

West Carroll Parish School Board

Oak Grove, Louisiana



Annual Financial Report

As of and for the year ended June 30, 2019

**West Carroll Parish School Board
Oak Grove, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2019**

**West Carroll Parish School Board
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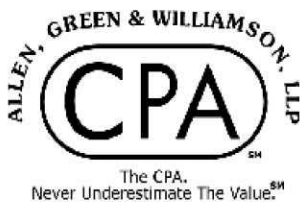
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INDEPENDENT AUDITOR'S REPORT

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the West Carroll Parish 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.

Emphasis of Matters

As disclosed in Note 6 to the financial statements, the net pension liability for the School Board was \$22,119,430 at June 30, 2019, as determined by the Teachers' Retirement System, of Louisiana (TRSL), and Louisiana School Employees' Retirement System (LSERS). The related actuarial valuations were performed by TRSL's and LSERS's actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2019, could be under or overstated. Our opinion is not modified with respect to this matter.

As discussed in Note 7 to the financial statements, the other post-employment benefits (OPEB) Liability for the School Board was \$79,004,867 at June 30, 2019 related to its participation in a single-employer other post-employment benefit plan. The related actuarial valuations were performed by the School Board's actuary using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2019, could be under or overstated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios, Schedule of Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, Budgetary Comparison Schedules, and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Carroll Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020 on our consideration of the West Carroll Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
September 28, 2020

West Carroll Parish School Board

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REQUIRED SUPPLEMENTARY INFORMATION:

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

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

Our discussion and analysis of West Carroll Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The liabilities and deferred inflows of resources of the School Board exceeded its assets and deferred outflows of resources at the close of fiscal year 2019 by \$(77,990,974) (deficit net position). Of this amount, a deficit of \$(85,186,996) represents unrestricted net position, which is the shortfall the School Board may have to meet its ongoing obligations.

The School Board's decrease in net position of \$(5,653,978) was mainly a result of the current year change in recorded OPEB liability and the current change in recorded pension liability.

Total spending for all our governmental activities was \$27,371,836 for the year. Most of the School Board's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: regular programs \$11,463,998, other instructional programs \$1,683,961, student services \$1,496,724, plant services \$1,953,449, student transportation services \$1,806,623, and food services \$447,863.

At June 30, 2019, the School Board's governmental funds reported a combined fund balances of \$9,872,525, an increase of \$3,983 in comparison with prior year. \$5,312,805 or 54% of the combined fund balance is available for spending at the government's discretion (unassigned fund balance). 100% of the unassigned fund balance is reported in the General fund.

At the end of the current year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the General fund was \$5,648,637, or approximately 31% of total General fund expenditures.

NEW GASB STANDARDS In fiscal year 2019, the School Board adopted the following new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued by the Government Accounting Standards Board. This Statement is to improve the information that is disclosed in the School Board's notes to the financial statements related to debt, including direct borrowings and direct placements. Another objective of this Statement is to clarify which liabilities the School Board should include when disclosing information related to debt. In addition to defining debt for the purposes of disclosure in the notes, this Statement requires additional essential information related to debt to be disclosed.

The adoption of Statement No. 88 had no impact on the government-wide or the governmental fund financial statements, but provides for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. 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. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General fund and ESSA. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

Annual Financial Report

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund Financial
Statements**

Notes to the Financial Statements

Required Supplementary Information

Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios
Schedule of Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
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Supplementary Information

Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members
Schedule of Compensation, Benefits and Other Payments to Agency Head

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities, and deferred outflows/inflows, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by state law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the school lunch) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They 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 fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its School Activities funds, the Sales Tax Collection fund and the Protested Sales Tax fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities 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.

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

THE SCHOOL BOARD AS A WHOLE The School Board's net position was a deficit of \$(77,990,974) at June 30, 2019. Of this amount, a deficit of \$(85,186,996) was unrestricted. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net positions for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the changes in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position
As of June 30,

	Governmental Activities		
	2019	2018	Variance
Other assets	\$ 11,417,125	\$ 11,386,018	\$ 31,107
Capital assets	3,840,697	3,612,535	228,162
Total assets	<u>15,257,822</u>	<u>14,998,553</u>	<u>259,269</u>
Deferred Outflows of Resources	<u>13,965,893</u>	<u>11,698,511</u>	<u>2,267,382</u>
Other liabilities	1,544,600	1,517,476	27,124
Long-term liabilities	102,690,722	94,712,079	7,978,643
Total liabilities	<u>104,235,322</u>	<u>96,229,555</u>	<u>8,005,767</u>
Deferred Inflows of Resources	<u>2,979,367</u>	<u>2,804,505</u>	<u>174,862</u>
Net position			
Net investment in capital assets	3,754,707	3,612,535	142,172
Restricted	3,441,315	3,377,351	63,964
Unrestricted	<u>(85,186,996)</u>	<u>(79,326,882)</u>	<u>(5,860,114)</u>
Total net position	<u>\$ (77,990,974)</u>	<u>\$ (72,336,996)</u>	<u>\$ (5,653,978)</u>

The \$(85,186,996) in unrestricted net position of governmental activities represents accumulated results of all past year's operations.

The overall net position of the School Board decreased by \$5,653,978 due mainly to the change in the total OPEB liability and related deferred outflows and inflows of \$(6,634,973) offset by the change in the net pension liability and related deferred outflows and inflows of \$1,762,346.

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Table 2
Changes in Net Position
For the Years Ended June 30,

	Governmental Activities		
	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Charges for services	\$ 53,101	\$ 45,167	\$ 7,934
Operating grants and contributions	3,581,102	3,636,916	(55,814)
General revenues:			
Ad valorem taxes	1,754,090	1,655,823	98,267
Sales taxes	2,698,917	2,714,066	(15,149)
State equalization	13,371,514	13,459,344	(87,830)
Other general revenues	259,134	1,802,078	(1,542,944)
Total revenues	<u>21,717,858</u>	<u>23,313,394</u>	<u>(1,595,536)</u>
Functions/Program Expenses:			
Instruction:			
Regular programs	11,738,877	10,697,148	1,041,729
Special programs	1,597,037	1,905,919	(308,882)
Other instructional programs	2,465,133	2,056,006	409,127
Support services:			
Student services	1,800,259	1,434,643	365,616
Instructional staff support	1,347,636	1,424,768	(77,132)
General administration	698,307	642,860	55,447
School administration	1,405,882	1,284,828	121,054
Business services	679,835	620,286	59,549
Plant services	2,006,072	1,773,513	232,559
Student transportation services	1,807,168	1,699,562	107,606
Central services	11,972	15,760	(3,788)
Food services	1,803,596	1,626,042	177,554
Community services	10,062	10,062	-
Total expenses	<u>27,371,836</u>	<u>25,191,397</u>	<u>2,180,439</u>
Increase (decrease) in net position	<u>(5,653,978)</u>	<u>(1,878,003)</u>	<u>(3,775,975)</u>
Net Position - beginning, as originally stated	(72,336,996)	(34,379,979)	(37,957,017)
Prior period adjustment	-	(36,079,014)	36,079,014
Net Position - beginning, as originally stated	<u>(72,336,996)</u>	<u>(70,458,993)</u>	<u>(1,878,003)</u>
Net Position - ending	<u>\$ (77,990,974)</u>	<u>\$ (72,336,996)</u>	<u>\$ (5,653,978)</u>

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

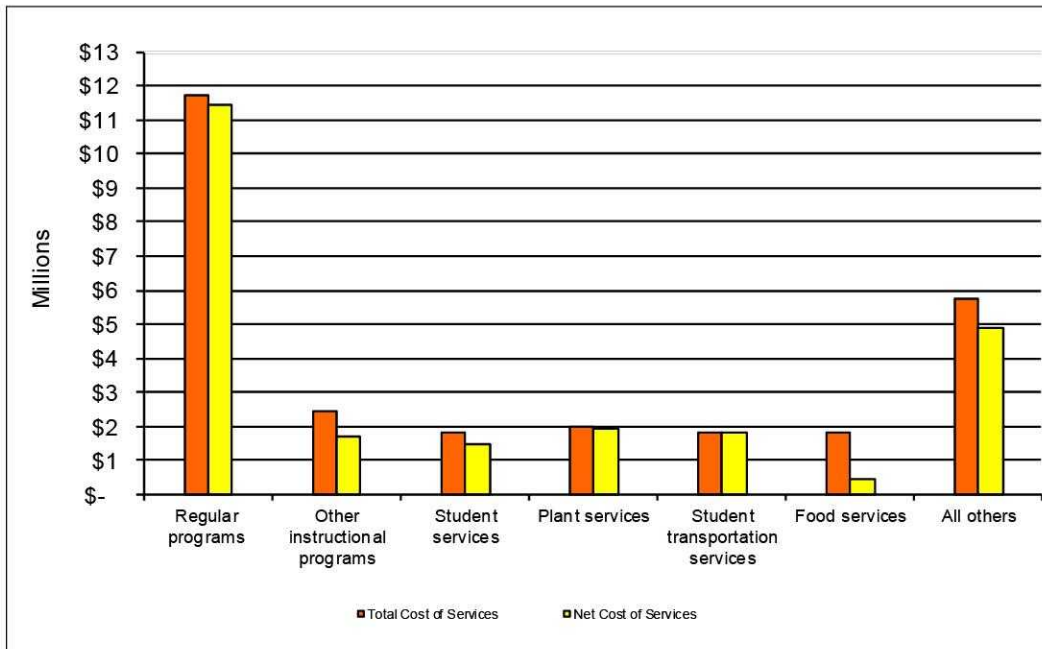
Governmental Activities The cost of operating the School Board's activities this year was \$27,371,836, which exceeded its current year revenues by \$5,653,978. A portion of the cost of operating was financed through taxpayer taxes of \$4,453,007. \$3,581,102 was financed in part from grants and contributions which were only available to specific programs and \$13,371,514 from the State Equalization Minimum Foundation Program. The \$5,653,978 deficit was funded by using resources available from the prior year.

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, other instructional programs, student services, plant services, student transportation 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 these 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
Cost of Services
For the Years Ended June 30,

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Governmental Activities				
Regular programs	\$ 11,738,877	\$ 10,697,148	\$ 11,463,998	\$ 10,495,629
Other instructional programs	2,465,133	2,056,006	1,683,961	1,376,703
Student services	1,800,259	1,434,643	1,496,724	1,166,019
Plant services	2,006,072	1,773,513	1,953,449	1,723,623
Student transportation services	1,807,168	1,699,562	1,806,623	1,699,562
Food services	1,803,596	1,626,042	447,863	282,534
All others	5,750,731	5,904,483	4,885,015	4,765,244
Totals	<u>\$ 27,371,836</u>	<u>\$ 25,191,397</u>	<u>\$ 23,737,633</u>	<u>\$ 21,509,314</u>

**West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019**



THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

The decrease in the School Board's General fund's fund balance of \$1,047,747 is due mainly to finalizing capital projects completed during the current year.

The ESSA Fund balances neither increased nor decreased since it accounts for cost-reimbursement grants.

The nonmajor governmental funds fund balance increased by \$1,051,730. This increase is due to the receipt of general obligation of certificate of indebtedness in the amount of \$850,000.

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report. Our beginning budget was based on prior year actual figures and any changes known of at the time of preparation.

Adjustments to the original budget were made to reflect an overall decrease in revenues of \$100,387. This was due mainly to minor changes in combined funding sources.

Adjustments to the original budget were made which resulted in a decrease in expenditures of \$247,682. This was due mainly to minor changes in total expenditures that were not used by year end.

The variance between budgeted revenues and actual revenues of \$(67,516) is due mainly to changes made to programs during the fiscal year. The budgeted expenditures were more than the actual by \$324,320 primarily because not all proposed expenditures were spent by fiscal year end.

West Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2019, the School Board had \$3,840,697 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$228,162 or 6.3% from last year. This increase is due mainly to additions to building improvements provided through reroofing of schools.

