
EAST FELICIANA PARISH SCHOOL BOARD

CLINTON, LOUISIANA

ANNUAL FINANCIAL AND COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2014



A Professional Accounting Corporation

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EAST FELICIANA PARISH SCHOOL BOARD

CLINTON, LOUISIANA

ANNUAL FINANCIAL AND COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

The Members of the
East Feliciana Parish School Board
Clinton, 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 East Feliciana Parish School Board (School Board) as of and for the year ended June 30, 2014, 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.

Auditors' Responsibility

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

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, based on our audit and the report of other auditors, 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 East Feliciana Parish School Board, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the schedule of funding progress and schedule of employer contributions for other post-employment benefit plans presented on pages IV–IX, 27 through 32, and 33, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish School Board's basic financial statements. The combining non-major fund financial statements and the schedule of compensation paid to board members are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The performance and statistical data have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014, on our consideration of the East Feliciana Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Feliciana Parish School Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2014

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014

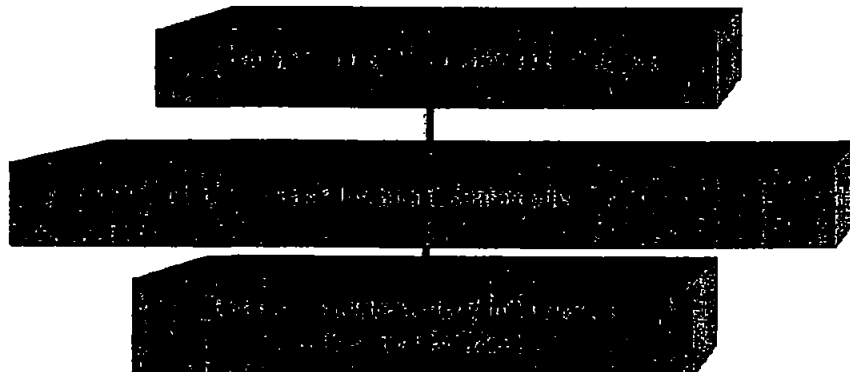
The Management's Discussion and Analysis of the East Feliciana Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

FINANCIAL HIGHLIGHTS

- ★ The East Feliciana Parish School Board's assets exceeded its liabilities at the close of fiscal year 2014 by approximately \$8,340,000
- ★ Expenses exceeded revenues by approximately \$204,000 for the year, resulting in a decrease in the financial position of the School Board over prior year
- ★ State MFP funding increased by approximately \$79,000 from the prior year
- ★ The General Fund's fund balance increased from the prior year by approximately \$897,000. The fund balance of the general fund totaled \$1,875,441 at June 30, 2014.
- ★ Government-wide revenues increased from the prior year due to an increase in sales tax revenues (\$643,500), ad valorem tax revenues (\$306,500), state MFP funding (\$79,500), and a decrease in operating grants (\$595,600) while expenditures increased by \$209,100 during 2014.
- ★ The Operations and Maintenance Fund, which accounts for the proceeds of a 1% sales tax, has a fund balance of approximately \$1,140,000 which can be used for a variety of operating purposes. The School Board has used this fund to provide salary supplements and capital outlay for the past several years.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to private sector business.

The *statement of net position* presents information on all of the School Board's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements present attributes of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Operations and Maintenance Fund, the Title I Fund, and the Capital Projects Fund, all of which are considered major funds. The remaining funds are combined into a single, aggregated presentation under the label of non-major governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014

Fund financial statements (Continued)

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because of the resources of those funds are not available to support the School Board's programs. The School Board's fiduciary funds consist of the School Activity Fund, which contains monies belonging to the schools, their students, and clubs and other activities, and the Sales Tax Fund, which accounts for the collection and distribution of parish-wide sales taxes.

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

FINANCIAL ANALYSIS OF THE ENTITY

Condensed Statements of Net Position
as of June 30, 2014 and 2013

	2014	2013 (as restated)
Cash and cash equivalents	\$ 3,960,746	\$ 2,473,182
Receivables	1,409,268	1,828,050
Prepaid expenses and other	65,276	28,608
Capital assets, net	9,503,339	9,556,514
Total assets	14,938,629	13,886,354
Accounts, salaries and other payables	1,917,295	1,935,132
Unearned revenue	164,499	131,350
Revenue bonds payable	1,341,002	710,666
Net post employment benefit obligation	2,724,268	2,110,006
Compensated absences and claims liabilities	427,696	430,914
Total liabilities	6,574,760	5,318,068
Net Position:		
Net investment in capital assets	8,296,277	8,845,846
Restricted	1,735,143	1,253,527
Unrestricted	(1,667,551)	(1,531,087)
Total net position	\$ 8,363,869	\$ 8,568,286

- Cash and cash equivalents increased by approximately \$1,488,000 or 60% over the prior year. These assets, consisting of cash in local financial institutions comprise approximately 26% of total assets.
- Receivables have decreased by approximately \$419,000 or 23% over the prior year due to the timing of receipt of grant reimbursement requests near year end.

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

- Capital assets, which are reported net of accumulated depreciation, account for 64% of the total assets of the School Board for the most recent year ended.
- Total liabilities have increased by approximately \$1,256,000, with accounts payable, salaries payable and related payables comprising 29% of amounts owed at year-end. The largest increase relates to the new issuance of bonds during the current year.

Condensed Statements of Revenues and Expenses
for the years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Program Revenues		
Charges for services	\$ 76,244	\$ 80,932
Operating grants	5,646,312	6,217,670
General revenues		
Property taxes	2,567,422	2,260,952
Sales taxes	3,239,745	2,596,202
Earnings on investments	5,257	5,187
MFP	11,655,242	11,575,753
Other	<u>299,253</u>	<u>231,505</u>
Total revenues	<u>23,489,475</u>	<u>22,968,201</u>
Expenses		
Instruction:		
Regular education	7,994,987	7,949,285
Special education	2,578,961	2,402,970
Vocational education	276,368	365,318
Other education	471,882	645,244
Support Services:		
Pupil support	771,785	775,070
Instructional staff	1,425,483	2,061,993
General administrative	2,092,528	1,915,836
School administrative	1,250,463	1,275,509
Business and central services	286,511	353,891
Plant operation and maintenance	1,894,759	1,730,321
Transportation	1,406,366	1,471,507
Food service	1,261,138	1,128,807
Central services	107,861	116,253
Community service programs	-	8,750
Interest charged on long-term debt	5,282	5,282
Appropriation to the charter school	<u>1,869,518</u>	<u>1,278,779</u>
Total expenses	<u>23,693,892</u>	<u>23,484,815</u>
Excess of revenues over (under) expenses	<u>\$ (204,417)</u>	<u>\$ (516,614)</u>

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Change in Net Position

- MFP, which accounts for 49.7% of total revenues for 2014, increased by approximately \$79,000.
- Sales taxes, which account for 13.8% of total revenues for 2014, increased by approximately \$644,000.
- Operating grant revenues, comprising 24% of total revenues for 2014, decreased by approximately \$571,000. Such funding was used during 2014 and 2013 for federally funded grant programs such as Title I and IDEA.
- Expenses increased overall by approximately \$209,000 or 1% over the previous year, the increases overall were primarily related to an increase in the appropriation to the charter school, however that increase offset by decreases in most other categories of expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the East Feliciana Parish School Board had approximately \$9.5 million invested in a broad range of capital assets, including land, building, and equipment. (See Table below).

This amount represents a decrease (including additions and deductions) of approximately \$53,000 over last year due to the disposal of assets during 2014, net of depreciation.

	<u>2014</u>	<u>2013 (restated)</u>
Land	\$ 1,199,768	\$ 1,199,768
Buildings and Improvements	8,075,485	8,073,860
Equipment	190,016	220,865
Construction-in-Progress	<u>38,070</u>	<u>62,021</u>
Totals	<u>\$ 9,503,339</u>	<u>\$ 9,556,514</u>

Capital assets were restated as of June 30, 2013 for an overstatement of items totaling \$181,375 recorded in construction in progress.

Long-term debt

At June 30, 2014, the School Board had \$1,341,002 in bonds outstanding whose initial proceeds were used for the purpose of construction, rehabilitation and renovations of school property. This increase over the prior fiscal year of approximately \$630,000 is attributed to the issuance of \$750,000 of revenue bonds offset by required principal payments. Long-term liabilities also consist of compensated absences payable of \$402,700, net other post-employment benefit obligation of \$2,724,000, and a claims liability of \$25,000.

EAST FELICIANA PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Over the course of the year, the General Fund operating budget was amended. The amendment of the operating budget is a customary practice and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant changes during 2014 were as follows:

Revenues:

The General Fund budget was amended from the original projections to reflect increases in sales and use taxes, ad valorem taxes, MFP and other state revenue sources.

Expenditures:

Budgeted expenditures were amended to reflect increased amounts incurred for regular education and special education programs, pupil support services, facility acquisition and construction and general administration. Budgeted expenditures were amended to reflect decreased amounts incurred for student transportation services, business services, instructional staff services, and vocational educational programs.

ANALYSIS OF FUND BALANCES

The General Fund's fund balance of approximately \$1,875,400 primarily represents amounts restricted for future salary and benefits expenditures, and equals approximately 12.4% of the General Fund's annual expenditures. Best practices recommend that governments maintain general fund balances equal to 10% of annual expenditures. The Operations and Maintenance Fund's fund balance of approximately \$1,140,500 is also available for a broad range of uses, including operating costs paid by the General Fund. The Capital Project Fund's fund balance of approximately \$134,000 represents amounts restricted for capital projects. On a combined basis, these three fund's fund balance equals approximately 18% of annual expenditures. The majority of the non-major funds' combined fund balance of approximately \$203,600 is restricted for federal and state grant programs, and school food services.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

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

- Sales tax revenues are budgeted to remain consistent compared to 2014 revenues.
- Ad-valorem tax revenues are expected to increase by 4%.
- The General Fund operating budget was adopted to operate at a \$23,000 surplus.
- Health insurance and retirement benefit payments are expected to increase on an individual basis.
- State funding through MFP is expected to remain consistent with the prior year.
- Personnel levels have been reduced so that financial stability can be achieved.

CONTACTING THE EAST FELICIANA PARISH SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mr. Tommy LeJeune, CPA, Faulk & Winkler, LLC, c/o East Feliciana Parish School Board, 12732 Silliman Street, Clinton, LA 70722, (225) 683-8277.

