TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE
YEAR ENDED JUNE 30, 2017

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HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
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Katie Jacola, CPA
Lesley Engolia, CPA

INDEPENDENT AUDITORS' REPORT

Board Members
Tensas Parish School Board
St. Joseph, 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 Tensas Parish School Board (the School Board), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tensas Parish School Board, as of June 30, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information (Part A) and (Part B)

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules (Schedules 1 through 3), the Schedule of Funding Progress for Other Post Employment Benefit Plan (Schedule 4), the Schedule of Employer's Proportionate Share of Net Pension Liability (Schedule 5) and the Schedule of Employer's Contributions to Pension Plans (Schedule 6) as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government 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 inquires 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 School Board's basic financial statements. The accompanying financial information listed as Other Supplementary Information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The accompanying supplemental information 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 Other Supplementary Information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2018, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Huffman & Soignier

(A Professional Accounting Corporation)
July 3, 2018

REQUIRED SUPPLEMENTAL INFORMATION (Part A)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Tensas Parish School Board
St. Joseph, Louisiana

Management's Discussion and Analysis
For the Year Ended June 30, 2017

The Management's Discussion and Analysis of the Tensas 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, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available). Please read this document with the School Board's financial statements, which follow the Management's Discussion and Analysis.

Tensas Parish is located in the northeastern area of the state and has a population of approximately 4,750. The public school system includes three schools: Tensas High School, grades (grades 7 - 12); Tensas Elementary (grades Pre-K – 6), and Newellton (grades Pre-K - 8). The system serves approximately 600 students. All of our students participate in the free or reduced lunch program. Advanced education is easily attained from nearby vocational-technical schools, colleges, and universities.

FINANCIAL HIGHLIGHTS: The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily Minimum Foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursements grants.

- The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2017 by approximately \$8.4 million.
- The School Board's expenses exceeded revenues by an approximately \$469,000 for the year ended June 30, 2017.
- The School Board's general fund expended approximately \$6.7 million, recognizing a decrease in fund balance of approximately \$1,600 for the fiscal year ended 2017.
- The Sales Tax Fund accounts for the collection and distribution of the sales and use taxes in accordance with the propositions approved by the voters of Tensas Parish. The fund balance of the Sales Tax Fund increased by an approximate \$78,000 during 2017.

USING THIS ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The statement of net position and the statement of activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements demonstrate how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give the reader insight into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the general fund, sales tax fund, and debt service fund. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

OVERVIEW OF THE FINANCIAL STATEMENTS

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.

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 deferred outflows, and liabilities and deferred inflows, 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 School Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flow. Thus, revenues and expenditures reported in this statement for some items will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused sick/vacation leave).

Both of the government-wide financial statements present functions 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 instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities. 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 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 statement focus on the 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 financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Food Service and Title I, all of which are considered major funds. The remaining funds are combined into a single aggregated presentation under the label of Other 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.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of outside parties, such as students and employees. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The School Board has one Fiduciary Fund and it is the School Activity Fund (which contain monies belonging to the three schools, their students, and clubs and other activities).

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The statement of net position and the statement of activities are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to a private-sector business. The statement of net position presents financial information on all of the School Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. All of the year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net position and changes in net position. Increases or decreases in the School Board's net position are one indicator of whether its financial health is improving or deteriorating. The net position of the School Board as of June 30, 2017 consisted of a deficit balance of $8,438,262 which decreased by $469,444, or 5.9%, in comparison to the prior year.

The statement of net position and statement of activities reflect the School Board's governmental activities (e.g., its basic service), such as instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program ("MFP") Funds, and state and federal grants finance most of these activities. Our analysis below focuses on the summary of net position (Table 1) and changes in net position

(Table 2) of the School Board's governmental activities. Key fluctuations include the following:

TABLE 1
SUMMARY OF NET POSITION
June 30, 2017 and 2016

	2017	2016
Current and other assets	$ 3,756,582	$ 3,715,441
Capital assets, net of depreciation	3,009,931	3,177,352
Total assets	6,766,513	6,892,793
Deferred outflows of resources	2,337,529	1,796,253
Other liabilities	914,282	859,002
Long-term liabilities	15,142,058	14,595,257
Total liabilities	16,056,340	15,454,259
Deferred inflows of resources	1,485,964	1,203,605
Net position		
Net invested in capital assets,	2,541,211	2,641,672
Restricted	138,900	60,724
Unrestricted	(11,118,373)	(10,671,214)
Total net position	$ (8,438,262)	$ (7,968,818)

Statement of Net Position

Current and other assets are comprised primarily of cash and cash equivalents, including restricted cash and cash equivalents, and account for 34.7% of total assets. The remaining other current assets, such as investments, receivables, and inventory, comprise 20.8% of total assets.