Capital Assets at June 30,

	Governmental Activities		
	2019	2018	Variance
Land	\$ 382,713	\$ 382,713	\$ -
Construction in progress	57,700	1,232,711	(1,175,011)
Buildings and improvements	2,861,709	1,329,266	1,532,443
Furniture and equipment	538,575	667,845	(129,270)
Totals	\$ 3,840,697	\$ 3,612,535	\$ 228,162

See Note 5 in the notes to the financial statements for additional information.

Long-term Obligations The School Board issued Certificate of indebtedness, Series 2019, in the amount of \$1,500,000 with a stated interest rate of 2.91% per annum and a maturity date of May 1, 2021. Only \$850,000 of the \$1,500,000 has been drawn down as of June 30, 2019. The School Board does not anticipate using all of the \$1,500,000. Long-term obligations include accrued vacation pay and sick leave and workers' compensation claims. We present more detailed information about our long-term liabilities in the notes to the financial statements. See Note 12, in the notes to the financials, for further information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The West Carroll Parish School Board's budgets for the fiscal year 2020 include changes for salary and benefit adjustments, such as retirement rates and insurance premiums. Other factors include continuing roof replacements, updating of buses and other equipment as necessary, and daily operational expenditures relating to the day-to-day activities involved with the upkeep and continuation of school.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Angela Johnson, Business Manager, at West Carroll Parish School Board, P. O. 1318, Oak Grove, Louisiana 71263-1318, telephone number (318) 428-2378.

BASIC FINANCIAL STATEMENTS:

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

WEST CARROLL PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2019

	Statement A <u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 9,161,599
Investments	1,489,415
Receivables	747,548
Inventory	18,563
Capital Assets:	
Land and construction in progress	440,413
Capital assets, net of depreciation	<u>3,400,284</u>
TOTAL ASSETS	<u>15,257,822</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	4,900,980
Deferred outflows related to other post retirement benefits	<u>9,064,913</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,965,893</u>
LIABILITIES	
Accounts, salaries and other payables	1,519,447
Workers' compensation claims payable	4,950
Unearned revenue	20,203
Long-term liabilities:	
Long-term debt due within one year	481,526
Long-term debt due in more than one year	1,084,899
OPEB liability	79,004,867
Net pension liability	<u>22,119,430</u>
TOTAL LIABILITIES	<u>104,235,322</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>2,979,367</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,979,367</u>
NET POSITION	
Net investment in capital assets	3,754,707
Restricted for:	
Workers' compensation	100,000
Salaries and benefits	1,094,782
School food service	565,535
Facility improvements	1,410,156
Career development	270,842
Unrestricted	<u>(85,186,996)</u>
TOTAL NET POSITION	<u><u>\$ (77,990,974)</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST CARROLL PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Statement B

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Primary government				
<i>Governmental Activities:</i>				
Instruction:				
Regular programs	\$ 11,738,877	\$ -	\$ 274,879	\$ (11,463,998)
Special programs	1,597,037	-	130,430	(1,466,607)
Other instructional programs	2,465,133	-	781,172	(1,683,961)
Support Services:				
Student services	1,800,259	-	303,535	(1,496,724)
Instructional staff support	1,347,636	-	583,172	(764,464)
General administration	698,307	-	142,539	(555,768)
School administration	1,405,882	-	3,218	(1,402,664)
Business services	679,835	-	5,997	(673,838)
Plant services	2,006,072	-	52,623	(1,953,449)
Student transportation services	1,807,168	-	545	(1,806,623)
Central services	11,972	-	360	(11,612)
Food services	1,803,596	53,101	1,302,632	(447,863)
Community service programs	10,062	-	-	(10,062)
Total governmental activities	<u>\$ 27,371,836</u>	<u>\$ 53,101</u>	<u>\$ 3,581,102</u>	<u>(23,737,633)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				1,754,090
Sales taxes, levied for general purposes				2,698,917
Grants and contributions not restricted to specific programs				
Minimum foundation program				13,371,514
State revenue sharing				80,570
Interest and investment earnings				4,294
Miscellaneous				174,270
Total general revenues				<u>18,083,655</u>
Changes in net position				(5,653,978)
Net position - beginning				<u>(72,336,996)</u>
Net position - ending				<u>\$ (77,990,974)</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

West Carroll Parish School Board

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BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

WEST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2019

Statement C

	GENERAL	ESSA	NONMAJOR GOVERNMENTAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 5,893,232	\$ -	\$ 3,268,367	\$ 9,161,599
Investments	1,489,415	-	-	1,489,415
Receivables	230,805	139,504	377,239	747,548
Interfund receivables	681,476	-	-	681,476
Inventory	-	-	18,563	18,563
TOTAL ASSETS	8,294,928	139,504	3,664,169	12,098,601
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,436,402	-	83,045	1,519,447
Workers' compensation claims payable	4,950	-	-	4,950
Interfund payables	-	139,504	541,972	681,476
Unearned revenue	10,157	-	10,046	20,203
Total liabilities	1,451,509	139,504	635,063	2,226,076
Fund balances:				
Nonspendable	-	-	18,563	18,563
Restricted	1,194,782	-	3,010,543	4,205,325
Committed	335,832	-	-	335,832
Unassigned	5,312,805	-	-	5,312,805
Total fund balances	6,843,419	-	3,029,106	9,872,525
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,294,928	\$ 139,504	\$ 3,664,169	\$ 12,098,601

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019**

Statement D

Total fund balances - governmental funds \$ 9,872,525

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 11,651,325	
Depreciation expense to date	<u>(7,810,628)</u>	
		3,840,697

Deferred outflows/inflows related to pensions and OPEB are not due and payable in the current period and accordingly are not reported in the fund financial statements.

Deferred outflows of resources		13,965,893
Deferred inflows of resources		<u>(2,979,367)</u>

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in the Statement of Net Position.

Balances at June 30, 2019 are:

Long-term liabilities		
OPEB liability	(79,004,867)	
Net pension liability	(22,119,430)	
Certificates of indebtedness payable	(850,000)	
Compensated absences payable	(532,397)	
Workers' compensation claims payable	<u>(184,028)</u>	
		<u>(102,690,722)</u>

Net Position of Governmental Activities		<u>\$ (77,990,974)</u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the year ended June 30, 2019

Statement E

	<u>GENERAL</u>	<u>ESSA</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 888,146	\$ -	\$ 865,944	\$ 1,754,090
Sales and use	2,698,917	-	-	2,698,917
Interest earnings	4,294	-	-	4,294
Food services	-	-	53,101	53,101
Other	258,138	-	8,002	266,140
State sources:				
Equalization	13,174,314	-	197,200	13,371,514
Other	93,175	-	249,596	342,771
Federal sources	-	948,080	2,371,522	3,319,602
Total Revenues	<u>17,116,984</u>	<u>948,080</u>	<u>3,745,365</u>	<u>21,810,429</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	8,862,021	18,462	407,464	9,287,947
Special programs	1,151,436	-	130,430	1,281,866
Other instructional programs	1,172,005	342,583	461,875	1,976,463
Support services:				
Student services	1,106,465	100,369	203,166	1,410,000
Instructional staff support	594,236	339,989	268,041	1,202,266
General administration	385,534	91,052	84,851	561,437
School administration	1,066,908	-	8,054	1,074,962
Business services	529,897	2,097	4,288	536,282
Plant services	1,139,556	52,623	499,533	1,691,712
Student transportation services	1,499,275	545	288	1,500,108
Central services	11,498	360	114	11,972
Food services	192,165	-	1,382,561	1,574,726
Community services	10,062	-	-	10,062
Capital outlay	443,673	-	64,680	508,353
Debt service:				
Bond issuance cost	-	-	28,290	28,290
Total Expenditures	<u>18,164,731</u>	<u>948,080</u>	<u>3,543,635</u>	<u>22,656,446</u>
Excess (deficiency) of revenues over expenditures	(1,047,747)	-	201,730	(846,017)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	850,000	850,000
Net change in fund balances	(1,047,747)	-	1,051,730	3,983
Fund balances - beginning	<u>7,891,166</u>	<u>-</u>	<u>1,977,376</u>	<u>9,868,542</u>
Fund balances - ending	<u>\$ 6,843,419</u>	<u>\$ -</u>	<u>\$ 3,029,106</u>	<u>\$ 9,872,525</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditure, and Changes in Fund Balances
to the Statement of Activities
June 30, 2019**

Statement F

Total net change in fund balances - governmental funds \$ 3,983

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

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

Capital outlays	\$	542,517	
Depreciation expense		(221,784)	
Gain (loss) on disposal		<u>(92,571)</u>	
			228,162

In the Statement of Activities worker's compensation expense is measured by the change in the accrual for the year. In the governmental funds, expenditures are measured by the amount of resources used during the year. For the year, the accrual balance increased by \$177,176. (177,176)

The issuance of long term debt provides current financial resources of governmental funds, while the transactions has no effect on net position in the government wide financial statements.
Proceeds from issuance of certificates of indebtedness (850,000)

Other post employment benefits are reported on a pay-as-you-go basis in the fund financial statements and is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. (6,634,973)

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. 1,762,346

In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 13,680

Change in net position of governmental activities \$ (5,653,978)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST CARROLL PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2019

	Statement G
	AGENCY FUND
ASSETS	
Cash and cash equivalents	\$ 479,912
Accounts receivable	610,179
TOTAL ASSETS	1,090,091
LIABILITIES	
Deposits due others	1,090,091
TOTAL LIABILITIES	\$ 1,090,091

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

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West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The West Carroll Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within West Carroll 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 seven members who are elected from seven districts for terms of four years.

The School Board operates 5 schools within the parish with a total enrollment of approximately 1,942 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.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds of the School Board are classified into two categories: governmental and fiduciary.

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets. The School Board reports the following major governmental funds:

General fund - the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

ESSA - this fund is used to account for grants under the Every Student Succeeds Act (ESSA), Title I Grants to Local Education, Title II Supporting Effective Instruction State Grants, Title IVA Student Support and Academic Enrichment and Title V Rural Education.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activities fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales tax collection fund - accounts for monies collected on behalf of other taxing authorities within the parish.

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

Protested sales tax fund - accounts for monies collected on behalf of other taxing authorities within the parish that were paid under protest.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange took place. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of Indirect Expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

Revenues

Ad valorem taxes and sales taxes are recognized when all applicable eligibility requirements are met and the resources are available.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other financing sources (uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, insurance recoveries, debt extinguishments, and 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.

Fiduciary Funds The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. DEPOSITS AND INVESTMENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reports at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019**

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

E. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

F. INVENTORY AND PREPAID ITEMS Inventory of the school food service 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. Inventory of the school food service fund is accounted for on the consumption method. Inventory items are valued at cost (first-in, first-out) and commodities are assigned values provided by the United States Department of Agriculture. Revenues related to commodities which are not consumed as of the date of the balance sheet are reflected as unearned revenues since title does not pass to the School Board until the commodities are consumed. Inventories are offset by a fund balance in which these do not constitute "available spendable resources," even though they are a component of total assets.

Acquisition of materials and supplies other than the food purchases are accounted for on the purchase method, that is, the expenditures are charged when the items are purchased. The value of these materials and supplies, except for the food purchased in the school food service special revenue fund, are not considered significant at June 30, 2019, and their value is not shown in the accompanying balance sheet.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$5,000 of capital assets and \$250,000 for additions of intangibles-software. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	20-40 years
Improvements other than buildings	10-20 years
Furniture and equipment	3-10 years
Transportation equipment	5-8 years
Intangibles-software	3-5 years

H. UNEARNED REVENUES The School Board reports unearned revenues on its Statement of Net Position and its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures or for commodities in inventory at June 30, as described in Note F. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

I. COMPENSATED ABSENCES All 12-month employees earn 10 days of vacation leave each year depending on their length of service with the School Board. Employees can accumulate up to 20 days of vacation leave, yet do not receive payment upon retirement or termination.

All School Board employees earn a minimum of 10 to 18 days of sick leave each year, depending upon the number of years employed. Sick leave can be accumulated without limitation.

The School Board's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. This is the method the School Board uses. The School Board makes the assumption that employees who have a minimum experience of 10 years will become eligible in the future to receive their accrued sick leave.