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

STATEMENT OF NET POSITION

June 30, 2014

ASSETS

Cash and cash equivalents	\$	3,960,746
Sales tax receivable		305,775
Due from governments		747,666
Due from external party (fiduciary fund)		355,827
Inventory		52,221
Other assets		13,055
Capital assets:		
Land and construction in progress		1,199,768
Buildings and equipment, net of accumulated depreciation		8,303,571
		<hr/>
TOTAL ASSETS		14,938,629

DEFERRED OUTFLOWS OF RESOURCES

-

LIABILITIES

Accounts, salaries and other payables		1,917,295
Unearned revenue		164,499
Long-term liabilities:		
Due within one year		214,296
Due in more than one year		4,278,670
		<hr/>
TOTAL LIABILITIES		6,574,760

DEFERRED INFLOWS OF RESOURCES

-

NET POSITION

Net investment in capital assets		8,296,277
Restricted for:		
School food services		96,517
Federal and state grant programs		54,881
Salaries and benefits		1,583,745
Unrestricted		(1,667,551)
		<hr/>
TOTAL NET POSITION	\$	8,363,869

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Unit
<u>Functions/Programs</u>				
Instruction:				
Regular education programs	\$ 7,994,987	\$ -	\$ 1,805,852	\$ (6,189,135)
Special education programs	2,578,961	-	582,518	(1,996,443)
Vocational education programs	276,368	-	62,424	(213,944)
Other education programs	471,882	-	106,585	(365,297)
Support Services:				
Pupil support services	771,785	-	174,325	(597,460)
Instructional staff services	1,425,483	-	321,978	(1,103,505)
General administration services	2,092,528	-	472,646	(1,619,882)
School administration services	1,250,463	-	282,446	(968,017)
Business and central services	286,511	-	64,715	(221,796)
Plant operation and maintenance	1,894,759	-	427,975	(1,466,784)
Transportation	1,406,366	-	317,660	(1,088,706)
Food service	1,261,138	76,244	1,002,824	(182,070)
Central services	107,861	-	24,363	(83,498)
Interest charges on long-term debt	5,282	-	-	(5,282)
Appropriation to charter school	1,869,518	-	-	(1,869,518)
Total Governmental Activities	23,693,892	76,244	5,646,312	(17,971,336)
General Revenues				
Taxes:				
Ad-valorem taxes				2,567,422
Sales and use taxes				3,239,745
State revenue sharing				74,350
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				11,655,242
Interest and investment earnings				5,257
Miscellaneous				224,903
				17,766,919
Change in Net Position				(204,417)
Net Position - beginning of year, as restated				8,568,286
Net Position - end of year				\$ 8,363,869

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

	General	Operations and Maintenance	Title I	Capital Projects	Non-major Governmental	Total
<u>ASSETS</u>						
Cash and cash equivalents	\$ 925,497	\$ 1,945,740	\$ 138,747	\$ 281,155	\$ 669,607	\$ 3,960,746
Sales tax receivable	152,888	152,887	-	-	-	305,775
Due from other funds	2,646,116	-	-	-	3,233	2,649,349
Due from other governments	11,725	-	279,384	-	456,557	747,666
Inventory	-	-	-	-	52,221	52,221
Other	5,096	-	523	-	7,436	13,055
TOTAL ASSETS	\$ 3,741,322	\$ 2,098,627	\$ 418,654	\$ 281,155	\$ 1,189,054	\$ 7,728,812
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 157,100	\$ 2,533	\$ -	\$ 38,070	\$ 1,457	\$ 199,160
Salaries and benefits payable	1,708,781	-	9,354	-	-	1,718,135
Unearned revenue	-	-	52,888	-	111,611	164,499
Due to other funds	-	955,598	356,412	109,145	872,367	2,293,522
TOTAL LIABILITIES	1,865,881	958,131	418,654	147,215	985,435	4,375,316
Fund balances:						
Nonspendable	-	-	-	-	52,221	52,221
Spendable:						
Restricted for:						
Federal and state grant programs	-	-	-	-	54,881	54,881
School food services	-	-	-	-	96,517	96,517
Capital projects	-	-	-	133,940	-	133,940
Salaries and benefits	1,583,745	-	-	-	-	1,583,745
Assigned to operations and maintenance	-	1,140,496	-	-	-	1,140,496
Unassigned	291,696	-	-	-	-	291,696
TOTAL FUND BALANCES	1,875,441	1,140,496	-	133,940	203,619	3,353,496
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,741,322	\$ 2,098,627	\$ 418,654	\$ 281,155	\$ 1,189,054	\$ 7,728,812

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total Fund Balances at June 30, 2014 - Governmental Funds \$ 3,353,496

Amounts reported for governmental activities in the statement of net position is different due to the following:

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

Cost of capital assets at June 30, 2014	22,869,945	
Less: Accumulated depreciation as of June 30, 2014:		
Buildings and improvements	(12,323,709)	
Movable property	<u>(1,042,897)</u>	9,503,339

Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds

Long-term liabilities at June 30, 2014:		
Bonds payable	(1,341,002)	
Claims liability	(25,000)	
Net post employment benefit obligation	(2,724,268)	
Compensated absences payable	<u>(402,696)</u>	<u>(4,492,966)</u>

Total Net Position at June 30, 2014 - Governmental Activities \$ 8,363,869

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Title I</u>	<u>Capital Projects</u>	<u>Non-major Governmental</u>	<u>Total</u>
REVENUES						
Local sources:						
Ad valorem taxes	\$ 2,567,422	\$ -	\$ -	\$ -	\$ -	\$ 2,567,422
Sales and use tax	1,619,873	1,619,872	-	-	-	3,239,745
Earnings on investments	4,828	383	-	-	46	5,257
Other	224,903	-	-	-	76,244	301,147
State sources:						
Unrestricted grants-in-aid, MFP	11,629,706	-	-	-	25,536	11,655,242
Revenue sharing	74,350	-	-	-	-	74,350
Restricted grants-in-aid	37,975	-	-	-	724,850	762,825
Federal grants	193,704	-	1,527,781	-	3,162,002	4,883,487
TOTAL REVENUES	16,352,761	1,620,255	1,527,781	-	3,988,678	23,489,475
EXPENDITURES						
Current:						
Instruction:						
Regular education programs	6,492,213	-	-	-	1,486,108	7,978,321
Special education programs	1,057,585	-	657,584	-	863,792	2,578,961
Vocational education programs	246,224	-	8,172	-	21,972	276,368
Other education programs	183,659	-	288,223	-	-	471,882
Support:						
Pupil support services	771,785	-	-	-	-	771,785
Instructional staff services	670,135	-	334,594	-	420,754	1,425,483
General administration services	706,247	-	197,640	-	-	903,887
School administration services	1,250,463	-	-	-	-	1,250,463
Business and central services	286,511	-	-	-	-	286,511
Plant operation and maintenance	1,737,117	104,467	-	-	-	1,841,584
Transportation	1,406,366	-	-	-	-	1,406,366
Food services	75,145	-	-	-	1,185,993	1,261,138
Central services	107,861	-	-	-	-	107,861
Community services	-	-	-	-	-	-
Debt service - principal	119,666	-	-	-	-	119,666
Debt service - interest	16,665	-	-	-	-	16,665
Facility acquisition and construction	5,487	-	-	577,391	-	582,878
TOTAL EXPENDITURES	15,133,129	104,467	1,486,213	577,391	3,978,619	21,279,819
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,219,632	1,515,788	41,568	(577,391)	10,059	2,209,656
OTHER FINANCING SOURCES (USES)						
Appropriation to charter school	(1,869,518)	-	-	-	-	(1,869,518)
Proceeds from issuance of debt	-	-	-	750,000	-	750,000
Transfers in	1,546,870	-	-	-	-	1,546,870
Transfers out	-	(1,474,084)	(41,568)	-	(31,218)	(1,546,870)
TOTAL OTHER FINANCING SOURCES (USES)	(322,648)	(1,474,084)	(41,568)	750,000	(31,218)	(1,119,518)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	896,984	41,704	-	172,609	(21,159)	1,090,138
FUND BALANCES - beginning of year	978,457	1,098,792	-	(38,669)	224,778	2,263,358
FUND BALANCES - end of year	\$ 1,875,441	\$ 1,140,496	\$ -	\$ 133,940	\$ 203,619	\$ 3,353,496

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2014

Excess of Revenues and Other Financing Sources over Expenditures and Other Uses - Total Governmental Funds	\$ 1,090,138
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Amounts reported for governmental activities in the statement of activities
are different due to the following:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense.

Capital outlay and other expenditures capitalized, net	\$ 494,614	
Depreciation expense for year ended June 30, 2014	<u>(547,790)</u>	(53,176)

The issuance of long-term debt (e.g. bond, leases) provides current
financial resources to governmental funds. In the statement of net position,
however, issuing debt increases long-term liabilities and does not affect the
statement of activities.

Proceeds from issuance of debt	(750,000)	
Principal payments on debt	<u>119,666</u>	(630,334)

Expenses reported in the statement of activities do not require the
use of current financial resources and therefore are
not reported as expenditures in governmental funds

Net other post employment benefit obligation	(614,262)	
Change in compensated absences liability	<u>3,217</u>	<u>(611,045)</u>

Change in Net Position - Governmental Activities	<u>\$ (204,417)</u>
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The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,112,243
Certificates of deposit	19,344
Sales tax receivable	<u>471,404</u>
TOTAL ASSETS	<u><u>\$ 1,602,991</u></u>
<u>LIABILITIES</u>	
Accounts payable	\$ 209,961
Due to other funds	355,827
Amounts held for school clubs and activities	144,616
Due to other governments	<u>892,587</u>
TOTAL LIABILITIES	<u><u>\$ 1,602,991</u></u>

The accompanying notes are an integral part of this statement.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

General Information

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of East Feliciana 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 authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplements to their salaries. The School Board is currently comprised of 12 members who are elected from 7 districts for a term of four years.

During the fiscal year ended June 30, 2014, the School Board operated 6 schools within the parish with a total enrollment of approximately 1,800 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

1. **Summary of Significant Accounting Policies**

a. **Reporting Entity**

The School Board complies with U.S. Generally Accepted Accounting Principles (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement No. 14, The Financial Reporting Entity, as amended by both GASB No. 39, Determining Whether Certain Organizations Are Component Units and GASB No. 61, The Financial Reporting Entity Omnibus establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity.

The School Board also has no *component units*, as defined by the standards. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government, over which the School Board exercises no oversight responsibility, such as the parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity.

b. **Basis of Presentation**

The School Board's *Basic Financial Statements* consist of the government-wide statements (on all of the non-fiduciary activities) and the fund financial statements (individual major fund, combined non-major funds, and the combined fiduciary funds.) The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental entities.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary type activities. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity over the long term and the change in aggregate economic position resulting from the activities of the fiscal period.

All programs of the School Board are considered to be *governmental activities* since all of the activities are normally supported by taxes and intergovernmental revenues, rather than fees for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities are derived from parties outside the School Board's taxpayers or citizenry. As a whole, program revenues reduce the cost of the function to be financed from the taxpayers.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities.

Fund Financial Statements

Emphasis of fund financial reporting is on the major funds. Non-major funds (by category) or fund type are summarized into a single column. The major funds of the School Board consist of the General fund, the Operations and Maintenance fund, the Capital Projects fund and the Title I fund.

The daily accounts and operations of the School Board are organized and maintained on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The funds of the School Board are classified into two broad categories: Governmental and Fiduciary.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is on the determination of changes in short-term financial position, rather than upon net income. The following are the School Board's governmental fund types:

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

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant programs established for various educational objectives as well as a fund to account for the proceeds of a 1% sales tax restricted to personnel and maintenance costs.

