PERFORMANCE MEASURES

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Scott Richard, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Acadia Parish School Board; the Louisiana Department of Education, and the Legislative Auditor, on the performance and statistical data accompanying the annual financial statements of the Acadia Parish School Board for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I. Management of the Acadia Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

   There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

   There were no exceptions noted.

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

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

   There were no exceptions noted.

Public Staff Data: Average Salaries (NO SCHEDULE)

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

   There were no exceptions noted.

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

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

Broussard Poché, LLP

Lafayette, Louisiana
December 18, 2019

ACADIA PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES

For the Year Ended June 30, 2019

General Fund Instructional and Equipment Expenditures		
General fund instructional expenditures:		
Teacher and student interaction activities –		
Classroom teacher salaries	$ 28,910,371	
Other instructional staff salaries	2,202,397	
Instructional staff employee benefits	15,665,018	
Purchases professional and technical services	240,332	
Instructional materials and supplies	1,535,973	
Instructional equipment	500,224	
Total teacher and student interaction activities		$ 49,054,315
Other instructional activities		521,581
Pupil support services	$ 3,897,864	
Less: Equipment for pupil services	-	
Net pupil support services		3,897,864
Instructional staff services	$ 2,316,583	
Less: Equipment for instructional staff services	-	
Net instructional staff services		2,316,583
School administration	$ 5,454,154	
Less: Equipment for school administration	(3,560)	
Net school administration		5,450,594
Total general fund instructional expenditures		$ 61,240,937
Total general fund equipment expenditures (Obj 730; Function 1000-4000)		$ 1,074,906
Certain Local Revenue Sources		
Local taxation revenue:		
Ad valorem taxes –		
Constitutional Ad Valorem Taxes		$ 2,007,267
Renewable Ad Valorem Tax		9,447,049
Up to 1% of collections by the Sheriff on taxes other than school taxes		293,306
Sales and Use Taxes		12,542,980
Total local taxation revenue		$ 24,290,602
Local earnings on investment in real property:		
Earnings from 16th section property		$ 479,072
Earnings from other real property		7,591
Total local earnings on investment in real property		$ 486,663
State revenue in lieu of taxes:		
Revenue sharing – constitutional tax		$ 135,056
Revenue sharing – other taxes		119,302
Total state revenue in lieu of taxes		$ 254,358
Nonpublic textbook revenue		$ 38,284
Nonpublic transportation revenue		$ -

ACADIA PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS
As of October 1, 2017

	Class Size Range							
	1- 20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
School Type:								
Elementary Regular Classes	32%	1,325	11%	443	2%	74	0%	2
Elementary Activity Classes	3%	142	2%	93	1%	22	0%	12
Middle School Regular Classes	6%	264	3%	136	1%	45	0%	2
Middle School Activity Classes	3%	130	0%	17	0%	2	0%	-
High School Regular Classes	14%	602	6%	247	2%	65	0%	-
High School Activity Classes	5%	191	0%	19	0%	8	0%	1
Combination School Regular Classes	5%	210	1%	42	1%	44	0%	1
Combination School Activity Classes	1%	58	0%	-	0%	1	0%	1

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

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Mr. Scott Richard, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Acadia Parish School Board (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

      No exceptions noted in Year 1 or Year 2testing therefore testing excluded in Year 3.

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

      No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

   c. Disbursements, including processing, reviewing, and approving

      No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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d. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statue 42:111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

No exceptions noted in Year 1 or Year 2testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2testing therefore testing excluded in Year 3.

k. Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We obtained a copy of their disaster recovery/business continuity policy effective for the fiscal year ended June 30, 2019. All above disaster recovery/business continuity items were addressed in the policy obtained.

Board or Finance Committee

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

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

      No exceptions noted in Year 1 or Year 2testing therefore testing excluded in Year 3.

   b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

      No exceptions noted in Year 1 or Year 2testing therefore testing excluded in Year 3.

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

      No exceptions noted in Year 1 or Year 2testing therefore testing excluded in Year 3.

Bank Reconciliations

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

   We obtained a listing of all bank accounts. The Entity only had three cash accounts at June 30, 2019. A representation was obtained by management that the listing was complete.

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

Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.

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

Bank reconciliations include evidence that they were reviewed by the CFO. The CFO has authorization & access to print signatures on the checks.