J. LONG-TERM OBLIGATIONS Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems' fiduciary net position have been determined on the accrual basis, as they are reported by the retirement 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.

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K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board does have items that qualify as deferred outflows of resources which are related to pension and OPEB obligations. See Notes 6 and 7 for more information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board does have one item that qualifies as deferred inflows of resources which are related to pension obligations. See Note 6 for more information.

L. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exist:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position reported in the Statement of Net Position for salaries and benefits and facility improvements are restricted by enabling legislation.

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS GASB Statement No. 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The Board is the highest level of decision making authority for the School Board that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board or Finance Committee.

Unassigned: Fund balance that is the residual classification for the General fund.

The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The School Board considers restricted amounts to have been spent when an expenditure has been

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incurred for purposes for which both restricted and unrestricted fund balance is available.

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

O. SALES TAXES The School Board has a one-percent parish-wide sales and use tax as authorized in a special election held November 18, 1967. In accordance with the proposition approved by the voters of the parish, "the net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose of providing funds for the payment of salaries of school employees in the parish of West Carroll." An additional one-percent parish-wide sales and use tax was authorized in a special election held January 17, 2004. The sales tax approved by the voters was dedicated "to paying salaries and related benefits of the full-time employees of said School Board".

P. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources and disclosure of contingent assets, liabilities and deferred outflows/inflows of resources at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

NOTE 2 - LEVIED TAXES The School Board levies taxes on real and business personal property located within West Carroll parish's boundaries. Property taxes are levied by the School Board on property values assessed by the West Carroll Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

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

Property Tax Calendar

Levy date	September 10, 2018
Tax bills mailed on or about	October 11, 2018
Due date	December 31, 2018
Lien date	December 31, 2018
Tax sale date – 2018 delinquent property	May 16, 2019

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$80,370,397 in calendar year 2018. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$17,780,794 of the assessed value in calendar year 2018.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

The tax roll is prepared by the parish tax assessor in November of each year. The amount of 2018 property taxes to be collected occurs in December 2018 and January and February 2019. All property taxes are recorded in the General and special revenue (maintenance and construction funds) funds. The School Board considers the lien date (December 31, 2018) as the date an enforceable legal claim occurs for 2018 property taxes. Accordingly, the 2018 property taxes are budgeted in the 2018-2019 fiscal year of the School Board.

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	Adjusted <u>Maximum Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	7.23	7.23	Statutory
Maintenance and Operations	6.24	6.24	2021
Maintenance and Operations	11.76	11.76	2019
District taxes:			
Ward 1 Maintenance	4.74	4.74	2019

NOTE 3 - DEPOSITS AND INVESTMENTS

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Custodial Credit Risk – Deposits: At year-end, the School Board's carrying amount of deposits was \$11,130,926 (including \$1,489,415 of time deposits classified as investments on Statement A and \$479,912 reported in agency funds on Statement G) and the bank balance was \$13,036,336. Of the bank balance, \$542,505 is covered by federal

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depository insurance (GASB Category 1) and \$12,493,831 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3). Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities with 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds on demand. The School Board's policy does not address custodial credit risk.

NOTE 4 - RECEIVABLES The balance of receivables at June 30, 2019, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	ESSA	Nonmajor Governmental	Total
Intergovernmental - grants:				
Federal	\$ -	\$ 139,504	\$ 306,982	\$ 446,486
State	-	-	69,219	69,219
Local:				
Ad Valorem	1,016	-	1,038	2,054
Sales tax	228,724	-	-	228,724
Other	1,065	-	-	1,065
Total	<u>\$ 230,805</u>	<u>\$ 139,504</u>	<u>\$ 377,239</u>	<u>\$ 747,548</u>

NOTE 5 - CAPITAL ASSETS

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 382,713	\$ -	\$ -	\$ 382,713
Construction in progress	1,232,711	295,986	1,470,997	57,700
Total nondepreciable capital assets	<u>1,615,424</u>	<u>295,986</u>	<u>1,470,997</u>	<u>440,413</u>
Depreciable capital assets				
Buildings and improvements	6,486,776	1,641,634	-	8,128,410
Furniture and equipment	3,641,613	75,894	635,005	3,082,502
Total depreciable capital assets	<u>10,128,389</u>	<u>1,717,528</u>	<u>635,005</u>	<u>11,210,912</u>
Less accumulated depreciation				
Buildings and improvements	5,157,510	109,191	-	5,266,701
Furniture and equipment	2,973,768	112,593	542,434	2,543,927
Total accumulated depreciation	<u>8,131,278</u>	<u>221,784</u>	<u>542,434</u>	<u>7,810,628</u>
Total depreciable capital assets, net	<u>1,997,111</u>	<u>1,495,744</u>	<u>92,571</u>	<u>3,400,284</u>
Governmental activities capital assets, net	<u>\$ 3,612,535</u>	<u>\$ 1,791,730</u>	<u>\$ 1,563,568</u>	<u>\$ 3,840,697</u>

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Depreciation expense was charged to governmental activities as follows:

Regular programs	\$	37,961
Other instructional programs		1,911
General administration		13,142
School administration		9,507
Plant services		69,016
Student transportation services		42,658
Food services		47,589
Total depreciation expense	\$	221,784

NOTE 6 - PENSION PLANS The School Board is a participating employer in two statewide, public employee retirement systems, the Louisiana School Employees' Retirement System (LSERS) and the Teacher's Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LSERS and TRSL may be obtained at www.lasers.net and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see Optional Retirement Plan note below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Louisiana School Employees' Retirement System: LSERS administers a plan to provide retirement, disability, and survivor's benefits to non-teacher school employees excluding those classified as lunch workers and their beneficiaries as defined in R.S. 11:1001. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1141-1153 and vary depending on the member's hire date.

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 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 3 highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or

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after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who joined the system on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the 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.

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service who has withdrawn from active service prior to the age at which that person 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 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S. 11:701. Statutory changes closed existing sub-plans, and created new sub-plans for members hired on or after January 1, 2011 and July 1, 2015. The age and years of creditable service required for a member to receive retirement benefits are established by R.S. 11:761 and vary depending on the member's hire date. The computation for retirement benefits is defined in R.S. 11:768.

Members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service and a reduced benefit. Retirement benefits for regular plan members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of creditable service. Average compensation is defined in R.S. 11:701 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed on or after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011, and attained at least five years of service, or if employed on or after January 1, 2011, and attained at least ten years of service. Members employed prior to January 1, 2011, receive disability benefits equal to 2.5% of average compensation multiplied by the years of service but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011, receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. The minimum service credit requirement is ten years for a surviving spouse with no minor children. Surviving spouse benefits are equal to 50%

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of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2.5% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified handicapped child.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP 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.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as these ad hoc COLAs were deemed not to be substantively automatic.

Contributions

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

Employer contributions to LSERS for fiscal year 2019 were \$267,051, with active member contributions ranging from 7.5% to 8%, and employer contributions of 28%. Employer defined benefit plan contributions to TRSL for fiscal year 2019 were \$2,577,834, with active member contributions of 8%, and employer contributions of 26.7%. Non-employer contributions to TRSL were \$80,340 from ad valorem taxes and revenue sharing funds and \$2,462 from the State for PIP salaries totaled \$82,802 for fiscal year 2019. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2019, the School Board reported liabilities of \$2,155,478 and \$19,963,952 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). This liability will be liquidated by the general fund and special revenue funds with recorded salaries. The NPL for LSERS and TRSL was measured as of June 30, 2018, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term

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share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2018, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were 0.322610%, or a decrease of 0.007379% for LSERS and 0.20313% or an increase of .20820% for TRSL.

For the year ended June 30, 2019, the School Board recognized a total pension expense of \$1,082,539, or \$115,625 and \$966,914 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	<u>Deferred Outflows</u>			<u>Deferred Inflows</u>		
	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 59,481	\$ 657,654	\$ 717,135
Changes of assumptions	90,806	1,282,749	1,373,555	-	-	-
Net difference between projected and actual earnings on pension plan investments	42,803	-	42,803	-	1,286,639	1,286,639
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	639,737	639,737	67,565	908,028	975,593
Employer contributions subsequent to the measurement date	267,051	2,577,834	2,844,885	-	-	-
Total	<u>\$ 400,660</u>	<u>\$ 4,500,320</u>	<u>\$ 4,900,980</u>	<u>\$ 127,046</u>	<u>\$ 2,852,321</u>	<u>\$ 2,979,367</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>LSERS</u>		<u>TRSL</u>		<u>TOTAL</u>
2020	\$ 38,183	\$	(93,656)	\$	(55,473)
2021	23,446		(354,034)		(330,588)
2022	(65,089)		(561,086)		(626,175)
2023	10,023		78,941		88,964

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Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>LSERS</u>	<u>TRSL</u>
Valuation Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years, closed period	5 years, closed period
Investment Rate of Return	7.0625% per annum	7.65%, net of investment expense
Inflation Rate	2.5% per annum	2.5% per annum
Mortality - Non-disabled	RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Mortality Table	RP-2014 White Collar Healthy Annuity Tables, adjusted by 1.366 for males and 1.189 for females
Mortality - Disabled	RP-2014 Disabled Lives Mortality Table	RP-2014 Disability Tables, adjusted by 1.111 for males and 1.134 for females
Termination, Disability, Retirement	2013-2017 experience study	2013-2017 experience study
Salary Increases	3.25%	3.3% to 4.8% varies depending in duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

For LSERS, the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.76% for 2018.

For TRSL, the long-term expected rate of return 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.

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Best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

		<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>
LSERS (arithmetic)			
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 REIT's	3.00%	5.77%
Alternative Investments	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		<u>100.00%</u>	
TRSL (arithmetic)			
	Domestic equity	27.00%	4.01%
	International equity	19.00%	4.90%
	Domestic fixed income	13.00%	1.36%
	International fixed income	5.50%	2.35%
	Private equity	25.50%	8.39%
	Other private assets	10.00%	3.57%
	Total	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.0625% for LSERS and 7.65% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at actuarially determined rates approved by the Public Employees' Retirement Systems Actuarial Committee 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.

The TRSL discount rate used in the June 30, 2018 net pension liability valuation was decreased from the 7.70% used in the June 30, 2017 valuation to 7.65%. The discount rate was reduced in accordance with the TRSL Board's adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contribution requirements for fiscal year 2019.

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Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the School Board's proportionate share of the NPL for LSERS and TRSL using the current discount rate as well as what the School Board's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS	\$ 2,958,961	\$ 2,155,478	\$ 1,468,661
TRSL	26,447,403	19,963,952	14,494,823

Pension plan fiduciary net position. Detailed information about LSERS and TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan. At June 30, 2019, the School Board had no payables to LSERS and TRSL for the June 2019 employee and employer legally required contributions.

Optional Retirement Plan

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer ORP contributions to TRSL for fiscal year 2019 totaled \$26,787, which represents pension expense for the School Board. Employee contributions totaled \$7,653. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 21.8% made to the TRSL defined benefit plan described above.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board OPEB plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. No stand-alone financial report was prepared. 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. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019**

Benefits Provided and Funding Policy – The plan provides medical and life insurance benefits for retirees and their dependents. The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute approximately 25% of the medical premium with the School Board contributing the balance. This percentage will be greater for eligible retirees with less than 20 years of service. Medical coverage is provided through options under the Louisiana Office of Group Benefits (OGB). A Medicare supplement benefit is provided at Medicare eligibility. Benefits continue for life.