Debt Service Fund - The Debt Service Fund, established to meet requirements of bond ordinances, is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund was established to account for capital improvements, including construction of new facilities and renovations.

Fiduciary Fund Type - Agency Funds:

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

c. **Basis of Accounting/Measurement Focus**

Government-Wide Financial Statements (GWFS)

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Agency Fund type is accounted for on a flow of economic resources measurement focus (accrual basis). With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The following paragraphs describe the revenue recognition practices under the modified accrual basis of accounting:

Revenues

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available.

The Board's definition of available generally means expected to be received within sixty days of the end of the fiscal year.

Non-exchange transactions, in which the Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations and are recognized under the modified accrual basis of accounting when they are both measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Sales taxes and gross receipts business taxes are considered "measurable" when the underlying transaction occurs. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

c. **Basis of Accounting/Measurement Focus** (continued)

Revenues (continued)

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine month period but can be paid over a period up to twelve months.

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

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

Principal and interest on general long-term debt are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are not recorded in the funds.

d. **Budget Practices**

The proposed budgets for fiscal year 2014 were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2014 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, were made available to the public.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expensed is not automatically re-appropriated in the next year.

The School Board is authorized to transfer amounts between line items within any fund. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in a public meeting. Budgeted amounts included in the financial statements include the originally adopted budget and all subsequent amendments.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

e. **Cash, Cash Equivalents, and Investments**

Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents include cash on hand and cash on deposit with the fiscal agent bank. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

f. **Inventory**

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

g. **Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets of \$5,000.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 15 years for equipment, 10 to 30 years for building and land improvements, and 40 years for buildings.

h. **Government-Wide Net Position**

Government-wide net position are divided into three components:

- Net investment in capital assets —consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

h. **Government-Wide Net Position** (continued)

Restricted net position—consists of net position that is restricted by the Board's creditors, by state enabling legislation, by grantors (both federal and state), and by other external sources.

Unrestricted—all other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable—amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Spendable:
 - Restricted—amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
 - Committed—amounts that can be used only for specific purposes determined by a formal action by School Board ordinance or resolution.
 - Assigned—amounts that are designated by the Board or its designee for a particular purpose
 - Unassigned—all amounts not included in other spendable classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

i. **Annual, Sick and Sabbatical Leave**

All twelve-month employees earn annual leave based on the date of employment in accordance with the following schedule:

<u>Years of Service</u>	<u># of Annual Leave Days</u>
0 - 5	10 days
6 - 15	15 days
16 +	20 days

Annual leave may be accumulated and carried forward as earned up to a maximum of 30 days. Upon retirement or separation of employment, all unused accumulated vacation leave is paid to all eligible employees or to their estates.

All School Board employees earn 8 to 18 days of sick leave each year, which can be accumulated without limitation depending upon length of service with the School Board. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation or for professional and cultural improvement.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

i. **Annual, Sick and Sabbatical Leave** (continued)

Sabbatical leave benefits are recorded as an expenditure of the period in which paid. The cost of leave privileges, computed in accordance with Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

j. **Sales Taxes**

The East Feliciana Parish School Board levies a combined two percent sales and use tax within East Feliciana Parish consisting of:

- A one percent sales and use tax renewed on October 21, 1995 for the ten years beginning June 30, 1998. One-half of the proceeds of this one percent sales tax are restricted to the payment of teachers' salaries. The remainder of the proceeds is to be used for the operations, including maintenance and improvement, of school buildings and sites of the public schools in East Feliciana Parish. This tax was renewed on July 1, 2008 for a period of ten years.
- An additional one percent sales tax was approved by voters of the Parish on October 17, 1981 and expiring on December 31, 2007. This sales tax was dedicated to capital improvements of the public school system of East Feliciana Parish, payment of any indebtedness incurred in making capital improvements, and payment of maintenance and operational expenses of the School Board. This tax was renewed effective January 1, 2008 for a period of ten years. Ninety-one percent of this tax was dedicated by the School Board for the payment of salary supplements during the year ended June 30, 2014.

The School Board serves as the collector of sales taxes derived within the boundaries of East Feliciana Parish and designates certain employees to perform collection activities through its Sales Tax department. In addition to collecting taxes for the School Board, the sales tax department of the School Board also collects sales and use taxes levied by the East Feliciana Parish Police Jury. The Police Jury pays the School Board a collection fee that is negotiated annually. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

k. **Estimates**

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

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

2. Property Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings be assessed at 10% of "use" value; and all other property be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. The Sheriff of East Feliciana Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts.

Property taxes are recognized as revenue in the fiscal year for which they are levied. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Tax bills are mailed in November/December. If taxes are not paid by the due date of December 31, they bear interest at one percent per month until 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 following is a summary of parish-wide authorized and levied ad-valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	5.00	3.34	None
School Board Salary	17.00	17.00	2016

3. Cash

The School Board's cash and cash equivalents consist entirely of deposits in local financial institutions. At year end, the carrying amount of the School Board's deposits was \$5,072,989 which includes \$1,112,243 held in an agency capacity for sales tax and school activities. The bank balance was \$6,208,634.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in event of financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The School Board's deposits were not subject to custodial credit risk at June 30, 2014.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

4. Due From/To Other Funds

Individual balances due from/to other funds at year end are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 2,646,116	\$ -
Operations and Maintenance	-	955,598
Title I	-	356,412
Capital Projects	-	109,145
Non-major Governmental Funds	3,233	872,367
Agency Fund- Sales Tax Collections	-	355,827
Total	<u>\$ 2,649,349</u>	<u>\$ 2,649,349</u>

Balances are a result of advances made by the general fund for expenditures of the federal grant programs, and sales tax collections owed to the general fund from the tax collection agency fund.

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2014 are as follows:

	<u>Land</u>	<u>Building and Improvements</u>	<u>Furniture and Equipment</u>	<u>Construction in Process</u>	<u>Total</u>
Cost at June 30, 2013, restated	\$ 1,199,768	\$ 19,907,098	\$ 1,212,138	\$ 62,021	\$ 22,381,025
Additions	-	492,096	26,470	38,070	556,636
Deletions	-	-	(5,695)	(62,021)	(67,716)
Cost at June 30, 2014	<u>1,199,768</u>	<u>20,399,194</u>	<u>1,232,913</u>	<u>38,070</u>	<u>22,869,945</u>
Accumulated depreciation, at June 30, 2013, restated	-	(11,833,238)	(991,273)	-	(12,824,511)
Additions	-	(490,471)	(57,319)	-	(547,790)
Deletions	-	-	5,695	-	5,695
Accumulated depreciation, at June 30, 2014	<u>-</u>	<u>(12,323,709)</u>	<u>(1,042,897)</u>	<u>-</u>	<u>(13,366,606)</u>
Capital assets, net of accumulated depreciation, at June 30, 2014	<u>\$ 1,199,768</u>	<u>\$ 8,075,485</u>	<u>\$ 190,016</u>	<u>\$ 38,070</u>	<u>\$ 9,503,339</u>

Depreciation expense of \$547,790 was charged to the plant operation and maintenance function in the statement of activities.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

6. General Long-term Debt

The following is a summary of the changes in general long-term debt for the year ended June 30, 2014:

	Balance 6/30/2013	Additions	Deletions	Balance 6/30/2014	Amount due within one year
Claims and assessments	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -
Compensated absences	405,912	636,121	(639,337)	402,696	94,629
Revenue bond	-	750,000	(65,000)	685,000	65,000
Qualified School Construction Bonds	710,668	-	(54,666)	656,002	54,667
Net other postemployment Benefit obligation (OPEB)	<u>2,110,006</u>	<u>614,262</u>	<u>-</u>	<u>2,724,268</u>	<u>-</u>
	<u>\$ 3,251,586</u>	<u>\$ 2,000,383</u>	<u>\$ (759,003)</u>	<u>\$ 4,492,966</u>	<u>\$ 214,296</u>

The compensated absence liability, the OPEB and the claims and assessments liabilities will be liquidated primarily from the general fund. The bonds payable will be liquated from the operations and maintenance fund.

For the purpose of construction, rehabilitation, and renovations, the School System issued \$820,000 of bonds payable through the federally sponsored Qualified School Construction Bond Program during the year ended June 30, 2011. The bond bears interest at .80% (coupon rate) and interest is to be paid on March 15, June 15, September 15, and December 15 each year commencing September 15, each year commencing September 15, 2011 and ending June 15, 2026. Principal payments are to be paid on June 15 of each year.

On July 19, 2013, the School Board issued a \$750,000 bond for various capital expenditures planned for 2014. The series 2013 bonds bear interest at 2.34% and is secured by a pledge of property taxes. During the year ended June 30, 2014, property taxes collected totaling \$421,592 was available toward the payment of this debt. Interest payments are made semi-annually on March 15, and September 15, while principal payments are made on March 15, annually. The bonds mature on March 15, 2023.

The bond issues outstanding at June 30, 2014 is as follows:

Bond Issue	Original Issue	Interest Rate	Final Due Date	Interest to Maturity	Principal Outstanding
Qualified School Construction Bonds, Series 2011, dated June 22, 2011	\$ 820,000	.8%	June 15, 2026	\$ 34,112	\$ 656,002
Revenue Bonds, Series 2013 dated July 2013	<u>750,000</u>	2.34%	March 15, 2023	<u>83,655</u>	<u>685,000</u>
	<u>\$ 1,570,000</u>			<u>\$ 117,767</u>	<u>\$ 1,341,002</u>

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

6. General Long-term Debt (continued)

Principal and interest payments are due as follows:

Years Ending June 30,	Principal	Interest	Total
2015	\$ 119,666	\$ 21,278	\$ 140,944
2016	124,666	19,319	143,985
2017	124,666	17,243	141,909
2018	129,666	15,168	144,834
2019	129,666	12,977	142,643
2020-2024	603,334	30,470	633,804
2025-2026	109,338	1,312	110,650
Total	<u>\$ 1,341,002</u>	<u>\$ 117,767</u>	<u>\$ 1,458,769</u>

The School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the net assessed value of taxable property. At June 30, 2014, the net assessed value of taxable property for the parish was \$130,116,200, which would result in a \$45,540,670 bonded debt limit.

7. Operating Leases

The School Board contracts with individual bus owners on an annual basis for a period of one school year. The School Board had 18 operating lease agreements for the use of privately owned buses with various individual bus owners for the year ended June 30, 2014. Lease payments total \$12,500 per year for each operating lease agreement. Total payments under the agreements were \$225,000 for the school year ended June 30, 2014.