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

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

Collections

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

   We obtained a list of all deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. There were 5 deposit sites listed.

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

   We obtained a listing of collection locations and management's representation that the listing is complete. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties are properly segregated at each collection location.

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

      1) General Fund Deposits-Accountant's Office Collection Location
         a. In the Accountant's Office, there is only one employee responsible for collections

      2) Insurance Deposits-Insurance Clerk's Office Collection Location
         a. Only one employee responsible for insurance collections

3) *Sales Tax Department-Sales Tax Department Collection Location*
   a. *In the Sales tax department, there are three employees responsible for collections and they share the same cash drawer/register.*

4) *Child Nutrition Program-Child Nutrition Department Collection Location*
   a. *In the Child Nutrition Department, the three employees responsible for collections do not share a cash drawer/register*

5) *Headstart - Headstart Department Collection Location*
   a. *Only one employee is responsible for Headstart collections*

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

1) *General Fund Deposits-Accountant's Office Collection Location*
   a. *There is only one employee responsible for collections in this location and she also prepares the deposits.*

2) *Insurance Deposits-Insurance Clerk's Office Collection Location*
   a. *The Insurance Clerk collects the cash/checks and sends the collections to the Payroll Clerk to reconcile and prepare the deposit. The Payroll Clerk is not responsible for the cash collections in the Insurance Clerk's Office.*

3) *Sales Tax Department-Sales Tax Department Collection Location*
   a. *The Sales Tax Manager is responsible for preparing the bank deposits for the Sales Tax Department and is also responsible for collecting the cash/checks. The collections in the Sales Tax Department are reconciled by one of the Sales Tax Clerks before the Sales Tax Manager can prepare the deposits.*

4) *Child Nutrition Program-Child Nutrition Department Collection Location*
   a. *Deposits are prepared by the bookkeeper, who is responsible only for the bid winner collections.*

5) *Headstart-Headstart Department Collection Location*
   a. *The deposits are prepared by the Health/Mental Health/Nutrition Specialist, who is also responsible for collecting cash in the Headstart Department Collection Location.*

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

1) *General Fund Deposits-Accountant's Office Collection Location*
   a. *The employee responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers.*

2) *Insurance Deposits-Insurance Clerk's Office Collection Location*
   a. *The one employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.*

3) Sales Tax Department-Sales Tax Department Collection Location

a. The Sales Tax Manager, who is one of the three employees responsible for cash collections in the Sales Tax Department, posts the collections to the general ledger.

4) Child Nutrition Program-Child Nutrition Department Collection Location

a. The Bookkeeper, who is responsible only for bid winner collections, posts the collections to the general ledger.

5) Headstart-Headstart Department Collection Location

a. The one employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.

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

1) General Fund Deposits-Accountant's Office Collection Location

a. The Accountant, who reconciles the cash collections to the general ledger and/or subsidiary ledgers is also responsible for collections in this collection location. The bank reconciliations are reviewed by the CFO, who is not responsible for cash collections.

2) Insurance Deposits-Insurance Clerk's Office Collection Location

a. The Payroll Accountant, reconciles the Payroll bank account monthly is not responsible for cash collections in the Insurance Clerk's Office.

3) Sales Tax Department-Sales Tax Department Collection Location

a. The Sales Tax Manager, who is responsible for cash collections in the Sales Tax Department, reconciles the Sales Tax Fund bank account monthly. The bank reconciliations are reviewed by the CFO, who is not responsible for cash collections.

4) Child Nutrition Program-Child Nutrition Department Collection Location

a. All Child Nutrition Department collections are deposited in the General Fund bank account which is reconciled monthly to the general ledger by the Accountant who is not responsible for cash collections in this collection location.

5) Headstart-Headstart Department Collection Location

a. All Headstart Department collections are deposited in the General Fund bank account which is reconciled monthly to the general ledger by the Accountant who is not responsible for cash collections in this collection location.

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

Employees responsible for collecting cash are bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

a. Observe that receipts are sequentially pre-numbered.

Receipts are sequentially pre-numbered.

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

We traced the sequentially pre-numbered receipts, system reports & other related collection documentation to the deposit slips.