Life insurance coverage under the OGB program is available to retirees by election based on the blended rate (active and retired). The employer pays 50% of the "cost" of the retiree life insurance but based on this blended rate. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	321
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	218
Total	539

Total OPEB Liability – The School Board’s total OPEB liability of \$79,004,867 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2017. The OPEB liability will be liquidated by the general fund.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019**

Actuarial cost method	Entry age normal
Inflation	2.30%
Discount rate	3.50% based on the Bond Buyer General Obligation 20 bond municipal index
Healthcare cost trend rates	The expected rate of increase in healthcare costs was 4.5% for Pre-65 and 6.0% for Post-65 graduated down to a rate of 3.9% and 4.1%, respectively. Both rates include a 2.3% inflation assumption. For post-65 retirees with Medicare, Medicare is assumed to coordinate with the health plan in the "Coordination of Benefits "manner, as described by Health Cost Guidelines.
Mortality	RP-2014 Total Dataset Mortality Table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2018 on a generational basis with healthy annuitant rates after benefit commencement.
Withdrawal rates	Range from 13% at ages 25 to 4% at ages 50 and over
Retirement rates	Ranges from 4.2% at age 50 increasing to 25.6% at age 59, declining to 21.8% at age 72. Age 73 and older is 100%.
Salary increase	3.00% including inflation

The Plan has not had a formal actuarial experience study performed. Utilizing the “pay-as-you-go’ method, the School Board contributed \$1,668,908 in benefits payments.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at July 1, 2018	\$ 71,724,755
Changes for the year:	
Service cost	2,037,765
Interest cost at 3.50%	2,611,087
Differences between expected and actual experience	-
Changes in assumptions or other inputs	4,300,168
Benefit payments	<u>(1,668,908)</u>
Net changes	<u>7,280,112</u>
Balance at June 30, 2019	<u>\$ 79,004,867</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.87% to 3.50%; and a change from RP-2014 total table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2017 on a generational basis with healthy annuitant rates after benefit commencement used in the June 30, 2018 valuation to the RP-2014 total table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2018 on a generational basis with healthy annuitant rates after benefit commencement.

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 92,873,523	\$ 79,004,867	\$ 68,102,014

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 66,385,641	\$ 79,004,867	\$ 95,363,677

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2019, the School Board recognized OPEB expense of \$8,303,881. At June 30, 2019, the School Board reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,217,906
Changes in assumptions	7,847,007
Total deferred outflows	\$ 9,064,913

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2020	\$	3,655,029
2021		3,655,029
2022		1,550,083
2023		204,772

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES Payables at June 30, 2019 are as follows:

	General	Nonmajor Governmental	Total
Salaries	\$ 1,417,775	\$ -	\$ 1,417,775
Accounts payable	18,627	25,345	43,972
Contracts payable	-	57,700	57,700
Total	\$ 1,436,402	\$ 83,045	\$ 1,519,447

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

NOTE 9 - COMPENSATED ABSENCES At June 30, 2019, employees of the School Board have accumulated and vested \$532,397 of employee leave benefits, including \$7,609 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 10 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year end June 30, 2019 follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School Activities	\$ 279,925	\$ 1,131,491	\$ 1,126,260	\$ 285,156
Sales Tax Collection	718,395	7,466,598	7,574,814	610,179
Protested Sales Tax	182,236	12,520	-	194,756
Total	<u>\$ 1,180,556</u>	<u>\$ 8,610,609</u>	<u>\$ 8,701,074</u>	<u>\$ 1,090,091</u>

The following is the detailed Schedule of Changes due to others for the Sales Tax Collection fund on an accrual basis:

	Balance, Beginning	Additions	Reductions	Balance, Ending
West Carroll Parish Police Jury	\$ 380,615	\$ 3,915,938	\$ 3,970,784	\$ 325,769
West Carroll Parish School Board	271,298	2,796,996	2,839,570	228,724
Village of Epps	1,839	20,858	20,711	1,986
Town of Oak Grove	64,643	732,806	743,749	53,700
Totals	<u>\$ 718,395</u>	<u>\$ 7,466,598</u>	<u>\$ 7,574,814</u>	<u>\$ 610,179</u>

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

NOTE 11 - SALES TAX COLLECTIONS AND DISBURSEMENTS (CASH BASIS) The following are schedules of the sales tax collections and disbursements on a cash basis collected in behalf of payments made to local governmental entities for the fiscal year ended June 30, 2019:

	<u>Total Collection</u>	<u>Collection Fees</u>	<u>Attorney, Audit Fees & Refunds</u>	<u>Total Disbursements</u>
Parish Police Jury				
General fund (1%)	\$ 1,323,596	\$ 26,472	\$ 2,148	\$ 1,294,976
Solid Waste Disposal (3/4%)	992,698	19,854	1,611	971,233
S. Waste/Recycling (1/4%)	330,896	6,618	537	323,741
Fire (1/2%)	661,797	13,235	1,074	647,488
Ambulance (1/2%)	661,797	13,235	1,074	647,488
Total Parish Police Jury (3%)	<u>3,970,784</u>	<u>79,414</u>	<u>6,444</u>	<u>3,884,926</u>
Town of Oak Grove (1%)	743,749	14,875	2,094	726,780
Village of Epps	20,711	414	207	20,090
Parish School Board (2%)	<u>2,839,570</u>	<u>-</u>	<u>-</u>	<u>2,839,570</u>
Total	<u>\$ 7,574,814</u>	<u>\$ 94,703</u>	<u>\$ 8,745</u>	<u>\$ 7,471,366</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Private placement bonds					
Certificates of indebtedness	\$ -	\$ 850,000	\$ -	\$ 850,000	\$ -
Compensated absences	546,077	380,174	393,854	532,397	393,854
Workers' compensation claims	6,852	269,798	92,622	184,028	87,672
	<u>\$ 552,929</u>	<u>\$ 1,499,972</u>	<u>\$ 486,476</u>	<u>\$ 1,566,425</u>	<u>\$ 481,526</u>

The compensated absences and workers' compensation claims attributable to the governmental activities will be liquidated mostly by the General fund.

The School Board issued Certificate of Indebtedness, Series 2019, in the amount of \$1,500,000 with a stated interest rate of 2.91% per annum and a maturity date of May 1, 2021. Only \$850,000 of the \$1,500,000 has been drawn down as of June 30, 2019. The School Board does not anticipate using all of the \$1,500,000. The proceeds are being used for emergency repairs and/or replacements to athletic fields and related facilities and other school facilities. The certificates are secured and payable from tax and other revenues available in the General fund. No payments are required until the maturity date.

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

The School Board is in the process of replacing the turf at Oak Grove High with borrowed funds, which costs approximately \$815,000. The intention of the School Board is for Oak Grove High School to repay the amount of the debt used for the turf over a 20 year period. As of fiscal year end June 30, 2019, the School Board had not signed a formal agreement with Oak Grove High School for the repayment of the turf. Therefore, no accounts receivable had been recorded as of fiscal year end 2019.

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payables:

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	\$ 139,504	ESSA	\$ 139,504
General Fund	541,972	Nonmajor Governmental	541,972
Total	<u>\$ 681,476</u>		<u>\$ 681,476</u>

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received.

NOTE 14 - FUND BALANCE CLASSIFICATION DETAIL

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non spendable:			
Inventory	\$ -	\$ 18,563	\$ 18,563
Restricted for:			
Workers' compensation reserve	100,000	-	100,000
Salaries and benefits	1,094,782	-	1,094,782
School food service	-	565,535	565,535
Facility improvements	-	1,410,156	1,410,156
Career development	-	270,842	270,842
Capital projects	-	764,010	764,010
Committed to:			
New school buses	335,832	-	335,832
Unassigned	5,312,805	-	5,312,805
Total	<u>\$ 6,843,419</u>	<u>\$ 3,029,106</u>	<u>\$ 9,872,525</u>

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

NOTE 15 - RISK MANAGEMENT The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

A risk management program for workers' compensation insurance was established by the School Board several years ago. It joined a pool with two other school boards in Northeast Louisiana in order to share workers' compensation cost. The School Board's share of risk is determined by calculating its percentage of the total manual premium of the group. The risk allocated to the School Board for the year ended June 30, 2019, was 31%. Premiums are paid to a third-party administrator and are available to pay claims, claim reserves, and administrative costs of the program. As of June 30, 2019, such interfund premiums did not exceed reimbursable expenditures. These premiums are based primarily upon the individual funds payroll and are reported as expenditures in the individual funds. During the fiscal year 2019, a total of \$92,622 was paid in benefits and administrative costs.

An excess coverage insurance policy covers individual claims in excess of \$350,000. Maximum retention exposure or aggregate claims amounts to \$1,000,000. Claims payable of \$188,978 as of June 30, 2019, has been accrued as a liability. The liability at June 30, 2019 was provided by the third party administrator. The liability does not include incremental costs. The School Board has established a certificate of deposit for \$100,000 required by the Office of Workers' Compensation.

Changes in the claims amount in previous fiscal years were as follows:

<u>Years Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payment and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2016-2017	\$ 11,802	\$ 8,715	\$ 8,715	\$ 11,802
2017-2018	11,802	13,311	13,311	11,802
2018-2019	11,802	269,798	92,622	188,978

The ending liability is \$188,978; however, the current portion, which accounts for two months payments after year end, is reflected as claims payable of \$4,950 in the governmental funds Balance Sheet (Statement C). The remaining balance of \$184,028 is considered the long-term portion, of which the full amount is considered due within one year in the Statement of Net Position (Statement A).

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School Board also participates in an entity risk pool for insurance coverage, including property and casualty insurance and the reinsurance of such coverage, in order to provide a more efficient and effective way to acquire insurance coverage. The entity risk pool is known as Property Casualty Alliance of Louisiana (PCAL), which is established only for School Boards and is overseen by a board made up of School Board Members. The responsibilities of the School Board are to pay contributions based upon a risk-funding plan developed by the Program as well as to have a loss prevention plan to make all reasonable efforts to eliminate and minimize hazards that would contribute to property/casualty losses. The pool is responsible for handling any and all claims after notice of loss has been received.

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

NOTE 16 – LITIGATION, CLAIMS AND COMMITMENTS

Litigation The School Board is involved in various lawsuits as of June 30, 2019. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's combined financial position.

Grant Disallowances The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Self Insurance The School Board is partially self-insured for workers' compensation. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$350,000 per occurrence for each employee. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements.

Construction Commitments The School Board's construction commitments at June 30, 2019 is composed of the following:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended to June 30, 2019</u>	<u>Committed</u>
Renovation of field and track	\$ 784,800	\$ 57,700	\$ 727,100

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$2,462. This amount was recognized as state revenue and a reduction of the School Board's required contribution to the TRSL pension plan.

The Parish Tax Collector makes retirement remittances to the Teachers' Retirement System of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing revenue and expenditure payments is the actual contribution made by the Tax Collector's Office. For 2019, the Tax Collector paid the Teachers' Retirement System of Louisiana \$46,996. This amount was recognized as ad valorem revenue and a reduction of the School Board's required contribution to the TRSL pension plan.

NOTE 18 - NEW GASB STANDARDS In fiscal year 2019, the School Board adopted the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued by the Government Accounting Standards Board. This Statement is to improve the information that is disclosed in the School Board's notes to the financial statements related to debt, including direct borrowings and direct placements. Another objective of this Statement is to clarify which liabilities the School Board should include when disclosing information related to debt. In addition to

West Carroll Parish School Board
Notes to the Financial Statements
June 30, 2019

defining debt for the purposes of disclosure in the notes, this Statement requires additional essential information related to debt to be disclosed.

The adoption of Statement No. 88 had no impact on the government-wide or the governmental fund financial statements, but provides for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

NOTE 19 - SUBSEQUENT EVENTS In March 2020, the United States Government and citizens had begun responding to the Coronavirus Pandemic (COVID-19). As part of this response, the State of Louisiana had issued a stay-at-home order for the citizens, which had also called for nonessential businesses to temporarily halt operations. Governments that collect sales tax as a main source of revenue are in the early stages of determining what impact the stay-at-home and other health safety measures will have on the economy and the tax revenues that governments traditionally have collected. Early signs indicate that sales tax collection, at least in the short run, will have a material unfavorable impact to the taxing body. However, because of the unknown ramifications of COVID-19 and related corresponding Governor's stay-at-home orders and proclamations, the exact financial impact to the School Board cannot be determined at this point. Accordingly, these financial statements do not include any adjustment for the downward trend in sales tax collections nor any other unfavorable revenue decline.