8. Retirement Systems

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

a. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

8. **Retirement Systems** (continued)

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 27.2% of annual covered payroll. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's contributions to the TRS for the years ended June 30, 2014, 2013, and 2012, were \$2,502,053, \$2,396,102, and \$1,971,963, respectively, equal to the required contributions for each year.

b. **Louisiana School Employees' Retirement System (LSERS)**

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute 7.5 percent (8.0 percent effective July 1, 2010 for new LSERS members) of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The actuarially determined obligation for the School Board was 32.3% for the year ended June 30, 2014. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's contributions to the LSERS for the years ended June 30, 2014, 2013, and 2012 were \$196,860, \$212,116, and \$304,151, respectively.

9. **Post-employment Health Care Benefits**

Effective with the Fiscal Year beginning July 1, 2008, East Feliciana Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45).

Plan Description – East Feliciana School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. The OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility for purposes of this valuation, and we have assumed that 12.5% of post-Medicare eligibility retirees elect that plan. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. The remainder of employees are covered by the Louisiana School Employees' Retirement System (LSER) whose retirement (D.R.O.P. entry) eligibility provisions are the same as TRSL except that they are also eligible to retire at age 60 and 10 years of service.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

9. **Post-employment Health Care Benefits** (continued)

Life insurance coverage under the OGB program is available to retirees by election. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94 GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, East Feliciana School Board recognized the cost of providing post-employment medical and life insurance benefits (East Feliciana School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, East Feliciana School Board's portion of health care and life insurance funding cost for retired employees totaled \$824,993 and \$763,883, respectively.

Effective July 1, 2008, East Feliciana School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – East Feliciana School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>	<u>2013</u>
Normal cost	\$ 433,679	\$ 416,999
30-year UAL amortization amount	<u>1,043,198</u>	<u>1,003,075</u>
Annual required contribution (ARC)	\$ <u>1,476,877</u>	\$ <u>1,420,074</u>

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

9. **Post-employment Health Care Benefits** (continued)

Net Post-employment Benefit Obligation (Asset) – The table below shows East Feliciana School Board's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$ 2,110,006	\$ 1,480,207
Annual required contribution	1,476,877	1,420,074
Interest on Net OPEB Obligation	84,400	59,208
ARC Adjustment	<u>(122,022)</u>	<u>(85,601)</u>
OPEB Cost	1,439,255	1,393,682
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(824,993)</u>	<u>(763,883)</u>
Change in Net OPEB Obligation	<u>614,262</u>	<u>629,799</u>
Ending Net OPEB Obligation	<u>\$ 2,724,268</u>	<u>\$ 2,110,006</u>

The following table shows East Feliciana School Board's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2014	\$ 1,439,255	57.32%	\$ 2,724,268
June 30, 2013	\$ 1,393,682	54.81%	\$ 2,110,006

Funded Status and Funding Progress – In 2014 and 2013, East Feliciana School Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014 was \$18,760,680 which is defined as that portion, as determined by a particular actuarial cost method (East Feliciana School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 18,760,680	\$ 18,039,115
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 18,760,680</u>	<u>\$ 18,039,115</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 10,946,156	\$ 11,769,771
UAAL as a percentage of covered payroll	171.39%	153.27%

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

9. **Post-employment Health Care Benefits** (continued)

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by East Feliciana School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between East Feliciana School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between East Feliciana School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post employment Benefit Plan Eligibility Requirements – It is assumed that entitlement to benefits will commence four years after earliest eligibility to enter the D.R.O.P. as described above under the heading "Plan Description". This consists of a three year D.R.O.P. period plus an additional one year delay. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

9. Post-employment Health Care Benefits (continued)

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The "State Share" premiums in the OGB medical rate schedule provided are "unblended" rates for active and retired as required by GASB 45 and have been used for valuation purposes.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	FY 2012	FY 2013	FY 2014
OPEB Cost	\$ 1,350,478	\$ 1,393,682	\$ 1,439,255
Contribution	-	-	-
Retiree premium	853,419	763,883	824,993
Total contribution and premium	853,419	763,883	824,993
Change in net OPEB obligation	\$ 497,059	\$ 629,799	\$ 614,262
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	63.19%	54.81%	57.32%

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

10. Interfund Transfers

Interfund transfers for the year ended June 30, 2014, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,546,870	\$ -
Operations and Maintenance	-	1,474,084
Title I	-	41,568
Non-major Governmental Funds	-	31,218
Balance at June 30, 2014	<u>\$ 1,546,870</u>	<u>\$ 1,546,870</u>

Transfers between funds generally consist of two types: 1) Transfers to the general fund from the federal grant funds for indirect cost reimbursements; 2) Transfers from the operations and maintenance fund to the general fund for salary supplements.

11. Litigation, Claims and Contingencies

The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board. However, a liability of \$25,000 equal to the insurance policy deductible is recorded as a long-term liability in the statement of net position to cover any contingent losses.

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with the OMB Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations". Additionally, these programs are subject to state and federal monitoring examinations which could result in disallowed costs having to be returned to the granting agency. Management believes that further examinations would not result in material disallowed costs.

12. Changes in Agency Funds

A summary of the changes in agency funds (amounts due to others) due to taxing authorities and amounts due to others for school activity accounts follows:

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
Balance at June 30, 2013	\$ 180,343	\$ 1,293,512	\$ 1,473,855
Additions	392,558	8,144,677	8,537,235
Reductions	(428,285)	(7,979,814)	(8,408,099)
Balance at June 30, 2014	<u>\$ 144,616</u>	<u>\$ 1,458,375</u>	<u>\$ 1,602,991</u>

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

13. State Required Disclosure – Tax Collections Remitted to Other Taxing Authorities

The School Board serves as the sales tax collection authority for East Feliciana Parish as such, collects sales taxes from the School Board and the East Feliciana Parish Police Jury. Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2014, the School Board withheld \$48,800 for the Police Jury's Share of audit and legal fees incurred during the fiscal year and \$42,000 for administrative fees. This resulted in a distribution of \$4,810,387 of sales tax collections to the Police Jury during the year ended June 30, 2014.

14. Prior Period Adjustment

An error was discovered in 2014 and certain capital asset beginning balances were restated and reclassified. A net adjustment for \$181,375 was made to reduce capital assets for these errors discovered related to the overstatement of items recorded in construction in progress and an offsetting increase in facility maintenance costs decreasing net position by \$181,375.

15. Subsequent Events

In preparing the financial statements, the School Board has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

BUDGETARY COMPARISON SCHEDULES
MAJOR FUND DESCRIPTIONS
JUNE 30, 2014

Budgetary comparison schedules are reported for the following general and special revenue funds:

General Fund

The General Fund accounts for all financial transactions except those required to be accounted for in another fund.

Operations and Maintenance Fund

The Operations and Maintenance Fund (formerly the Sales Tax Debt Service Fund) accounts for the proceeds of the one cent sales tax. In October 2005, the voters of East Feliciana Parish approved the continuation of this 1% sales tax for a period of ten years, commencing on January 1, 2008. The restrictions on these revenues are as follows:

- 91% is to be used for the purpose of paying salaries and benefits for all employees of the School System,
- 9%, for maintaining and operating public schools in East Feliciana Parish.

Title I

The Title I fund accounts for the federally funded Title I program which is aimed at improving low achieving schools or students with emphasis on at-risk students. The program is overseen by the Louisiana Department of Education.

Capital Projects Fund

These funds account for various major capital improvements.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad-valorem	\$ 2,250,000	\$ 2,558,000	\$ 2,567,422	\$ 9,422
Sales and use	1,300,000	1,500,000	1,619,873	119,873
Earnings on investments	500	500	4,828	4,328
Other	185,000	276,000	224,903	(51,097)
State sources:				
Unrestricted grants-in-aid	11,622,865	11,679,765	11,629,706	(50,059)
Revenue sharing	50,000	75,000	74,350	(650)
Restricted grants-in-aid	25,840	217,187	37,975	(179,212)
Federal sources:				
Grants-in-aid	125,000	127,433	193,704	66,271
Total revenues	<u>15,559,205</u>	<u>16,433,885</u>	<u>16,352,761</u>	<u>(81,124)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	6,330,572	6,864,272	6,492,213	372,059
Special education programs	1,148,796	1,306,496	1,057,585	248,911
Vocational education programs	274,490	252,315	246,224	6,091
Other education programs	78,022	90,922	183,659	(92,737)
Support services:				
Pupil support services	645,738	759,738	771,785	(12,047)
Instructional staff services	722,020	671,045	670,135	910
General administration services	697,595	757,595	706,247	51,348
School administration services	1,215,850	1,224,060	1,250,463	(26,403)
Business administration services	344,430	275,930	286,511	(10,581)
Plant operation and maintenance	1,689,925	1,684,475	1,737,117	(52,642)
Transportation	1,547,040	1,477,840	1,406,366	71,474
Food services	116,132	106,172	75,145	31,027
Central services	92,600	92,600	107,861	(15,261)
Community services	17,500	17,500	-	17,500
Debt service - principal	-	-	119,666	(119,666)
Debt service - interest	-	-	16,665	(16,665)
Facilities acquisition and construction	-	95,000	5,487	89,513
Total expenditures	<u>14,920,710</u>	<u>15,675,960</u>	<u>15,133,129</u>	<u>542,831</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 638,495</u>	<u>\$ 757,925</u>	<u>\$ 1,219,632</u>	<u>\$ 461,707</u>

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Other financing sources (uses):</u>				
Appropriation to charter school	\$ (1,810,000)	\$ (1,745,000)	\$ (1,869,518)	\$ (124,518)
Operating transfers in	<u>1,371,219</u>	<u>1,521,219</u>	<u>1,546,870</u>	<u>25,651</u>
 Total other financing sources (uses)	 <u>(438,781)</u>	 <u>(223,781)</u>	 <u>(322,648)</u>	 <u>(98,867)</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	 199,714	 534,144	 896,984	 362,840
 FUND BALANCES - beginning of year	 <u>978,457</u>	 <u>978,457</u>	 <u>978,457</u>	 <u>-</u>
 FUND BALANCES - end of year	 <u>\$ 1,178,171</u>	 <u>\$ 1,512,601</u>	 <u>\$ 1,875,441</u>	 <u>\$ 362,840</u>

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

OPERATIONS AND MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Local sources:				
Taxes:				
Sales and use	\$ 1,300,000	\$ 1,500,000	\$ 1,619,872	\$ 119,872
Earnings on investments	2,500	2,500	383	(2,117)
Total revenues	<u>1,302,500</u>	<u>1,502,500</u>	<u>1,620,255</u>	<u>117,755</u>
<u>Expenditures:</u>				
Current:				
Support services:				
Plant operation and maintenance	20,000	75,000	104,467	(29,467)
Debt service	130,000	130,000	-	130,000
Regular Education Programs	5,000	-	-	-
Total expenditures	<u>155,000</u>	<u>205,000</u>	<u>104,467</u>	<u>100,533</u>
Excess of revenues over expenditures	<u>1,147,500</u>	<u>1,297,500</u>	<u>1,515,788</u>	<u>218,288</u>
<u>Other financing uses:</u>				
Operating transfers out	<u>(1,147,500)</u>	<u>(1,297,500)</u>	<u>(1,474,084)</u>	<u>(176,584)</u>
Total other financing uses	<u>(1,147,500)</u>	<u>(1,297,500)</u>	<u>(1,474,084)</u>	<u>(176,584)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	41,704	41,704
FUND BALANCES - beginning of year	<u>1,098,792</u>	<u>1,098,792</u>	<u>1,098,792</u>	-
FUND BALANCES - end of year	<u>\$ 1,098,792</u>	<u>\$ 1,098,792</u>	<u>\$ 1,140,496</u>	<u>\$ 41,704</u>