Capital assets, which are reported net of accumulated depreciation, account for 44.5% of total assets. Total capital assets decreased by approximately $167,000 or 5.3% due to depreciation expense.

Long-term liabilities increased by $547,000, or 3.7%, due primarily to additions to net pension liability (approximately $56,500) and other post-employment benefits (OPEB) (approximately $567,000), and reductions of QZAB liability (approximately $67,000).

Deferred inflows and outflows fluctuated by amounts related to the calculations related to pensions as well as a drawdown related to the Educational Excellence Fund.

Net investment in capital assets ended with a balance of approximately $2,541,000 as of June 30, 2017 with the changes from the prior year resulting from depreciation expense and principal payments on related debt.

Unrestricted net position ended with a deficit balance of $11,118,373 as of June 30, 2017. The School Board plans to eliminate this negative balance when it shows increases in revenues over expenses and is able to fund pension and post-employment benefits, reducing the total liability and increasing net position.

Statement of Activities

As reported in the statement of activities, the cost of all governmental activities this year was $9.67 million. The amount that taxpayers ultimately financed for these activities through School Board was $7.42 million because some of the cost was paid by those who benefited from the program (approximately $6 thousand) or by other governments and organizations who subsidized certain programs with grants and contributions ($1.78 million). Of the $7.42 million financed amount, MFP funds paid $4.19 million, ad valorem and sales taxes paid $2.82 million, and other general revenues paid $0.4 million which are mainly interest income, other unrestricted state and other local sources.

Total revenues increased by approximately $74,000 which was primarily due to an $109,000 increase in operating grants and contributions and offset by decreases in other revenues.

Expenses increased by $40,000 which was mostly attributable to purchases of new computer equipment which was offset by a small reduction in salaries.

Tensas Parish School Board
St. Joseph, Louisiana

Management's Discussion and Analysis
For the Year Ended June 30, 2017

TABLE 2
CHANGES IN NET POSITION
For the years ended June 30, 2017 and 2016

	2017	2016
Revenues		
Program revenues		
Charges for services	$ 6,039	$ 7,023
Operating grants & contributions	1,777,798	1,668,331
General revenues		
Ad valorem taxes	2,091,075	2,079,599
Sales taxes	724,076	618,001
State equalization	4,188,918	4,249,015
Other general revenues	414,556	506,289
Total revenues	9,202,462	9,128,258
Functions/Program Expenses		
Instructional services		
Regular programs	2,895,017	2,515,872
Special education programs	1,272,987	1,595,353
Vocational programs	160,737	216,362
Other instructional programs	176,191	158,983
Student programs	450,996	424,210
Adult/continuing education	6,754	
Support services		
Pupil support services	655,631	797,541
Instructional staff support services	477,246	546,039
General administration	534,050	435,758
School administration	501,535	509,967
Business services	346,997	390,631
Plant services	901,536	812,724
Student transportation services	694,412	651,267
Central services	1,778	4,178
Noninstructional services		
Food services	589,140	584,472
Long-term obligations		
Interest on long-term debt	6,899	7,799
Total expenses	9,671,906	9,651,156
Increase (decrease) in net position	**(469,444)**	**(522,898)**
Net position, beginning of year	(7,968,818)	(7,445,920)
Net position, end of year	$ (8,438,262)	$ (7,968,818)

MAJOR FUND FINANCIAL ANALYSIS

The School Board's financial statements include three major funds. These funds are the General Fund, Food Service, and Title I.

The General Fund's fund balance decreased by approximately $1,600, or 0.1%, during the year ended June 30, 2017.

Revenues increased by approximately $38,000, or 0.1%, primarily as a result of an increase in other state funding related to a draw on the School Board's Education Excellence Fund in the amount of $221,423 and offset by decreases in MFP and other local revenues.

Expenditures decreased by approximately $11,000, or 0.2%, which was primarily due to spending cuts that were offset by the purchase of computer equipment using revenues from the previously mentioned Education Excellence Fund.

Variances between budgeted and actual amounts include a $479,000 positive variance of total revenues over budgeted revenues (largely related to $218,123 in additional ad valorem taxes and $190,616 in other local revenues that were under budgeted) and a $1.6 million negative variance of total expenditures due to under budgeted expenditures.

The Food Service Fund's fund balance increased by approximately $43,000, or 13.0%, in the current year. During fiscal year 2017, revenues of $538,373 exceeded expenditures of $495,312. Variances between budgeted and actual amounts include a 1.1% variance of total revenues over budgeted revenues and a 51.1% variance of total expenditures over budgeted expenditures.