REQUIRED SUPPLEMENTARY INFORMATION

West Carroll Parish School Board
Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2019

Exhibit 1

Total OPEB Liability	June 30, 2018	June 30, 2019
Service cost	\$ 2,035,884	\$ 2,037,765
Interest cost	2,128,256	2,611,087
Differences between expected and actual experience	2,325,094	-
Changes in assumptions or other inputs	8,725,860	4,300,168
Benefit payments	(1,790,104)	(1,668,908)
Net changes	13,424,990	7,280,112
Total OPEB liability - beginning	58,299,765	71,724,755
Total OPEB liability - ending	\$ 71,724,755	\$ 79,004,867
Covered payroll	\$ 10,794,546	\$ 9,046,264
Total OPEB liability as a percentage of covered payroll	664.45%	873.34%

Notes to Schedule:

Changes of Assumptions

Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following is the discount rate used:

2019	3.50%
2018	3.87%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

West Carroll Parish School Board
Schedule of Employer's Proportionate Share of the Net Pension Liability
Last Five Years

Exhibit 2-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.371800%	\$ 2,158,839	\$ 1,042,974	207%	76.18%
2016	0.362082%	2,296,058	1,010,838	227%	74.49%
2017	0.344493%	2,598,673	978,474	266%	70.09%
2018	0.329989%	2,111,689	951,378	222%	75.03%
2019	0.322610%	2,155,478	930,580	232%	74.44%
Teacher's Retirement System of Louisiana					
2015	0.21852%	\$ 22,336,262	\$ 9,938,823	225%	63.7%
2016	0.21350%	22,956,284	9,758,294	235%	62.5%
2017	0.20330%	23,861,059	9,634,404	248%	59.9%
2018	0.19823%	20,322,706	9,432,322	215%	65.6%
2019	0.20313%	19,963,952	9,461,579	211%	68.2%

Notes:

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

West Carroll Parish School Board
Schedule of Employer Contributions to Pension Plans
Last Five Years

Exhibit 2-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 330,034	\$ 330,034	\$ -	\$ 1,010,838	32.6%
2016	295,499	295,499	-	978,474	30.2%
2017	257,844	257,844	-	951,378	27.1%
2018	256,840	256,840	-	930,580	27.6%
2019	267,051	267,051	-	953,753	28.0%
Teacher's Retirement System of Louisiana					
2015	\$ 2,730,564	\$ 2,730,564	\$ -	\$ 9,758,294	28.0%
2016	2,534,765	2,534,765	-	9,634,404	26.3%
2017	2,362,202	2,362,202	-	9,432,322	25.0%
2018	2,516,780	2,516,780	-	9,461,579	26.6%
2019	2,577,834	2,577,834	-	9,654,810	26.7%

Notes:

The amounts presented were determined as of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

West Carroll Parish School Board
Notes to Required Supplementary Information for Pensions

Louisiana School Employees' Retirement System

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after June 30, 2010.

Changes in assumptions: For amounts reported in 2016, the valuation investment rate of return was reduced from the 7.25% reported in 2015 to 7.00%. The reduction was made to account for the funding of administrative expenses out of investment earnings. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. In addition, the valuation model was revised. The long-term expected portfolio real rate of return (expected arithmetic nominal return) was increased .77% in 2016 to 8.30% from the rate of 7.53% used in the 2015 valuation.

Change in discount rate: For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.0% used in the June 30, 2015 valuation to 7.125%. For the June 30, 2015 year, the discount rate assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 regular session of the legislature, beginning with the June 30, 2016 actuarial evaluation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contributions for the System. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. With this change, the valuation of plan liabilities based on a valuation interest rate set for .25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016 actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return. The discount rate used in the June 30, 2018 valuation was 7.0625%.

Teacher's Retirement System of Louisiana

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011.

Change in discount rate: The discount rate was reduced from 7.75% to 7.70% effective July 1, 2017, in accordance with the Board's adopted plan to reduce the discount rate to 7.50% in .05% increments. The discount rate was reduced from 7.70% used in the June 30, 2017 valuation to 7.65% in the June 30, 2018 valuation.

**West Carroll Parish School Board
Budgetary Comparison Schedules**

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL The General fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

ESSA This fund is used to account for:

TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES The purpose of these funds is to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low income families.

TITLE II This program was designed to increase student academic achievement consistent with challenging State academic standards; improve the quality and effectiveness of teachers, principals, and other school leaders; increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and provide low-income and minority students greater access to effective teachers, principals, and other school leaders.

STUDENT SUPPORT AND ACADEMIC ENRICHMENT To improve student's academic achievement by increasing the capacity of States, local education agencies, schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students.

RURAL EDUCATION To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.

WEST CARROLL PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the year ended June 30, 2019

Exhibit 3-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 838,419	\$ 883,517	\$ 888,146	\$ 4,629
Sales and use taxes	2,714,066	2,704,500	2,698,917	(5,583)
Interest earnings	51	1,032	4,294	3,262
Other	277,807	233,239	258,138	24,899
State sources:				
Equalization	13,300,000	13,150,160	13,174,314	24,154
Other	154,544	212,052	93,175	(118,877)
Total Revenues	<u>17,284,887</u>	<u>17,184,500</u>	<u>17,116,984</u>	<u>(67,516)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	8,870,035	8,940,331	8,862,021	78,310
Special programs	1,321,959	1,177,568	1,151,436	26,132
Other instructional programs	1,095,367	1,246,875	1,172,005	74,870
Support services:				
Student services	1,122,338	1,127,317	1,106,465	20,852
Instructional staff support	593,360	595,981	594,236	1,745
General administration	388,126	325,173	385,534	(60,361)
School administration	1,063,112	1,078,487	1,066,908	11,579
Business services	478,197	526,966	529,897	(2,931)
Plant services	1,371,710	1,363,793	1,139,556	224,237
Student transportation services	1,522,898	1,488,838	1,499,275	(10,437)
Central services	15,456	11,096	11,498	(402)
Food services	234,113	191,064	192,165	(1,101)
Community services	10,062	10,062	10,062	-
Capital outlay	650,000	405,500	443,673	(38,173)
Total Expenditures	<u>18,736,733</u>	<u>18,489,051</u>	<u>18,164,731</u>	<u>324,320</u>
Excess (deficiency) of revenues over expenditures	(1,451,846)	(1,304,551)	(1,047,747)	256,804
OTHER FINANCING SOURCES (USES)				
Transfers in	19,634	21,000	-	(21,000)
Transfers out	(19,634)	(21,000)	-	21,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,451,846)	(1,304,551)	(1,047,747)	256,804
Fund balances - beginning	<u>7,925,363</u>	<u>7,595,388</u>	<u>7,891,166</u>	<u>295,778</u>
Fund balances - ending	<u>\$ 6,473,517</u>	<u>\$ 6,290,837</u>	<u>\$ 6,843,419</u>	<u>\$ 552,582</u>

WEST CARROLL PARISH SCHOOL BOARD

ESSA
Budgetary Comparison Schedule
For the year ended June 30, 2019

Exhibit 3-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Federal sources	\$ 944,922	\$ 1,177,884	\$ 948,080	\$ (229,804)
Total Revenues	<u>944,922</u>	<u>1,177,884</u>	<u>948,080</u>	<u>(229,804)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	43,000	19,699	18,462	1,237
Other instructional programs	308,533	396,219	342,583	53,636
Support services:				
Student services	61,185	116,954	100,369	16,585
Instructional staff support	389,515	453,671	339,989	113,682
General administration	90,759	113,130	91,052	22,078
Business services	2,040	4,500	2,097	2,403
Plant services	49,890	71,508	52,623	18,885
Student transportation services	-	-	545	(545)
Central services	-	2,203	360	1,843
Total Expenditures	<u>944,922</u>	<u>1,177,884</u>	<u>948,080</u>	<u>229,804</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

West Carroll Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2019

A. Budgets

General Budget Policies The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements.

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

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the General fund and special revenue fund's budgets. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

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

All budget revisions are approved by the Board.

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

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

West Carroll Parish School Board

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SUPPLEMENTARY INFORMATION

**COMBINING NONMAJOR
GOVERNMENTAL FUNDS -
BY FUND TYPE**

WEST CARROLL PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2019**

Exhibit 4

	SPECIAL REVENUE	CAPITAL PROJECTS FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 2,446,657	\$ 821,710	\$ 3,268,367
Receivables	377,239	-	377,239
Inventory	18,563	-	18,563
TOTAL ASSETS	2,842,459	821,710	3,664,169
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	25,345	57,700	83,045
Interfund payables	541,972	-	541,972
Unearned revenue	10,046	-	10,046
Total liabilities	577,363	57,700	635,063
Fund balances:			
Nonspendable	18,563	-	18,563
Restricted	2,246,533	764,010	3,010,543
Total fund balances	2,265,096	764,010	3,029,106
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,842,459	\$ 821,710	\$ 3,664,169

WEST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the year ended June 30, 2019

Exhibit 5

	SPECIAL REVENUE	CAPITAL PROJECTS FUND	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 865,944	\$ -	\$ 865,944
Food services	53,101	-	53,101
Other	8,002	-	8,002
State sources:			
Equalization	197,200	-	197,200
Other	249,596	-	249,596
Federal sources	2,371,522	-	2,371,522
Total Revenues	<u>3,745,365</u>	<u>-</u>	<u>3,745,365</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	407,464	-	407,464
Special programs	130,430	-	130,430
Other instructional programs	461,875	-	461,875
Support services:			
Student services	203,166	-	203,166
Instructional staff support	268,041	-	268,041
General administration	84,851	-	84,851
School administration	8,054	-	8,054
Business services	4,288	-	4,288
Plant services	499,533	-	499,533
Student transportation services	288	-	288
Central services	114	-	114
Food services	1,382,561	-	1,382,561
Capital outlay	6,980	57,700	64,680
Debt service:			
Bond issuance cost	-	28,290	28,290
Total Expenditures	<u>3,457,645</u>	<u>85,990</u>	<u>3,543,635</u>
Excess (deficiency) of revenues over expenditures	287,720	(85,990)	201,730
OTHER FINANCING SOURCES (USES)			
Bond proceeds	<u>-</u>	<u>850,000</u>	<u>850,000</u>
Net change in fund balances	287,720	764,010	1,051,730
Fund balances - beginning	<u>1,977,376</u>	<u>-</u>	<u>1,977,376</u>
Fund balances - ending	<u>\$ 2,265,096</u>	<u>\$ 764,010</u>	<u>\$ 3,029,106</u>

West Carroll Parish School Board

NONMAJOR SPECIAL REVENUE FUNDS

CONSTRUCTION AND MAINTENANCE FUNDS

- School District #1 Construction and Maintenance - Oak Grove Elementary
- School District #1 Construction and Maintenance - Epps
- School District #2 Construction and Maintenance - Kilbourne
- School District #3 Construction and Maintenance - Forest
- School District #1 Construction and Maintenance - Oak Grove High

The construction and maintenance funds account for ad valorem taxes levied for constructing, improving, and repairing facilities and maintaining schools within each district.

SPECIAL EDUCATION This program was designed to provide grants to states to assist them in providing a free appropriate public education to children, including preschool children aged three through five years, with disabilities.

VOCATIONAL EDUCATION This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

LA 4 The purpose of this grant is to provide high quality early childhood educational experiences to four-year-old children who are considered to be “at risk” of achieving later academic success.

8(g) These programs are to provide enhancements to elementary and secondary education from state funds.

STRIVING READERS The purpose of this grant is to advance the pre-literacy skills, reading, and writing skills of disadvantaged youth birth through grade 12, including English learners and students with disabilities.

SCHOOL LUNCH This fund is used to account for the Child Nutrition Program, which through cash grants and food donations, provides a nutritious breakfast and lunch service for school students.

TEACHER INCENTIVE This fund is used to account for the Teacher incentive grants received to ensure that students in high-need schools have better access to effective teachers and principals.

MISCELLANEOUS FUNDS This fund accounts for the Louisiana Department of Education funds for agricultural, home economics, and food preservation training and other miscellaneous grant revenues.