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

TITLE I FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Federal grants	\$ 2,195,905	\$ 2,195,905	\$ 1,527,781	\$ (668,124)
<u>Expenditures:</u>				
Current:				
Instruction:				
Vocational education programs	-	-	8,172	(8,172)
Special education programs	575,390	575,390	657,584	(82,194)
Other education programs	414,280	414,280	288,223	126,057
Instructional staff services	368,250	368,250	334,594	33,656
General administration services	719,235	719,235	197,640	521,595
Total expenditures	<u>2,077,155</u>	<u>2,077,155</u>	<u>1,486,213</u>	<u>590,942</u>
Excess of revenues over expenditures	<u>118,750</u>	<u>118,750</u>	<u>41,568</u>	<u>(77,182)</u>
<u>Other financing uses:</u>				
Operating transfers out	<u>(118,750)</u>	<u>(118,750)</u>	<u>(41,568)</u>	<u>77,182</u>
Total other financing uses	<u>(118,750)</u>	<u>(118,750)</u>	<u>(41,568)</u>	<u>77,182</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-
FUND BALANCES - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Other Financing Sources:</u>				
Proceeds from debt issuance	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ -</u>
<u>Expenditures:</u>				
Current:				
Facility acquisition and construction	<u>-</u>	<u>711,331</u>	<u>577,391</u>	<u>133,940</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>38,669</u>	<u>172,609</u>	<u>133,940</u>
FUND BALANCES - beginning of year	<u>(38,669)</u>	<u>(38,669)</u>	<u>(38,669)</u>	<u>-</u>
FUND BALANCES - end of year	<u>\$ (38,669)</u>	<u>\$ -</u>	<u>\$ 133,940</u>	<u>\$ 133,940</u>

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

OTHER POST EMPLOYMENT BENEFITS PLAN

RETIREE HEALTH AND LIFE INSURANCE

YEAR ENDED JUNE 30, 2014

SCHEDULE OF FUNDING PROGRESS

<u>Fiscal Year</u> <u>Ending</u>	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial Value</u> <u>Value of</u> <u>Plan Assets (a)</u>	<u>Actuarial</u> <u>Accrued Liability (AAL)</u> <u>- Unit Credit Cost (b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL) (b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>% of Covered</u> <u>Payroll ((b-a)/c)</u>
6/30/2014	7/1/2012	\$ -	\$ 18,760,680	\$ 18,760,680	0%	\$ 10,946,156	171.39%
6/30/2013	7/1/2012	\$ -	\$ 18,039,115	\$ 18,039,115	0%	\$ 11,769,771	153%
6/30/2012	7/1/2010	\$ -	\$ 17,145,015	\$ 17,145,015	0%	\$ 12,685,052	135%
6/30/2011	7/1/2010	\$ -	\$ 16,485,591	\$ 16,485,591	0%	\$ 13,051,527	126%
6/30/2010	7/1/2009	\$ -	\$ 13,613,573	\$ 13,613,573	0%	\$ 9,556,501	142%
6/30/2009	7/1/2009	\$ -	\$ 13,613,573	\$ 13,613,573	0%	\$ 8,883,192	153%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Amount Contributed</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Costs</u> <u>Contributed</u>	<u>Increase</u> <u>(Decrease) to</u> <u>Net OPEB</u> <u>Obligation</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2014	\$ 1,439,255	\$ 824,994	57.32%	\$ 614,262	\$ 2,724,268
6/30/2013	\$ 1,393,682	\$ 763,883	54.81%	\$ 629,799	\$ 2,110,006
6/30/2012	\$ 1,350,478	\$ 853,419	63.19%	\$ 497,059	\$ 1,480,207
6/30/2011	\$ 1,307,078	\$ 790,203	60.46%	\$ 516,875	\$ 983,148
6/30/2010	\$ 1,042,256	\$ 837,286	80.33%	\$ 204,970	\$ 466,273
6/30/2009	\$ 1,077,012	\$ 815,709	75.74%	\$ 261,303	\$ 261,303

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

JUNE 30, 2014

Title II

The Title II fund accounts for a federally funded program aimed at enhancing and improving teacher quality. This program is overseen by the Louisiana Department of Education.

Individuals with Disabilities Education Act (IDEA) Funds

This Special Revenue Fund accounts for those expenditures related to providing children with disabilities special education and related services designed to meet their unique needs. These expenditures are funded through Special Education (IDEA) federal grants.

Temporary Assistance to Needy Families (TANF) Funds

This Special Revenue Fund accounts for those expenditures related to providing assistance to needy families with children which are funded from the TANF federal grant program.

Other Federal Funds

This Special Revenue Fund accounts for the federal awards not included in the Federal Funds described above.

State Grants

This Special Revenue Fund accounts for the various State awards including 8(G), Lincs, Millinium Trust Fund and other awards.

School Food Service Fund

The School Food Service Fund is used to account for the operations of the school food service program. The purposes of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults. The program is subsidized by grants from the U.S. Department of Agriculture and the Louisiana Department of Education.

SRCL

The Striving Reader Comprehensive Literacy Program (SRCL) accounts for those expenditures for comprehensive literacy development and education program to advance literacy skills for students.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue							Total
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL	School Food Service	
<u>ASSETS</u>								
Cash and cash equivalents	\$ 9,989	\$ 90,671	\$ 39,520	\$ 16,706	\$ 109,655	\$ 81,350	\$ 321,716	\$ 669,607
Due from other governments	40,864	33,020	127,325	12,435	46,855	123,651	72,407	456,557
Inventory	-	-	-	-	-	-	52,221	52,221
Other	-	-	-	-	6,750	686	-	7,436
Due from other funds	-	-	-	-	3,233	-	-	3,233
TOTAL ASSETS	\$ 50,853	\$ 123,691	\$ 166,845	\$ 29,141	\$ 166,493	\$ 205,687	\$ 446,344	\$ 1,189,054
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 1,456	\$ -	-	\$ 1	\$ 1,457
Due to other funds	50,853	123,691	166,845	27,685	1	205,687	297,605	872,367
Unearned revenue	-	-	-	-	111,611	-	-	111,611
TOTAL LIABILITIES	50,853	123,691	166,845	29,141	111,612	205,687	297,606	985,435
Fund balances:								
Nonspendable	-	-	-	-	-	-	52,221	52,221
Spendable:								
Restricted for:								
Federal and state grant programs	-	-	-	-	54,881	-	-	54,881
School food services	-	-	-	-	-	-	96,517	96,517
TOTAL FUND BALANCES	-	-	-	-	54,881	-	148,738	203,619
TOTAL LIABILITIES AND FUND BALANCES	\$ 50,853	\$ 123,691	\$ 166,845	\$ 29,141	\$ 166,493	\$ 205,687	\$ 446,344	\$ 1,189,054

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

GOVERNMENTAL FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**

FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue						Total Non-Major Governmental
	Title II	IDEA	TANF	Other			
				Federal Funds	State Grants	SRCL	
<u>REVENUES</u>							
Local sources:							
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46
Other Revenues	-	-	-	-	-	-	76,244
State sources:							
Unrestricted grants-in-aid, MFP	-	-	-	-	-	-	25,536
Restricted grants-in-aid	-	-	120,699	-	543,426	-	60,725
Federal grants	80,573	431,386	120,029	325,286	-	1,201,904	1,002,824
TOTAL REVENUES	80,573	431,386	240,728	325,286	543,426	1,201,904	1,165,375
<u>EXPENDITURES</u>							
Current:							
Instruction:							
Regular education programs	13,287	-	-	84,475	380,779	1,007,026	541
Special education programs	21,333	393,659	237,415	23,337	47,925	140,123	-
Vocational education programs	-	-	-	21,972	-	-	-
Support:							
Pupil support services	-	-	-	-	-	-	-
Instructional staff services	45,953	32,202	-	195,502	114,722	32,375	-
Transportation	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	1,185,993
TOTAL EXPENDITURES	80,573	425,861	237,415	325,286	543,426	1,179,524	1,186,534
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES							
	\$ -	\$ 5,525	\$ 3,313	\$ -	\$ (0)	\$ 22,380	\$ (21,159)

(continued)

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES - NON-MAJOR FUNDS

FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue						Total Other Governmental	
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL		School Food Service
<u>OTHER FINANCING (USES)</u>								
Operating transfers (out)	\$ -	\$ (5,525)	\$ (3,313)	\$ -	\$ -	\$ (22,380)	\$ -	\$ (31,218)
<u>DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	-	-	-	-	-	-	(21,159)	(21,159)
FUND BALANCES - beginning of year	-	-	-	-	54,881	-	169,897	224,778
FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -	\$ 54,881	\$ -	\$ 148,738	\$ 203,619

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

FIDUCIARY FUND TYPE -- DESCRIPTIONS

JUNE 30, 2014

AGENCY FUNDS

Sales Tax Fund

Collection, custodianship and disbursement of sales taxes for the entire parish are accounted for in this fund. The sales taxes consist of a two percent sales and use tax levied by the School Board and a two percent sales and use tax levied by the East Feliciana Parish Police Jury. Since these taxes are remitted to the beneficiary government (including the School Board's General Fund and Operations and Maintenance Fund), this fund is considered to be a collection agent.

School Activity Funds

The activities of the various school accounts are accounted for in the School Activity Funds. While the funds are under the supervision of the School Board, these funds belong to the individual schools or their student bodies and are not available for use in operations.

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

COMBINING BALANCE SHEET - AGENCY FUNDS

JUNE 30, 2014

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 125,272	\$ 986,971	\$ 1,112,243
Certificates of deposit	19,344	-	19,344
Sales tax receivable	-	471,404	471,404
Total assets	<u>\$ 144,616</u>	<u>\$ 1,458,375</u>	<u>\$ 1,602,991</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 209,961	\$ 209,961
Due to other funds	-	355,827	355,827
Amounts held for school clubs and activities	144,616	-	144,616
Due to other governments	-	892,587	892,587
Total liabilities	<u>\$ 144,616</u>	<u>\$ 1,458,375</u>	<u>\$ 1,602,991</u>

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2014

Micheal Bradford	\$ 7,150
Broderick Brooks	6,600
John Cupit	6,500
Beth Dawson	6,550
Mitch Harrell	6,450
Olivia Harris	6,600
Debra Spurlock Haynes	6,600
Melvin Hollins	6,500
Paul Kent	6,600
Rhonda Matthews	6,500
Rufus Nesbit	6,500
Richard Terrell	<u>6,600</u>
	<u>\$ 79,150</u>

REPORTS ON COMPLIANCE AND
INTERNAL CONTROL

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

East Feliciana Parish School Board
Clinton, 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 the East Feliciana Parish School Board (the School Board) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 30, 2014.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-002 that we consider 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 costs as item 2014-001.