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

We traced the deposit slip to the actual deposit per the bank statement

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

We were unable to determine the collection date as compared to the deposit date on the corresponding bank statement due to the manner in which the Entity records the collection date and makes the deposit.

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

We traced the actual deposit per the bank statement to the general ledger.

<u>Non-Payroll Disbursements (excluding Card purchases/payments, travel reimbursements, and pretty cash purchases)</u>

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

The Entity only has 1 location that processes payments, the Accountant's Office.

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

Obtained list of employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties.

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

Requests for supplies are sent to the Department Supervisors for approval. Once approved if the order is under the $300 purchase order threshold, the Department Secretary places the order. If the order is over the $300 purchase order threshold, a purchase order is prepared by the Department Secretary and sent back to the Department Supervisor for approval. Once the purchase order is approved, the Department Secretary places the orders.

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

Items purchased are received by the Warehouse Clerk. The Warehouse Clerk enters all items received into the Entity's computer program then reconciles the items received with the invoice and purchase order. Once the invoice & purchase order are reconciled with the items received, they are sent to the Department's Bookkeeper to enter the invoice into the accounting system then to the Accountant to print the checks.

If there is no purchase order for the items, the received items are reconciled with the invoice then the invoice is sent to the Department Supervisor to review and approve. After approval, the invoice is sent to the Department's Bookkeeper to enter the invoice into the accounting system then to the Accountant to print the checks.

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

The CFO's Secretary adds/modifies vendor files and she has no other duties in processing payments. If she is unavailable the next in line to add/modify vendors would be the Grant Bookkeeper and she has no other duties in processing payments. If they are both unavailable, the Accountant, CFO or Payroll Accountant may add/modify vendor files. The Accountant & CFO approves invoices to be paid. The Accountant processes all payments.

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

Checks are mailed by the Department's Secretary. All processing of payments is handled by the Accountant. The Accountant, Payroll Accountant and CFO have access to print checks with the signatures of the Board President or Superintendent.

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

Obtained the non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete.

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

The disbursements selected for testing matched the related original invoice/billing statement.

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

For one of the disbursements selected for testing, there was only one signature noting approval for the purchase. Per the Entity's purchasing policy, only one approval is needed for items that do not exceed the purchase orders threshold.

For one of the disbursements selected for testing, there was no approval signature noted on the invoice and there was no purchase order. Per discussion with the Entity's management, no approvals are needed for utility payments.

For all other disbursements selected for testing, segregation of duties was followed as stated in step #9.

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

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

The Entity provided a list of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintain possession of the cards. A representation was obtained from management that the listing was complete.

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

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

        For the five fuel cards selected for testing, there was evidence that the monthly combined statements were reviewed and approved, in writing, by someone other than the authorized card holders.

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

        No finance charges or late fees were assessed on the selected statements/invoices.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    All cards randomly selected for testing were fuel cards.

<u>Travel and Travel-Related Expense Reimbursement (excluding card transactions)</u>

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

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

        No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

        No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

        No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

        No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Contracts

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

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

       No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

       No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

       No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

       No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Payroll and Personnel

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

    We obtained a listing of all employees and appointed officials during the fiscal year ending June 30, 2019. A representation was obtained from management that the listing was complete.

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

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

       One of the employees selected for testing was a bus driver. All Bus drivers' attendance and leave is handled by a third party company. The third party company sends the Payroll Accountant the leave days for each period. No leave was taken by the bus driver selected for testing during the pay period.

       One of the employees selected for testing was a home school liaison. She only signs in & out at the schools when they are in need of her assistance.

       For the other three employees selected for testing there were some missing sign ins/outs during the pay period selected for testing. All leave was appropriately documented.

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

All leave taken by the selected employees during the pay period was approved by a supervisor.

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

All leave taken during the pay period was reflected in the entity's cumulative leave records.

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

We obtained the listing of all terminated employees that received termination payments during the fiscal year ended June 30, 2019. A representation was obtained from management that the listing was complete. We randomly selected two employees and obtain related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee's cumulate leave records, and agreed the pay rates to the employee's authorized pay rates in the employee's personnel files.

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

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

<u>Ethics</u>

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

    No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

    No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Other

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

    No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

    No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Management Response: Exceptions will be addressed based on staff limitations

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

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

Broussard Poché, LLP

Lafayette, Louisiana
December 18, 2019