WEST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2019

	S.D. #1 CONSTRUCTION AND MAINTENANCE OAK GROVE ELEMENTARY	S.D. #1 CONSTRUCTION AND MAINTENANCE EPPS	S.D. #2 CONSTRUCTION AND MAINTENANCE KILBOURNE	S.D. #3 CONSTRUCTION AND MAINTENANCE FOREST
ASSETS				
Cash and cash equivalents	\$ 316,658	\$ 293,220	\$ 202,563	\$ 493,791
Receivables	171	275	137	240
Inventory	-	-	-	-
TOTAL ASSETS	316,829	293,495	202,700	494,031
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	2,614	2,841	6,769	8,581
Interfund payables	-	-	-	-
Unearned revenue	-	2,236	1,478	2,692
Total liabilities	2,614	5,077	8,247	11,273
Fund balances:				
Nonspendable	-	-	-	-
Restricted	314,215	288,418	194,453	482,758
Total fund balances	314,215	288,418	194,453	482,758
TOTAL LIABILITIES AND FUND BALANCES	\$ 316,829	\$ 293,495	\$ 202,700	\$ 494,031

Exhibit 6

S.D. #1 CONSTRUCTION AND MAINTENANCE OAK GROVE HIGH	SPECIAL EDUCATION	VOCATIONAL EDUCATION	LA 4	8(g)	STRIVING READERS
\$ 186,736	\$ -	\$ -	\$ -	\$ -	\$ -
215	57,354	28,872	104,134	13,950	73,428
-	-	-	-	-	-
<u>186,951</u>	<u>57,354</u>	<u>28,872</u>	<u>104,134</u>	<u>13,950</u>	<u>73,428</u>
2,999	-	-	-	-	-
50,000	57,354	28,872	104,134	13,950	73,428
3,640	-	-	-	-	-
<u>56,639</u>	<u>57,354</u>	<u>28,872</u>	<u>104,134</u>	<u>13,950</u>	<u>73,428</u>
-	-	-	-	-	-
<u>130,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>130,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 186,951</u>	<u>\$ 57,354</u>	<u>\$ 28,872</u>	<u>\$ 104,134</u>	<u>\$ 13,950</u>	<u>\$ 73,428</u>

(Continued)

WEST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2019

Exhibit 6

	SCHOOL LUNCH	TEACHER INCENTIVE	MISCELLANEOUS FUNDS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 682,157	\$ -	\$ 271,532	\$ 2,446,657
Receivables	-	96,946	1,517	377,239
Inventory	18,563	-	-	18,563
TOTAL ASSETS	<u>700,720</u>	<u>96,946</u>	<u>273,049</u>	<u>2,842,459</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	851	-	690	25,345
Interfund payables	115,771	96,946	1,517	541,972
Unearned revenue	-	-	-	10,046
Total liabilities	<u>116,622</u>	<u>96,946</u>	<u>2,207</u>	<u>577,363</u>
Fund balances:				
Nonspendable	18,563	-	-	18,563
Restricted	565,535	-	270,842	2,246,533
Total fund balances	<u>584,098</u>	<u>-</u>	<u>270,842</u>	<u>2,265,096</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 700,720</u>	<u>\$ 96,946</u>	<u>\$ 273,049</u>	<u>\$ 2,842,459</u>

(Concluded)

West Carroll Parish School Board

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WEST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the year ended June 30, 2019

	<u>S.D. #1 CONSTRUCTION AND MAINTENANCE OAK GROVE ELEMENTARY</u>	<u>S.D. #1 CONSTRUCTION AND MAINTENANCE EPPS</u>	<u>S.D. #2 CONSTRUCTION AND MAINTENANCE KILBOURNE</u>	<u>S.D. #3 CONSTRUCTION AND MAINTENANCE FOREST</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 141,786	\$ 234,478	\$ 113,438	\$ 198,518
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	7,252	5,260	5,801	10,152
Federal sources	-	-	-	-
Total Revenues	<u>149,038</u>	<u>239,738</u>	<u>119,239</u>	<u>208,670</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	34,809	41,589	15,701	26,309
Special programs	-	-	-	-
Other instructional programs	-	-	98	300
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	5,469	9,018	4,379	7,649
School administration	-	2,087	831	-
Business services	25	25	253	25
Plant services	68,695	146,898	95,816	88,021
Student transportation services	-	-	-	-
Central services	114	-	-	-
Food services	-	-	-	-
Capital outlay	-	6,980	-	-
Total Expenditures	<u>109,112</u>	<u>206,597</u>	<u>117,078</u>	<u>122,304</u>
Excess (deficiency) of revenues over expenditures	39,926	33,141	2,161	86,366
Fund balances - beginning	<u>274,289</u>	<u>255,277</u>	<u>192,292</u>	<u>396,392</u>
Fund balances - ending	<u>\$ 314,215</u>	<u>\$ 288,418</u>	<u>\$ 194,453</u>	<u>\$ 482,758</u>

Exhibit 7

S.D. #1 CONSTRUCTION AND MAINTENANCE OAK GROVE HIGH	SPECIAL EDUCATION	VOCATIONAL EDUCATION	LA 4	8(g)	STRIVING READERS
\$ 177,724	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,089	-	-	137,533	72,969	-
-	430,694	28,872	164,747	-	146,541
<u>186,813</u>	<u>430,694</u>	<u>28,872</u>	<u>302,280</u>	<u>72,969</u>	<u>146,541</u>
28,402	2,756	-	-	-	144,104
-	125,299	-	-	-	-
-	73	28,249	286,454	72,969	-
-	203,166	-	-	-	-
-	59,678	-	-	-	2,437
6,849	35,637	-	15,826	-	-
1,918	808	-	-	-	-
60	3,277	623	-	-	-
97,699	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>134,928</u>	<u>430,694</u>	<u>28,872</u>	<u>302,280</u>	<u>72,969</u>	<u>146,541</u>
51,885	-	-	-	-	-
<u>78,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 130,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

WEST CARROLL PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the year ended June 30, 2019

Exhibit 7

	<u>SCHOOL LUNCH</u>	<u>TEACHER INCENTIVE</u>	<u>MISCELLANEOUS FUNDS</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ 865,944
Food services	53,101	-	-	53,101
Other	8,002	-	-	8,002
State sources:				
Equalization	20,000	-	177,200	197,200
Other	-	-	1,540	249,596
Federal sources	1,302,632	296,478	1,558	2,371,522
Total Revenues	<u>1,383,735</u>	<u>296,478</u>	<u>180,298</u>	<u>3,745,365</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	96,666	17,128	407,464
Special programs	-	5,131	-	130,430
Other instructional programs	-	11,587	62,145	461,875
Support services:				
Student services	-	-	-	203,166
Instructional staff support	-	180,684	25,242	268,041
General administration	-	-	24	84,851
School administration	-	2,410	-	8,054
Business services	-	-	-	4,288
Plant services	-	-	2,404	499,533
Student transportation services	-	-	288	288
Central services	-	-	-	114
Food services	1,382,561	-	-	1,382,561
Capital outlay	-	-	-	6,980
Total Expenditures	<u>1,382,561</u>	<u>296,478</u>	<u>107,231</u>	<u>3,457,645</u>
Excess (deficiency) of revenues over expenditures	1,174	-	73,067	287,720
Fund balances - beginning	<u>582,924</u>	<u>-</u>	<u>197,775</u>	<u>1,977,376</u>
Fund balances - ending	<u>\$ 584,098</u>	<u>\$ -</u>	<u>\$ 270,842</u>	<u>\$ 2,265,096</u>

(Concluded)

West Carroll Parish School Board

AGENCY FUNDS

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

SALES TAX COLLECTION The Sales Tax Collection fund is used to account for collections and disbursement of sales tax receipts to the West Carroll School Board, West Carroll Police Jury, the Town of Oak Grove, and the Village of Epps.

PROTESTED SALES TAX This fund is used to account for collections of sales tax receipts that are paid under protest and are set aside until the protest has been resolved.

WEST CARROLL PARISH SCHOOL BOARD

**AGENCY FUNDS
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2019**

Exhibit 8

	<u>SCHOOL ACTIVITIES</u>	<u>SALES TAX COLLECTION</u>	<u>PROTESTED SALES TAX</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 285,156	\$ -	\$ 194,756	\$ 479,912
Accounts receivables	-	610,179	-	610,179
	<u>285,156</u>	<u>610,179</u>	<u>194,756</u>	<u>1,090,091</u>
Total Assets	<u>285,156</u>	<u>610,179</u>	<u>194,756</u>	<u>1,090,091</u>
LIABILITIES				
Deposits due others	285,156	610,179	194,756	1,090,091
Total Liabilities	<u>\$ 285,156</u>	<u>\$ 610,179</u>	<u>\$ 194,756</u>	<u>\$ 1,090,091</u>

WEST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2019

Exhibit 9

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Ending</u>
*****SCHOOL ACTIVITIES*****				
ASSETS				
Cash and cash equivalents	\$ 279,925	\$ 1,131,491	\$ 1,126,260	\$ 285,156
LIABILITIES				
Deposits due others	279,925	1,131,491	1,126,260	285,156
*****SALES TAX COLLECTION*****				
ASSETS				
Accounts receivable	718,395	7,466,598	7,574,814	610,179
LIABILITIES				
Deposits due others	718,395	7,466,598	7,574,814	610,179
*****PROTESTED SALES TAX*****				
ASSETS				
Cash and cash equivalents	182,236	12,520	-	194,756
LIABILITIES				
Deposits due others	182,236	12,520	-	194,756
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	462,161	1,144,011	1,126,260	479,912
Accounts receivable	718,395	7,466,598	7,574,814	610,179
TOTAL ASSETS	<u>1,180,556</u>	<u>8,610,609</u>	<u>8,701,074</u>	<u>1,090,091</u>
LIABILITIES				
Deposits due others	\$ 1,180,556	\$ 8,610,609	\$ 8,701,074	\$ 1,090,091

WEST CARROLL PARISH SCHOOL BOARD
 AGENCY FUNDS -
 SCHOOL ACTIVITIES
 Schedule of Changes in Deposits Due Others
 For the year ended June 30, 2019

Exhibit 10

<u>SCHOOL</u>	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Ending</u>
Epps High School	\$ 47,804	\$ 123,207	\$ 128,780	\$ 42,231
Forest High School	37,584	219,033	199,528	57,089
Kilbourne High School	57,056	113,819	126,956	43,919
Oak Grove High School	82,688	582,184	594,212	70,660
Oak Grove Elementary School	<u>54,793</u>	<u>93,248</u>	<u>76,784</u>	<u>71,257</u>
Totals	<u>\$ 279,925</u>	<u>\$ 1,131,491</u>	<u>\$ 1,126,260</u>	<u>\$ 285,156</u>

West Carroll Parish School Board

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2019**

Exhibit 11

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$400 per month and the President receives an additional \$50 per month.

<u>Board Member</u>	<u>Actual Salary</u>
Todd R. Smith, President	\$ 5,100
James C. Burrell	5,100
Donald R. Gwin	4,800
Marilyn Haley	4,800
Cullen M. Kovac	4,800
Julie A. Linson	4,800
Jefferson Coleman	2,400
Michael Ray	<u>2,400</u>
Total	<u>\$ 34,200</u>

West Carroll Parish School Board

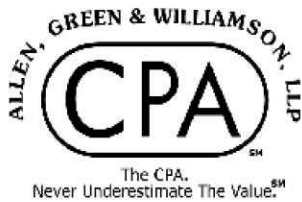
Schedule of Compensation, Benefits And Other Payments To Agency Head (Superintendent)
For The Year Ended June 30, 2019

Exhibit 12

Agency Head Name: Richard M. Strong, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 97,648
Benefits-insurance	6,081
Benefits-retirement	29,703
Benefits-medicare	1,568
Car allowance	13,600
Cell phone	100
Dues	525
Conference Travel	1,303
Registration fees	450

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Crystal Patterson, CPA

Mallory Stone, CPA

Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA

(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Carroll Parish School Board as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated September 28, 2020.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we have identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2019-004 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Cost as 2019-002.