East Feliciana Parish School Board's Response to Findings

East Feliciana School Board Parish School Board's response to the findings identified in our audit is described in the accompanying schedule of 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2014

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

East Feliciana Parish School Board
Clinton, Louisiana

Report on Compliance for Each Major Federal Program

We have audited East Feliciana Parish School Board (the School Board)'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have direct and material effect on each of School Board's major federal programs for the year ended June 30, 2014. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School 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 East Feliciana Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-003 and 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

The School Board's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-003, 2014-004, and 2014-005, that we consider to be significant deficiencies.

The School Board's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2014

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Pass-through program from Louisiana Department of Education:			
National School Lunch Program	N/A	10.555 ⁴	\$ 628,532
School Breakfast Program	N/A	10.553 ⁴	283,065
Food Distribution Program (Food Commodities)	N/A	10.555 ⁴	<u>91,227</u>
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>1,002,824</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Pass-through program from Louisiana Department of Education:			
Title I Grants to Local Education Agencies	10-T1-19	84.010A ¹	1,323,115
Title I - School Improvement	10-T1-SI	84.388	204,666
Striving Readers Comprehensive Literacy	28-12-SN-19C	84.371C	1,201,904
Title II - Improving Teacher Quality	10-50-19	84.367	80,573
Teachers Incentive Fund		84.374A	279,977
Special Education - Grant to States	10-B1-19	84.027A ²	385,868
Special Education - Preschool Grants	10-P1-19	84.173A ²	22,616
Vocational Education - Basic Secondary	10-02-19	84.048	23,309
Rural Education Achievement Program	28/-11-RE-19	84.358	<u>22,000</u>
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>3,544,028</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-through program from Louisiana Department of Health and Human Services:			
Block Grant for Prevention and Treatment of Substance Abuse (Grand IDEAS)		93.959	22,902
Temporary Assistance for Needy Families (TANF)		93.558	<u>240,728</u>
TOTAL UNITED STATES DEPARTMENT OF HEALTH			<u>263,630</u>
<u>UNITED STATES DEPARTMENT OF DEFENSE</u>			
Direct Funding:			
R.O.T.C. Grant	FY2012	12.357	<u>2,434</u>
Total Expenditures of Federal Awards			<u>\$ 4,812,916</u>

¹ Title I Part A Cluster

² Special Education Cluster

⁴ Child Nutrition Cluster

See the accompanying notes to the schedule of expenditures of federal awards.

EAST FELICIANA PARISH SCHOOL BOARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE A – BASIS OF PRESENTATION

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

NOTE B – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2014, the organization had food commodities totaling \$23,513 in inventory. The value of commodities received and used during the period ended June 30, 2014 totaled \$73,414.

NOTE C - RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

The expenditures listed in the accompanying schedule are reported in the following funds in the East Feliciana Parish School Board's June 30, 2014 basic financial statements and combining schedules. Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with the revenue reported.

Federal NCLB - Title I Funds	\$ 1,527,781
Federal NCLB - Title II Funds	80,573
Federal IDEA Funds	431,386
Striving Readers Comprehensive Literacy	1,201,904
Teachers Incentive Fund	279,977
Vocational Education	23,309
Other Federal Funds	24,434
TANF	240,728
School Food Service Fund	<u>1,002,824</u>
Balance at June 30, 2014	\$ <u>4,812,916</u>

NOTE D – AMOUNTS PASSED THROUGH TO SUB-RECIPIENTS

The School Board provided federal awards to the Slaughter Community Charter School as follows:

Federal NCLB – Title I Funds	\$ <u>28,939</u>
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EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes _____ none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? x yes _____ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

 x yes _____ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program
10.553	School Breakfast Program
84.027A	Special Education – Grants to States
84.173A	Special Education – Basic Secondary
84.371C	Striving Readers Comprehensive Literacy

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The East Feliciana Parish School Board did not qualify as a low-risk auditee.

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

B. Findings - Financial Statement Audit

2014 - 001 Physical Count of Inventory

- Criteria:** A physical inventory count of all possessions of the School Board is to be taken at the building level annually. The Principals are the designated custodians at the school level.
- Condition(s):** Out of a sample of 6 schools, 4 schools did not perform an annual inventory during the fiscal year in accordance with the current established policy.
- Cause:** As a result of budgetary cuts at the School Board, a designated individual was not assigned this task.
- Effect:** Without timely inventory counts there is an opportunity for misappropriation of assets and opportunity for inventory records to be inaccurate.
- Recommendation:** The School Board should take a more proactive approach to ensure that the assets of the School Board are counted on an annual basis to avoid having adjustments at the time of the annual audit.

View of Responsible Official:

The District's staff conducted a physical inventory subsequent to reviewing this matter with the auditors. The District will conduct an inventory of physical property annually on a prospective basis.

2014 - 002 Approval of Purchase Orders

- Criteria:** A system of internal controls should be in place to provide reasonable assurance of purchases and authorization of cash disbursements. In accordance with the School Board policy, purchase orders are to be prepared on items purchased in the name of the School Board. Separate purchase orders are prepared for each vendor. All purchases made by any school and paid by school funds shall have a purchase order signed by the principal. All school purchase orders in excess of \$250 must be signed by the Superintendent.
- Condition(s):** While performing our testing of controls over the cash disbursement process, we noted that invoices were paid prior to the approval of the purchase order in the following instances:
- 9 out of a sample of 40 transactions from cash disbursements of all funds; and
 - 9 out of a sample of 37 transactions from the Special Education Program cluster

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

B. Findings - Financial Statement Audit (continued)

2014 - 002 Approval of Purchase Orders (continued)

Condition(s): (continued)

We also noted that another individual, other than the Superintendent, was approving purchases orders as evidenced by an employee initialing next to the signature approval denoting they signed on behalf of the Superintendent. We noted these approvals in the following instances:

- 2 out of a sample of 40 transactions selected from all funds;
- 8 out of a sample of 37 transactions selected from the National School Lunch Program Cluster expenditures; and
- 3 out of a sample of 37 transactions selected from the Special Education Program Cluster expenditures

Cause: Purchase order approvals occurring subsequent to payment of invoices is a result of personnel turnover and a lack of training over internal control procedures over cash disbursements. The Superintendent has provided verbal approval of transactions when he is unavailable and allowed employees to authorize transactions using his signature.

Effect: Without proper implementation of established controls, there is a potential for excess spending and misappropriation of public funds. The use of verbal authorizations leads to the uncertainty as to whether the transaction was actually approved by the Superintendent and unauthorized purchases may occur without the proper approval.

Recommendation: The School Board should provide training to all employees in the cash disbursement process and reinforce the established policies which include not allowing any payments to be made prior to a purchase orders being approved. The School Board should consider a change to the current policy and authorize another individual, in the Superintendent's absence to approve purchase orders.

View of Responsible Official:

The Superintendent is now reviewing all purchase orders prior to an item is bought. As a result, the practice described above has ceased and the District considers this matter resolved.

Also, this matter has been reviewed with purchasing managers to inform them that preparation of purchase orders after a purchase is made will no longer be acceptable. All purchase orders shall be prepared prior to purchase of goods.

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

C. Findings – Major Federal Award Programs

CFDA#10.555 and CFDA 10.553 *Child Nutrition Cluster*

2014 -003

Special Tests and Provisions – Verification of Free and Reduced Price Applications

Criteria: Under the compliance requirements of the program, by November 15th of each school year, the local education agency (LEA) must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals. The local education agency must follow-up on children whose eligibility status has changed as the result of the verification activities to put them in the appropriate category.

Condition(s): The verification procedures were not adequately performed. The School Board selected a sample of applications for verification as required by the regulations. However, based on the responses received from applicants, the School Board did not make the appropriate changes to eligibility status for 3 out of the 14 applications tested.

Cause: The above condition is a result of software application errors and a lack of internal controls over this compliance area.

Effect: The School Board may provide free or reduced-price meals to children who were not eligible to receive them.

Questioned Costs: \$345

Recommendation: We recommend the School Board implement and document the required secondary review of applications selected for verification. Also, the School Board should investigate further the software application errors that occurred during the fiscal year.

View of Responsible Official:

The District is reviewing this matter for resolution. In particular, the software application will require further review to ensure data is entered correctly and reports are generated accurately. Management also will implement a testing on a sample basis during the current fiscal year.

EAST FELICIANA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

CFDA#10.555 and CFDA 10.553 *Child Nutrition Cluster*

2014 -004

Eligibility

Criteria: Children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at reduced price. Children who have been determined ineligible for free or reduced price school meals pay the full price, set by the SFA, for their meals. In accordance with federal regulations a child's eligibility for free or reduced price meals may be established by the submission of an annual application or statement which furnishes such information such as family income and family sizes which is submitted each year. Local education agencies determine eligibility by comparing the data reported by the child's household to published income eligibility guidelines.

Condition(s): We selected 40 applications to determine whether the child met the eligibility criteria for free or reduced price school meals. Our testing identified the following 2 discrepancies in eligibility:

- An incorrect application was used in processing a student's eligibility
- One application tested showed that information was not entered correctly resulting in the student being identified as eligible for free rather than reduced priced school meals

Cause: During the fiscal year, the School Board implemented a new software program for which inexperience and insufficient training caused errors in student data and eligibility classification. In addition, no internal controls were established to validate data entries made by clerks of applications to ensure proper classification of free, reduced or full price eligibility.

Effect: The School Board may provide free or reduced-price meals to children who were not eligible to receive them.

Questioned Costs: \$434

Recommendation: We recommend the School Board to implement and document the required secondary review of applications into the computer system. Also, the School Board may consider training to the employees on compliance guidelines on the National School Lunch Program.

View of Responsible Official:

Management will implement a supervisory process for ensuring data/participant applications are appropriately used. In particular, a manager will review applications for accuracy going forward.

CFDA#84.027 and CFDA 84.173 *Special Education Cluster*

2014 -005

Allowable Costs – Approval of Purchase Orders

See finding over approval of purchase orders (2014-002).

EAST FELICIANA PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

B. Findings - Financial Statement Audit

2013 - 1 School Activity Funds

- Criteria:** Internal controls over the school activity funds require each school to submit all financial records to the central office of the School Board by the 15th of the following month for review.
- Condition(s):** Out of a sample of four monthly reporting packages two were not submitted to the central office in accordance with the current established policy.
- Cause:** The internal controls in place do not provide for any penalty for non-compliance with the established policy.
- Effect:** Without timely oversight of these school activity accounts, there is an opportunity for misappropriation and misuse of these funds which may go undetected and result in a loss of school funds.
- Recommendation:** The School Board should review its current policy over school activity funds and consider how each school will be held accountable for noncompliance with the policy.