The School Board's Response to Findings

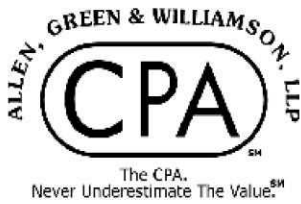
The School Board's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
September 28, 2020



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance; Required by the Uniform Guidance

Independent Auditor's Report

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

Report on Compliance for Each Major Federal Program

We have audited West Carroll Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2019. West Carroll School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
September 28, 2020

West Carroll Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash awards:			
National School Lunch Program	10.555	N/A	\$ 842,880
School Breakfast Program	10.553	N/A	334,573
Non-cash awards:			
Food Distribution (Commodities)	10.555	N/A	98,427
Total Child Nutrition Cluster			\$ 1,275,880
Fresh Fruit & Vegetable Program	10.582	N/A	26,752
Total United States Department of Agriculture			1,302,632
United States Department of Education			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies	84.010A	28-19-T1-62 28-19-DSS-62	701,052 24,897
			725,949
Special Education Cluster (IDEA):			
Special Education Grants to States (IDEA Part B)	84.027A	28-19-B1-62 28-18-BPR1-62	384,998 26,880
Special Education Preschool Grants (IDEA Preschool)	84.173A	28-19-P1-62 28-18-CY-62	18,700 116
Total Special Education Cluster (IDEA)			430,694
Career and Technical Education-Basic Grants to States	84.048A	28-19-02-62	28,872
Supporting Effective Instruction State Grants (Title II)	84.367A	28-19-50-62	125,301
Comprehensive Literacy Development	84.371C	28-18-SR03-62	146,541
Teacher and School Leadership Incentive Grants	84.374A	28-18-TP-62 28-19-TP-62 28-18-PCBS-62 28-18-BPR2-62	28,401 94,998 149,615 23,464
			296,478
Rural Education	84.358B	28-19-RE-62	49,756
Student Support and Academic Enrichment	84.424A	28-19-71-62	47,074
Total United State Department of Education			1,850,665
United States Department of Health and Human Services			
Passed Through Louisiana Department of Education:			
TANF Cluster:			
Temporary Assistance for Needy Families	93.558	28-19-36-62	164,747
Total TANF Cluster			164,747
CCDF Cluster:			
Child Care and Development Block Grant	93.575	28-19-CO-62	1,558
Total CCDF Cluster			1,558
Total United States Department of Health and Human Services			166,305
TOTAL FEDERAL AWARDS			\$ 3,319,602

The accompanying notes are an integral part of this schedule.

West Carroll Parish School Board
Notes to the 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 West Carroll Parish School Board under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of West Carroll Parish School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of West Carroll Parish School Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards are reported in the School Board's basic financial statements as follows:

	Federal Sources
Major Funds	
ESSA	\$ 948,080
Nonmajor Special Revenue Funds	
Special Education	430,694
Vocational Education	28,872
LA 4	164,747
Striving Readers	146,541
School Lunch	1,302,632
Teacher Incentive	296,478
Miscellaneous Funds	1,558
Total	\$ 3,319,602

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 7 - DE MINIMIS INDIRECT COST RATE West Carroll Parish School Board has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**West Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unmodified.
- ii. There were three significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America. Significant deficiencies 2019-001 and 2019-003 were considered to be material weaknesses.
- iii. There was one instance of noncompliance as defined by the *Government Auditing Standards*, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal awards are:
 - Special Education Cluster:
 - Special Education Grants to States (IDEA Part B) CFDA# 84.027A
 - Special Education Preschool Grant CFDA# 84.173A
 - Title I Grants to Local Educational Agencies CFDA# 84.010A
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

**West Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America:

Reference # and title: 2019-001 Capital Assets/Depreciation Schedule

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal control over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate accounting period.

Condition found: During the testing of capital assets, it was noted that the capital asset listing and depreciation schedule had to be given back to the School Board to correct several times. In performing test of capital assets additions, it was noted that the original listing provided to the auditors originally reflected \$398,900 as current year additions. After testing capital asset additions, it was noted that the report should have reflected \$1,725,937 in additions. In addition, it was noted that the finding from the prior year relating to the vehicle insurance listing did not agree to the capital asset listing and had not been corrected. Therefore, it was determined that \$689,269 of assets on the listing no longer existed and \$316,194 of assets on the insurance asset coverage listing were not on the capital asset listing.

Context: The exceptions noted above were identified when performing substantive testing over capital assets and appears to be a systemic problem.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The capital asset schedule was not accurate and had to be given back to the School Board to correct.

Recommendation to prevent future occurrences: The School Board should continue to provide training over capital assets as well as should establish quality control procedures to ensure all additions and deletions are properly recorded. Capital asset inspections should be performed on a routine basis.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2017.

View of Responsible Official: After reviewing the capital asset listing, it was determined that there are two different thresholds for adding items to the list, which has caused some discrepancies in the reporting. It was also noted that the listings contain older items that never got deleted upon disposal. The listing has been created over many years, using several different programs. Not all features work within both programs causing some outdated listings. Personnel have been made aware of the problem and are trying to help rectify the outdated information.

**West Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America:

Reference # and title: 2019-002 Late Submission of Audit Report to the Legislative Auditor

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: R.S. 24:513 A (5)(a)(i) requires that “...audits shall be completed within six months of the close of the entity’s fiscal year.” The School Board’s audit report should be submitted to the Louisiana Legislative Auditor by December 31st each year.

Condition found: Due to the turnover that occurred within the audit firm, the auditor had requested the School Board to request an extension of time to allow the auditor additional time to complete the audit. The School Board’s audit report for the fiscal year ending June 30, 2019 was not completed within the six month deadline as per R.S. 24:513 A (5)(a)(i).

Context: This finding is considered to be an isolated instance.

Possible asserted effect (cause and effect):

Cause: The auditor had change in key audit staff within the firm and requested the School Board to allow additional time to complete the audit.

Effect: The School Board did not meet state requirement in regards to the financial reporting.

Recommendation to prevent future occurrences: The School Board should meet with the auditor early in the process to ensure staffing is adequate as well as set deadlines for information to be submitted to the auditor in order to ensure the auditor meets the required deadlines.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2019.

View of Responsible Official: The School Board agreed to an extension in order to help accommodate the auditor’s loss of staff, which caused them to be short-handed and short on time.

Reference # and title: 2019-003 Internal Controls over Bank Reconciliations

Entity-wide or program/department specific: This finding is related to the payroll bank reconciliation.

Criteria or specific requirement: Sound internal controls over financial reporting require that accounting records contain accurate, complete, and up-to-date information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that transactions are properly recorded and classified in the accounting records.

Condition found: When testing the bank reconciliations, it was noted during field work that the bank reconciliations had not been completed since November 2018. When the School Board began catching up the bank

**West Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America:

reconciliations, in June 2019, the payroll bank account had duplicate transactions that occurred in error. This caused School Board to need additional time to complete the bank reconciliation for the fiscal year end. The June 2019 bank reconciliation was not completed until June 2020. When the reconciliation was provided, the auditor had to propose additional entries to the payroll account and withholdings to finalize the year-end financial reporting.

Context: This appears to be a systemic problem.

Possible asserted effect (cause and effect):

Cause: The School Board fell behind performing the bank reconciliations. When trying to complete the payroll bank reconciliations, the State of Louisiana withholdings had been duplicated in error for the month of June 2019.

Effect: The trial balance and bank reconciliation for the payroll fund was not completed in a timely manner.

Recommendation to prevent future occurrences: The School Board should establish quality control procedures over the bank reconciliation process to ensure completed in a timely manner and is accurate.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2019.

View of Responsible Official: This was due to some errors that were made in processing a payroll at year end. The staff that made the errors tried to correct the mistakes but to no success. The reconciliation was then brought to the business manager for help in correcting errors. This process took time and was worked on to correct a few months at a time. The system is still in the process of rolling forward reconciliations but is making progress.

Reference # and title: **2019-004** **Student Activity Funds**

Entity-wide or program/department specific: This finding is related to school activity funds.

Criteria or specific requirement: Proper internal controls required that the funds of a school be properly safeguarded and accounted for based on the School Board policy for Student Activity Funds.

Condition found: In testing of the student activity funds at Kilborne High School, the following exceptions were noted:

Receipts:

Selected fifteen receipts to ensure deposited timely and agrees to supporting documentation:

- Eight receipts could not be adequately tested due to the school could not locate deposit slips that occurred before January 2019.
- Nine receipts noted that did not have proper documentation to support the amount.

Disbursements:

In testing twenty-five disbursements, it was noted that:

- Three disbursements did not have adequate supporting documentation.

**West Carroll Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America:

- One disbursement was not paid timely.
- One disbursement was not properly recorded in the ledger.

Athletic Games:

In testing of five athletic events, one of the receipts could not be adequately be tested due to the deposit slip could not be located.

Credit Cards:

In testing of four credit card statements, one statement contained a charge that did not have adequate supporting documentation.

Cash Count:

When performing a cash count while onsite, it was noted that the school had \$5,100 on hand, which were monies that were collected over an 8 day period that had not been deposited. Therefore, deposit was not made timely.

Context: One school was selected to be tested across various areas. These problems noted appear to be systemic.

Possible asserted effect (cause and effect):

Cause: The School is not following the School Board’s Student Activity Fund Policy.

Effect: Controls over student activity funds appear to be weakened.

Recommendation to prevent future occurrences: The School Board should provide annual training to school staff of the school activity fund processes and approved policies. Additionally, procedures should be established by the School Board to perform spot checks to ensure policies are being adhered to.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2017.

View of Responsible Official: In December 2018 there was a new school secretary hired. The new secretary came into the job trying to bring the prior year up to date and continue with the current year. It was unclear as to where the previous year’s documents had been stored, as some were found and some were unable to be located. Since then the new secretary has carried all of the bookwork forward and is up to date with information. Documents and records are filed accordingly.

OTHER INFORMATION

WEST CARROLL PARISH SCHOOLS

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Marilyn Haley, D-7

Fax (318)428-37

Status of Prior Year Findings and Questioned Costs For the Year Ended June 30, 2019

Reference # and title: **2018-001** **Capital Assets/Depreciation Schedule**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal control over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate accounting period.

During the testing of capital assets, it was noted that the capital asset listing and depreciation schedule had to be given back to the School Board to correct several times. In performing test of capital assets additions, it was noted that the original listing provided to the auditors originally reflected \$17,000 as current year additions. After testing capital asset additions, it was noted that the report should have reflected an additional \$587,109 in additions. In performing test of capital assets disposals, it was noted that the original listing provided to the auditors originally reflected no dispositions. After testing capital asset disposals, it was noted that the report should have reflected \$394,588 in dispositions. When agreeing the vehicle insurance listing to the capital asset listing, it was determined that \$689,269 of assets on the listing no longer exist and \$316,194 of assets on the insurance listing were not on the capital asset listing. A construction in progress schedule was not provided to the auditors.

Corrective action planned: After reviewing the listing of capital assets, we have found that the school system as a whole needs to clean up the asset listing for current and old equipment. When the asset program was introduced, the listing provided was a manual listing and had not been updated in quite a while. This has caused a continual problem for the ongoing accumulation of fixed assets. Also over time, the responsible person for maintaining fixed asset records has changed several times. This has caused personnel to be less familiar with the process of recording fixed assets. The school system will try to provide more training for the record keeping of assets. The school system will perform more physical inventory evaluation to ensure that listings are kept up-to-date.

Corrective action planned: See current year finding 2019-001.

Status of Prior Year Findings and Questioned Costs (continued)

Reference # and title: 2018-002 Student Activity Funds

Entity-wide or program/department specific: This finding is related to school student activity funds.

Condition: Proper internal controls required that the funds of a school be properly safe-guarded and accounted for based on the School Board policy for Student Activity Funds. In testing of the student activity funds at Forest High School, the following exceptions were noted:

Receipts:

Selected fifteen receipts to ensure deposited timely and agrees to supporting documentation:

- One receipt was not deposited within 3 business days of receipt.

Disbursements:

In testing twenty-five disbursements, it was noted that:

- One disbursements did not have the proper number of approvals.
- One disbursements did not have adequate supporting documentation.
- Three disbursements included payment of late fees and financing charges.
- One disbursement included payment of sales tax.
- One disbursement where the school paid the student for tennis court dues instead of the vendor.