Updated Response: Resolved

C. Findings – Major Federal Award Programs

CFDA#84.371C Striving Readers Comprehensive Literacy

2013 – 2 Procurement

- Criteria:** Under the compliance criteria set forth for procurement of equipment with federal funds, the same State policies and procedures used for procurements from non-federal funds shall be used. LA Revised Statute 38:2212.1 requires the advertisement and letting of lowest responsible bidder for the purchase of materials and supplies in excess of \$30,000 paid out of public funds.
- Condition(s):** The School Board purchased instruction materials from a vendor on a list provided by the State Department of Education without submitting this purchase to the bid process.
- Cause:** The School Board considered the vendor to be a sole source and since the list was provided by the State Department of Education did not believe compliance with the procurement procedures were applicable.

EAST FELICIANA PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

2013 – 2 Procurement (continued)

Effect: The School Board is out of compliance with the statute referenced to above. As a result, the School Board may not be receiving the lowest price for its goods and services.

Questioned Costs: The difference between bid price (no bid) and the price paid for the instructional materials. That cost is undetermined.

Recommendation: All purchases in excess of \$30,000 should be bid in accordance with the above statute.

Updated Response: Resolved

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

To the Members of the
East Feliciana Parish School Board

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

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

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

Procedure #1

P&N selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts 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, and
- Nonpublic Transportation Revenue

Results of procedure # 1

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

Education Levels of Public School Staff (Schedule 2)

Procedure # 2

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

Results of Procedure # 2

No differences were noted between the number of full-time classroom teachers per schedule 4 and schedule 2, nor between the schedules and the October 1st payroll records.

Procedure # 3

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

Results of procedure # 3

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2, nor between the schedules and the October 1st payroll records.

Procedure # 4

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

Results of Procedure # 4:

In our sample of 25 employees, we noted no discrepancies existed between the aforementioned listing and the schedule.

Number and Type of Public Schools (Schedule 3)

Procedure # 5

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

Results of Procedure # 5

We noted no discrepancies between the schools as listed in the "Class Size Data Report" and the list of schools on the application.

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

Procedure #6

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

Results of Procedure # 6

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

Public Staff Data (Schedule 5)

Procedure # 7

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

Results of procedure # 7

In our sample of 25 teachers, we noted 1 out of the 25 with a salary discrepancy of approximately \$5,700 between the District's salary schedule and the amounts reported on Schedule 5.

Procedure # 8

We recalculated the average salaries and full-time equivalents reported in the schedule to determine mathematical accuracy.

Results of procedure # 8

No differences were noted.

Class Size Characteristics (Schedule 6)

Procedure # 9

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

Results of Procedure # 9

Of the 10 classes selected, we noted the following differences in 4 classes between the roll book counts and the number reported in Schedule 6:

Number of Students Reported	Roll Book Counts	Difference
16	18	2
20	0	-20*
27	28	1
19	20	1

*roll book could not be located

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

Procedure # 10

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

Results of Procedure # 10

No differences were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

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

The iLEAP Tests (Schedule 9)

Procedure # 12

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

Results of Procedure # 12

No differences were noted.

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

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

Postlethwaite & Hetterville

Baton Rouge, Louisiana
December 30, 2014

EAST FELICIANA PARISH SCHOOL BOARD

CLINTON, LOUISIANA

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)

As of and for the Year Ended June 30, 2014

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

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

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's Degree; Bachelor's Degree; Master's Degree; Master's Degree +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - The Graduation Exit Exam (GEE)

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

Schedule 9 - The iLEAP Tests

T This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7, and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2014**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 3,692,881	
Other Instructional Staff Activities	2,886,952	
Instructional Staff Employee Benefits	2,499,532	
Purchased Professional and Technical Services	222,070	
Instructional Materials and Supplies	119,480	
Instructional Equipment	3,203	
Total Teacher and Student Interaction Activities		9,424,118
Other Interaction Activities		1,918,577
Pupil Support Activities	742,703	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		742,703
Instructional Staff Services	680,227	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		680,227
School Administration	1,280,701	
Less: Equipment for School Administration	-	
Net School Administration		1,280,701
Total General Fund Instructional Expenditures		14,046,326

Total General Fund Equipment Expenditures 3,203

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	421,375	
Renewable Ad Valorem Tax	2,145,879	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	63,466	
Sales and Use Taxes	1,619,873	
Total Local Taxation Revenue		<u>4,250,593</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	-	
Earnings from Other Real Property	4,444	<u>4,444</u>
Total Local Earnings on Investment in Real Property		

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	74,350	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>74,350</u>

Nonpublic Textbook Revenue 12,252
Nonpublic Transportation Revenue -

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

Education Levels of Public School Staff
As of October 1, 2013

Schedule 2

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.00%	0	0.00%	0	0.00%	0	
Bachelor's Degree	59	71.08%	39	90.70%	0	0.00%	0	
Master's Degree	14	16.87%	3	6.98%	8	61.54%	0	
Master's Degree + 30	8	9.64%	0	0.00%	4	30.77%	0	
Specialist in Education	1	1.20%	0	0.00%	0	0.00%	0	
Ph. D. or Ed. D.	1	1.20%	1	2.33%	1	7.69%	0	
Total	83	100.00%	43	100.00%	13	100.00%	0	

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2014

Type	Number
Elementary	3
Middle/Jr. High	1
Secondary	1
Combination	1
Total	6

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

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2013

Schedule 4

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	2	1	2	0	1	6
Principals	0	0	2	0	1	1	3	7
Classroom Teachers	57	9	22	7	16	5	10	126
Total	57	9	26	8	19	6	14	139

**EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana**

**Public School Staff Data
For the Year Ended June 30, 2014**

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	42,017.74	41,564.33
Average Classroom Teachers' Salary Excluding Extra Compensation	42,017.74	41,564.33
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	139	130

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

Class Size Characteristics
As of October 1, 2013

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	63.03%	150	21.43%	51	1.68%	4	13.87%	33
Elementary Activity Classes	38.46%	10	26.92%	7	0.00%	0	34.62%	9
Middle/Jr. High	78.26%	72	20.65%	19	1.09%	1	0.00%	0
Middle/Jr. High Activity Classes	30.77%	4	0.00%	0	38.46%	5	30.77%	4
High	64.89%	85	19.85%	26	14.50%	19	0.76%	1
High Activity Classes	58.33%	7	25.00%	3	16.67%	2	0.00%	0
Combination	100.00%	25	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	100.00%	2	0.00%	0	0.00%	0	0.00%	0
Other Regular	0.00%	0	0.00%	0	0.00%	0	0.00%	0

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

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2014
Grade 4

Schedule 7
1 of 2

Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	2	1.34%	4	2.45%	5	2.82%	22	14.67%	10	6.13%	10	5.62%
Mastery	42	28.19%	36	22.09%	24	13.56%	35	23.33%	26	15.95%	26	14.61%
Basic	63	42.28%	66	40.49%	83	46.89%	46	30.67%	53	32.52%	73	41.01%
Approaching Basic	31	20.81%	42	25.77%	45	25.42%	25	16.67%	33	20.25%	33	18.54%
Unsatisfactory	11	7.38%	15	9.20%	20	11.30%	22	14.67%	41	25.15%	36	20.22%
Total	149	100.00%	163	100.00%	177	100.00%	150	100.00%	163	100.00%	178	100.00%

Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	4	2.67%	2	1.23%	6	3.41%	0	0.00%	0	0.00%	2	1.14%
Mastery	16	10.67%	11	6.75%	18	10.23%	19	12.67%	12	7.32%	16	9.09%
Basic	75	50.00%	66	40.49%	62	35.23%	79	52.67%	82	50.00%	83	47.16%
Approaching Basic	44	29.33%	61	37.42%	63	35.80%	36	24.00%	39	23.78%	42	23.86%
Unsatisfactory	11	7.33%	23	14.11%	27	15.34%	16	10.67%	31	18.90%	33	18.75%
Total	150	100.00%	163	100.00%	176	100.00%	150	100.00%	164	100.00%	176	100.00%

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

Schedule 7
2 of 2

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2014
Grade 8

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2013		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	1.97%	4	2.60%	3	2.21%	6	3.97%	5	3.25%	0	0.00%
Mastery	8	5.26%	23	14.94%	14	10.29%	11	7.28%	4	2.60%	4	2.96%
Basic	71	46.71%	63	40.91%	53	38.97%	74	49.01%	75	48.70%	56	41.48%
Approaching Basic	56	36.84%	55	35.71%	59	43.38%	39	25.83%	43	27.92%	48	35.56%
Unsatisfactory	14	9.21%	9	5.84%	7	5.15%	21	13.91%	27	17.53%	27	20.00%
Total	152	100.00%	154	100.00%	136	100.00%	151	100.00%	154	100.00%	135	100.00%

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0.00%	3	1.95%	3	2.21%	1	0.66%	0	0.00%	0	0.00%
Mastery	13	8.61%	20	12.99%	11	8.09%	7	4.64%	13	8.44%	7	5.15%
Basic	60	39.74%	51	33.12%	43	31.62%	59	39.07%	83	53.90%	64	47.06%
Approaching Basic	54	35.76%	63	40.91%	60	44.12%	50	33.11%	31	20.13%	42	30.88%
Unsatisfactory	24	15.89%	17	11.04%	19	13.97%	34	22.52%	27	17.53%	23	16.91%
Total	151	100.00%	154	100.00%	136	100.00%	151	100.00%	154	100.00%	136	100.00%

**EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana**

**For the Year Ended June 30, 2014
Grades 10 and 11**

Schedule 8

The GEE is no longer administered.

EAST FELICIANA PARISH SCHOOL BOARD
Clinton, Louisiana

Schedule 9
1 of 3

/LEAP Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	0.63%	6	3.80%	5	3.16%	0	0.00%
Mastery	16	10.13%	21	13.29%	19	12.03%	16	10.13%
Basic	71	44.94%	74	46.84%	60	37.97%	57	36.08%
Approaching Basic	38	24.05%	27	17.09%	48	30.38%	49	31.01%
Unsatisfactory	32	20.25%	30	18.99%	26	16.46%	36	22.78%
Total	158	100%	158	100%	158	100%	158	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	0.82%	6	4.76%	3	2.40%	1	0.80%
Mastery	9	7.38%	5	3.97%	10	8.00%	14	11.20%
Basic	62	50.82%	55	43.65%	51	40.80%	68	54.40%
Approaching Basic	28	22.95%	32	25.40%	48	38.40%	26	20.80%
Unsatisfactory	22	18.03%	28	22.22%	13	10.40%	16	12.80%
Total	122	100%	126	100%	125	100%	125	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0.63%	5	3.13%	1	0.63%	7	4.38%
Mastery	10	6.25%	11	6.88%	16	10.00%	16	10.00%
Basic	64	40.00%	68	42.50%	55	34.38%	66	41.25%
Approaching Basic	43	26.88%	24	15.00%	48	30.00%	46	28.75%
Unsatisfactory	42	26.25%	52	32.50%	40	25.00%	25	15.63%
Total	160	100%	160	100%	160	100%	160	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	1.41%	0	0.00%	0	0.00%	0	0.00%
Mastery	10	7.04%	8	5.63%	15	10.56%	13	9.15%
Basic	73	51.41%	70	49.30%	57	40.14%	55	38.73%
Approaching Basic	46	32.39%	44	30.99%	54	38.03%	49	34.51%
Unsatisfactory	11	7.75%	20	14.08%	16	11.27%	25	17.61%
Total	142	100%	142	100%	142	100%	142	100%

LEAP Tests
For the Year Ended June 30, 2013

Schedule 9
2 of 3

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	10	6.67%	6	4.00%	7	4.67%	4	2.67%
Mastery	25	16.67%	34	22.67%	21	14.00%	25	16.67%
Basic	70	46.67%	56	37.33%	68	45.33%	61	40.67%
Approaching Basic	21	14.00%	32	21.33%	31	20.67%	30	20.00%
Unsatisfactory	24	16.00%	22	14.67%	23	15.33%	30	20.00%
Total	150	100%	150	100%	150	100%	150	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	2	1.54%	9	6.82%	3	2.29%	0	0.00%
Mastery	22	16.92%	19	14.39%	28	21.37%	12	9.16%
Basic	58	44.62%	60	45.45%	43	32.82%	79	60.31%
Approaching Basic	27	20.77%	25	18.94%	43	32.82%	23	17.56%
Unsatisfactory	21	16.15%	19	14.39%	14	10.69%	17	12.98%
Total	130	100%	132	100%	131	100%	131	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0.79%	6	4.80%	3	2.40%	4	3.20%
Mastery	13	10.32%	14	11.20%	11	8.80%	8	6.40%
Basic	56	44.44%	76	60.80%	51	40.80%	50	40.00%
Approaching Basic	40	31.75%	21	16.80%	54	43.20%	36	28.80%
Unsatisfactory	16	12.70%	8	6.40%	6	4.80%	27	21.60%
Total	126	100%	125	100%	125	100%	125	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	5	3.16%	0	0.00%	1	0.63%	1	0.63%
Mastery	10	6.33%	12	7.59%	13	8.23%	9	5.70%
Basic	63	39.87%	61	38.61%	49	31.01%	67	42.41%
Approaching Basic	64	40.51%	37	23.42%	57	36.08%	41	25.95%
Unsatisfactory	16	10.13%	48	30.38%	38	24.05%	40	25.32%
Total	158	100%	158	100%	158	100%	158	100%

**/LEAP Tests
For the Year Ended June 30, 2014**

**Schedule 9
3 of 3**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	2.60%	7	4.55%	1	0.65%	0	0.00%
Mastery	42	27.27%	31	20.13%	24	15.58%	17	11.04%
Basic	57	37.01%	68	44.16%	71	46.10%	91	59.09%
Approaching Basic	25	16.23%	27	17.53%	39	25.32%	28	18.18%
Unsatisfactory	26	16.88%	21	13.64%	19	12.34%	18	11.69%
Total	154	100%	154	100%	154	100%	154	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	0.75%	7	5.30%	2	1.52%	1	0.76%
Mastery	22	16.54%	22	16.67%	6	4.55%	4	3.03%
Basic	56	42.11%	70	53.03%	59	44.70%	70	53.03%
Approaching Basic	37	27.82%	21	15.91%	38	28.79%	42	31.82%
Unsatisfactory	17	12.78%	12	9.09%	27	20.45%	15	11.36%
Total	133	100%	132	100%	132	100%	132	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	3	2.26%	8	5.97%	1	0.75%	0	0.00%
Mastery	26	19.55%	8	5.97%	14	10.53%	5	3.76%
Basic	58	43.61%	73	54.48%	61	45.86%	62	46.62%
Approaching Basic	24	18.05%	34	25.37%	48	36.09%	47	35.34%
Unsatisfactory	22	16.54%	11	8.21%	9	6.77%	19	14.29%
Total	133	100%	134	100%	133	100%	133	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	6	4.51%	2	1.50%	3	2.26%	5	3.76%
Mastery	15	11.28%	11	8.27%	25	18.80%	17	12.78%
Basic	58	43.61%	74	55.64%	59	44.36%	56	42.11%
Approaching Basic	40	30.08%	30	22.56%	33	24.81%	40	30.08%
Unsatisfactory	14	10.53%	16	12.03%	13	9.77%	15	11.28%
Total	133	100%	133	100%	133	100%	133	100%

Please note that the grade 9 iLEAP has been dropped by the Department of Education, everything at that level was moved to end of course testing
The Department of Education will be reviewing End of Course Testing and its potential inclusion for Assurance purposes in time for Assurance submissions next year

EAST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2014



December 30, 2014

Members of the Board and Management of
East Feliciana Parish School Board

In planning and performing our audit of the financial statements of the East Feliciana Parish School Board (the School Board) for the year ended June 30, 2014, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

However, during our audit, we became aware of the following matters that are opportunities for improving financial reporting, refining policies and procedures and enhancing compliance with laws and regulations. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 30, 2014 on the financial statements of the School Board.

A. Documentation of Suspension and Debarment Procedures

Condition:

Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000. When a non-federal entity enters into a covered transaction with an entity, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded from doing business with the federal government. This verification may be accomplished by checking the *System for Awards Management (SAMS)* for exclusions, collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity. During the performance of our audit procedures, we noted for those parties for which contracts do not contain the appropriate language that the School Board is not maintaining written documentation of its compliance with checking the SAMS site for exclusions. **This is a repeat comment from the prior year.**

Recommendation:

The School Board should export and/or print the results of its search of SAMS system and maintain this documentation in each file of a vendor which meets the applicable criteria.

Management's Response:

Management has reviewed this matter with one of the accountant's at the District. This individual will be responsible for reviewing vendor files paid from federal resources to determine if reports are kept relative to compliance with this requirement. The review will be done annually on all vendors paid from federal funds.

B. Documentation of Controls in the Payroll Process

Condition:

The School Board has established a control procedure whereby the Principal in each school must approve each payroll run before it is processed. When performing our walkthrough of controls over the payroll process, we noted the Principals did not have written documentation of their approval of the payroll runs selected for testing. However, the Principals verbally acknowledged their review and other evidence of this review was noted through correspondence with the payroll clerk in some instances.

Recommendation:

The School Board should implement an approval process whereby the principal must have written documentation of approval of each payroll run before the payroll can be processed.

Management's Response:

Management will implement this suggested process immediately.

C. Personnel File Documentation

Condition:

Certified teachers employed by the School Board are paid based on the years of experience and degree level obtained. The School Board should keep in each personnel file the support of the degree of education for each employee to support the approved salary. When performing our payroll test 2 out of the 40 employees tested did not contain a copy of the education degree of the employee in the file.

Recommendation:

The School Board should implement a process or develop a checklist to ensure that all documentation is received and kept in the employees file during the hiring process.

Management's Response:

Management will implement this suggested process immediately.

D. Procurement- Documentation of Award Letter

Condition:

A notification to each vendor that is chosen through the bid process and the amount agreed upon for each item should be sent. When performing our testing of compliance over procurement for the National School Lunch Program under OMB Circular A-133, we noted there was no documentation of the award letters issued to the lowest bidder.

Recommendation:

The School Board should formally document and keep a copy of the award letters discriminated in each respective vendor file.

Management's Response:

Management will review this matter with purchasing managers of the District for consideration of implementation.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the School System staff for their cooperation with us during the performance of the audit.

This letter is intended solely for the information and use of the East Feliciana Parish School Board, management of the School Board and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Postlethwaite & Netterville



EAST FELICIANA PARISH SCHOOL BOARD

HENDERSON LEWIS, JR., Ph.D.

Superintendent

MICHAEL RAY BRADFORD
President

225-683-8277 ~ 225-683-5420
225-683-5378



MITCHELL HARRELL
Vice President

FAX
225-683-3320

December 30, 2014

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear CPA Purpera:

We have reviewed our financial statement audit report for the year ended June 30, 2014 and have the following responses concerning the auditors' recommendations:

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2014-1 – Physical count of inventory

The District's auditors' identified a matter regarding physical counting of property at the school level. Upon notification, the District's staff conducted a physical inventory count to resolve this issue. Furthermore, the District will perform an annual count of inventory on a prospective basis. As a result of action taken, the District considers this matter resolved.

2014 – 2 Approval of purchase orders

The auditors' identified opportunities for improvement relating to certain purchase order form preparation and related approval. They identified certain purchase orders that were prepared after purchases were made and that certain approvals were made by individuals other than the superintendent. Approval of purchase orders were made by designated individuals when the superintendent was out of the office for an extended period of time.

“An Equal Opportunity Employer”
“Equal Educational Opportunities”

12732 SILLIMAN STREET
P.O. BOX 397
CLINTON, LOUISIANA 70722

EXCEPTIONAL STUDENT SERVICES
225-683-5638 ~ 225-683-8582 ~ 225-683-3318
FAX: 225-683-8525

ESEA TITLE I
225-683-6936
FAX: 225-683-3320

Upon discussion with the auditors', the Superintendent began reviewing all purchase orders prior to an item being purchased. As a result, the approval practice described above has ceased and the District considers this matter resolved. Also, this matter has been reviewed with purchasing managers to inform them that all purchase orders must be prepared prior to any purchase of goods.

2014 – 3 Verification of Free and Reduced Price Applications

This matter relates to processing of free and reduced meal applications. The District is reviewing this matter for resolution. The software system used requires further review to ensure data is entered correctly and reports are generated accurately. Furthermore, management will implement testing on a sample basis to verify resolution of this matter. The District expects to resolve this matter in early 2015.

2014 – 4 Eligibility

The auditors' found a couple of discrepancies in their sample of income verification for food services. Management will implement a supervisory process for ensuring data/participant applications are appropriately used and verified. In particular, a manager will review applications for accuracy going forward. The District expects to resolve this matter in early 2015.

AGREED UPON PROCEDURES REPORT

Procedure #7

The District is reviewing this matter for resolution.

Procedure #9

The District will re-visit this matter with individuals responsible for maintaining roll books so that this issue can be resolved.

MANAGEMENT LETTER

Documentation of suspension and debarment

Management has reviewed this matter with an accountant at the District. The individual will be responsible for reviewing vendor files paid from federal sources to determine if reports are kept relative to compliance with this requirement. The review will be done annually on all applicable vendors.

Documentation of control in the payroll process

Management has reviewed this matter and intends on implementing the suggestion.

Personnel file documentation

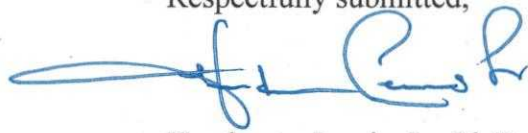
Management intends to implement this process immediately.

Procurement – award letter documentation

Although management is satisfied with the current process, the District will consider implementing the recommendation.

If you have any further questions, please contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Henderson Lewis, Jr.", with a stylized flourish at the end.

Henderson Lewis, Jr., Ph.D.
Superintendent of Schools

HLJ/ilb