Athletic Games:

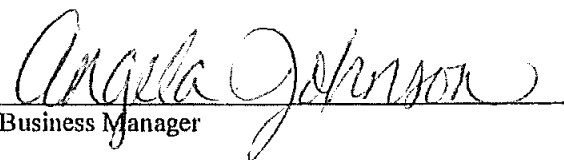
In testing of three athletic events, two of the receipts were not deposited timely.

Credit Cards:

In testing of two credit card statements, one statement contained a charge that did not have adequate supporting documentation and both statements were paid late, in which late fees and finance charges were assessed and paid.

Corrective action planned: See current year finding 2019-003.

Respectively submitted,


Business Manager

WEST CARROLL PARISH SCHOOLS

Julie Linson, D-1

314 EAST MAIN STREET

Shane Ray, D-4

Tracey Rios, D-2

OAK GROVE, LA 71263

Cullen Kovac, D-6

James Burrell, D-5

(318)428-2378

Marilyn Haley, D-7

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Corrective Action Plan for Current Year Findings & Questioned Costs For the Year Ended June 30, 2019

Reference # and title: **2019-001** **Capital Assets/Depreciation Schedule**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal control over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate accounting period.

During the testing of capital assets, it was noted that the capital asset listing and depreciation schedule had to be given back to the School Board to correct several times. In performing test of capital assets additions, it was noted that the original listing provided to the auditors originally reflected \$398,900 as current year additions. After testing capital asset additions, it was noted that the report should have reflected \$1,725,937 in additions. In addition, it was noted that the finding from the prior year relating to the vehicle insurance listing did not agree to the capital asset listing and had not been corrected. Therefore, it was determined that \$689,269 of assets on the listing no longer existed and \$316,194 of assets on the insurance asset coverage listing were not on the capital asset listing.

Corrective action planned: Correct personnel have been made aware of weaknesses in asset schedule and instructed as to how to correct some of the errors. Efforts are being made to update the listings for additional disposals that should be removed from the listing.

Contact person responsible for corrective action:

Mr. Richie Strong, Superintendent
314 East Main Street
Oak Grove, LA 71263

Telephone: 318-428-2378
Fax: 318-428-3775

Anticipated completion date: Fiscal year ending June 30, 2020.

Corrective Action Plan for Current Year Audit Findings & Questioned costs (continued)

Contact person responsible for corrective action:

Mr. Richie Strong, Superintendent Telephone: 318-428-2378
314 East Main Street Fax: 318-428-3775
Oak Grove, LA 71263

Anticipated completion date: We are working to have reconciliations reconciled for this account in a timely manner. Anticipated completion date is during 2020.

Reference # and title: **2019-004** **Student Activity Funds**

Entity-wide or program/department specific: This finding is related to school activity funds.

Condition: Proper internal controls required that the funds of a school be properly safe-guarded and accounted for based on the School Board policy for Student Activity Funds.

In testing of the student activity funds at Kilborne High School, the following exceptions were noted:

Receipts:

Selected fifteen receipts to ensure deposited timely and agrees to supporting documentation:

- Eight receipts could not be adequately tested due to the school could not locate deposit slips that occurred before January 2019.
- Nine receipts noted that did not have proper documentation to support the amount.

Disbursements:

In testing twenty-five disbursements, it was noted that:

- Three disbursements did not have adequate supporting documentation.
- One disbursement was not paid timely.
- One disbursement was not properly recorded in the ledger.

Athletic Games:

In testing of five athletic events, one of the receipts could not be adequately be tested due to the deposit slip could not be located.

Credit Cards:

In testing of four credit card statements, one statement contained a charge that did not have adequate supporting documentation.

Cash Count:

When performing a cash count while onsite, it was noted that the school had \$5,100 on hand, which were monies that were collected over an 8 day period that had not been deposited. Therefore, deposit was not made timely.

Corrective action planned: The new Secretary was trained and is keeping up with records and documentation as required. All books are up to date for fiscal purposes.

Corrective Action Plan for Current Year Audit Findings & Questioned costs (continued)


Contact person responsible for corrective action:

Mr. Richie Strong, Superintendent
314 East Main Street
Oak Grove, LA 71263

Telephone: 318-428-2378
Fax: 318-428-3775

Anticipated completion date: Fiscal year ending June 30, 2020.

Respectively submitted,


Business Manager

**West Carroll Parish School Board
Oak Grove, LA**

AGREED UPON PROCEDURES



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Austin Hogue, CPA
Crystal Patterson, CPA
Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of West Carroll Parish School Board, Oak Grove, Louisiana, and the Legislative Auditor (LLA) (the specified parties) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2018 through March 31, 2019. The School Board's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. 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 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
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving
 - 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).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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
- 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)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.

Comment: When reviewing the applicable written policies and procedures for the required elements, the following exceptions were noted:

- **Purchasing** - Policy did not contain required elements of how vendors are added to the vendor list, the preparation and approval process of purchases requisitions and purchase orders, and documentation required to be maintained for all bids and price quotes.
- **Disbursements** - Written policy did not cover the required elements of processing, reviewing and approving disbursements.
- **Receipts** - Written policy did not cover the required elements of receiving, recording and preparing deposits.
- **Payroll/Personnel** - Written policy did not cover the required elements for payroll processing, reviewing and approving time and attendance records; including leave and overtime worked.
- **Contracting** - Written policy did not cover the legal review process or monitoring of contracts.
- **Credit Cards** - Written policy did not include required approvers.
- **Ethics** - Written policy did not contain required elements of actions to be taken if an ethics violation takes place, system to monitor possible ethics violations, and requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.
- **Disaster Recovery/Business Continuity** - There is no written policy or procedures.

Management's Response: The School Board has some new and updated policies written. Louisiana policies on education enacted through legislation are updated through a professional firm and subsequently adopted by the Board.

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.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the General fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Comment: There were no exceptions noted as a result in applying agreed upon procedures.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - 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
 - 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.

Comment: One exception noted in which the payroll bank reconciliation as not completed within 2 months of the related statement closing date.

Management's Response: Bank reconciliations are done in the month following the end of a month. In cases where there is a short work month, such as November or December, it may take a few days later to complete due to a shortage of time.

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).
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:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - 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.
 - 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.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection
 - c) Trace the deposit slip total 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Comment: When reviewing personnel/processes at a sample of five cash collection locations, it was noted that four locations had exceptions where the individuals responsible for collecting cash was also responsible for making deposits, recording transactions, and/or reconciling the bank account.

When reviewing the two deposit dates for the 5 bank accounts selected for procedure #3, two locations had exceptions. For the four deposits in total for these two locations, three deposits were not deposited timely, two deposits supporting documentation did not agree to deposit and two deposits did not have pre-numbered receipts.

Management's Response: Due to having a very small parish, and a limited number of employees, most all of our collection locations are manned by the one financial person at that location. Having such limited personnel makes segregation of duties hard to follow. This person is also the school secretary, which limits their available time to run to the depository on a frequent basis. Living in a rural area with limited staff, we try to make deposits at least a couple times a week, if not more. If deposits are smaller amounts, such as \$100 or less, they may wait until more money is received before deposit is made.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - 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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Comment: When reviewing personnel and processes for a sample of five locations, there was one exception noted where personnel responsible for processing payments can add vendors to the purchasing system and four exceptions where the personnel with signatory authority for disbursements can initiate or record purchases.

When reviewing a sample of 25 disbursements, there were no exceptions noted related to the attributions noted; however, it was noted that one disbursement was for meals and there was not supporting documentation that reflected the business purpose.

Management's Response: The school system does not have a formal purchasing department. Most all purchases are made by supervisors, principals, club leaders, etc. Without a purchase order system, the purchase approval has to be done when the invoice is received. Once the goods or services are received, the invoice will then be approved for payment by the appropriate person. Once again the limited number of available persons required to separate duties makes some of the procedures not the best practice for bookkeeping purposes.

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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, 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).

Comment: In testing 5 credit card statements, it was noted that one statement did not have in writing that it was reviewed and approved. In testing a total of 15 credit card transactions, it was noted that 2 transactions did not have itemized receipts and 9 transactions did not have the written documentation of the business/public purpose.

Management's Response: Schools have been since notified that all transaction must have a receipt and the receipt must state the public purpose.

Payroll and Personnel

14. 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.

15. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
16. 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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
17. 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.

Comment: In testing leave and attendance for 5 employees, it was noted that one employee did not document daily attendance for all days for the pay period selected. It was additionally that the timesheet for the 5 employees selected did not have supervisor approval.

Management's Response: Employees are to sign in on a daily basis on the appropriate time sheets. Supervisors will review and sign before sent to central office.

Ethics

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

Comment: When testing ethics training and annual verification of the ethics policy, it was noted that none of the 5 employees certified by signature that he/she read the School Board's ethics policy.

Management's Response: Annual ethics training is performed online. At the end of the training, a certificate is issued to verify the training had been completed. Each of these training seminars requires unique login and password that is only known by the individual. Once the certificate is issued, it is filed away for that calendar year as evidence of annual training.

We were not engaged to, and did not, perform 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
September 28, 2020



ALLEN, GREEN & WILLIAMSON, LLP

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Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the West Carroll Parish School Board, Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the West Carroll Parish School Board for the 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 School Board is responsible for the 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 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:

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

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

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

Comment: After the schedule was revised, no exceptions were noted. However, in testing the 25 transactions, one exception was noted in which the expenditure was recorded using the wrong function.

Management's Response: Object and function codes are assigned to expenditures by using best judgment from the person coding the expenditure. Some expenditures can be determined to be several different object function combinations. The best option is a matter of opinion.

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 sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Comment: There were no exceptions noted as a result in applying agreed upon procedures.

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

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

Comment: There were no exceptions noted as a result in applying agreed upon procedures.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Comment: There were two exceptions noted, in which one employee had leave without pay that was not properly reflected in the salary amount on the PEP report and one employee had leave without pay that was not properly reflected in the full-time equivalent section on the PEP report.

Management's response: PEP classification errors have been corrected.

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 Comptroller General of the United States. 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 School Board, as required by Louisiana Revised Statute 24:514.1, 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

September 28, 2020

WEST CARROLL PARISH SCHOOL BOARD
Oak Grove, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$6,056,254	
Other Instructional Staff Activities	879,453	
Instructional Staff Employee Benefits	4,132,974	
Purchased Professional and Technical Services	20,530	
Instructional Materials and Supplies	165,388	
Instructional Equipment	10,653	
Total Teacher and Student Interaction Activities	\$11,265,252	\$11,265,252
Other Instructional Activities	50,599	50,999
Pupil Support Activities	1,106,465	
Less: Equipment for Pupil Support Activities	0	
Net Pupil Support Activities		1,106,465
Instructional Staff Services	619,093	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		619,093
School Administration	1,066,908	
Less: Equipment for School Administration	0	
Net School Administration		1,066,908
Total General Fund Instructional Expenditures (Total of Column B)		\$14,108,717
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		45,403
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		451,456
Renewable Ad Valorem Tax		1,255,637
Debt Service Ad Valorem Tax		0
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		46,996
Sales and Use Taxes		2,698,917
Total Local Taxation Revenue		4,453,006
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		14,691
Earnings from Other Real Property		0
Total Local Earnings on Investment in Real Property		14,691
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		23,089
Revenue Sharing - Other Taxes		57,481
Revenue Sharing - Excess Portion		0
Other Revenue in Lieu of Taxes		0
Total State Revenue in Lieu of Taxes		80,570
Nonpublic Textbook Revenue		0
Nonpublic Transportation Revenue		0

WEST CARROLL PARISH SCHOOL BOARD
Oak Grove, Louisiana

Class Size Characteristics
As of October 1, 2018

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	87.07%	101	12.93%	15	0.00%	0	0.00%	0
Elementary Activity Classes	10.00%	1	40.00%	4	20.00%	2	30.00%	3
High	55.10%	108	31.63%	62	12.76%	25	0.51%	1
High Activity Classes	87.50%	42	2.08%	1	4.17%	2	6.25%	3
Combination	81.25%	416	17.19%	88	1.56%	8	0.00%	0
Combination Activity Classes	87.96%	95	7.41%	8	2.78%	3	1.85%	2

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.