The Title I Fund accounts for the federal award to the School Board and is a reimbursement grant. The original and final budgets reflected $680,482 in budgeted revenues and expenditures as compared to the $599,379 in actual revenues and expenditures for $81,103 in offsetting variances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017, the School Board had $3,009,931 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a current year net decrease (including additions, deductions, and depreciation) of $167,421, or 5.3%, in comparison to the prior year. The decrease is due to current year depreciation. See Note 4 in the notes to the financials for further information.

The table below is a summary of the School Board's assets:

TABLE 3
CAPITAL ASSETS
(Net of depreciation)
June 30, 2017 and 2016

	2017	2016
Land	$ 309,540	$ 309,540
Buildings	2,662,819	2,789,211
Furniture and equipment	37,572	78,601
Totals	$ 3,009,931	$ 3,177,352

Long-Term Debt

At the end of the current fiscal year, the School Board had $466,620 in QZAB bonds at year end. The annual payment on these bonds is $66,660 per year plus interest.

Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2017, the School Board was within the legally restricted amount. See the notes to the financials for further information regarding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The most significant ongoing factor that Tensas Parish School Board faces each year is the declining enrollment due to population changes for which the School Board is impacted due to declining funding levels based on student counts from the State of Louisiana.

Contacting the School Board's Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents and students with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Eryn Arrington, Business Manager, at Tensas Parish School Board, P. O. Box 318, St. Joseph, Louisiana 71366, telephone number (318) 766-3269.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

Tensas Parish School Board
St. Joseph, Louisiana
Statement of Net Position
Governmental Activities

June 30, 2017

Assets:	
Cash and cash equivalents	2,350,950
Investments	45,310
Receivables	633,921
Prepaid expenses	189,478
Inventory	25,323
Investments held by others	511,600
Capital assets, not being depreciated	
Land	309,540
Capital assets, net of depreciation	
Buildings, furniture and equipment	2,700,391
Total assets	6,766,513
Deferred outflows of resources:	
Deferred charges on pensions	2,337,529
Total deferred outflows of resources	2,337,529
Liabilities:	
Accounts payable	155,683
Salaries payable	548,094
Interest payable	2,100
Unearned revenues	22,022
Long-term liabilities:	
Due within one year	186,383
Due in more than one year	15,142,058
Total liabilities	16,056,340
Deferred inflows of resources:	
Unavailable revenue - Deferred inflows on pensions	974,364
Unavailable revenue - Education Excellence Fund	511,600
Total deferred inflows of resources	1,485,964
Net position:	
Net investment in capital assets	2,541,211
Restricted for:	
Salary & benefits	133,694
Debt service	5,206
Unrestricted	(11,118,373)
Total net position	(8,438,262)

Tensas Parish School Board
St Joseph, Louisiana

Statement of Activities
Governmental Activities

Fiscal Year Ended June 30, 2017

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Functions/programs				
Instructional services				
Regular programs	$ 2,895,017	$ -	$ 318,551	$ (2,576,466)
Special education programs	1,272,987	-	173,987	(1,099,000)
Vocational programs	160,737	-	638	(160,099)
Other instructional programs	176,191	-	38,585	(137,606)
Special programs	450,996	-	359,181	(91,815)
Adult/continuing education	6,754	-	-	(6,754)
Support services				
Pupil support services	655,631	-	32,233	(623,398)
Instructional staff support services	477,246	-	225,632	(251,614)
General administration	534,050	-	87,150	(446,900)
School administration	501,535	-	-	(501,535)
Business services	346,997	-	31,667	(315,330)
Plant services	901,536	-	-	(901,536)
Student transportation services	694,412	-	-	(694,412)
Central services	1,778	-	-	(1,778)
Noninstructional services				
Food service operations	589,140	6,039	510,174	(72,927)
Long-term obligations				
Interest and other charges	6,899	-	-	(6,899)
Total Governmental Activities	$ 9,671,906	$ 6,039	$ 1,777,798	(7,888,069)

General revenues:	
Taxes:	
Ad valorem taxes levied for:	
General purposes	2,091,075
Sales taxes levied for:	
Salaries purposes	724,076
Grants and contributions not restricted to specific programs:	
Minimum Foundation Program	4,188,918
State revenue sharing	79,036
Interest and investment earnings	7,883
Other	327,637
Total general revenues	7,418,625
Change in net position	(469,444)
Net position, at beginning of year, originally reported	(7,949,893)
Prior period adjustment	(18,925)
Net position, at beginning of year, restated	(7,968,818)
Net position at end of year	$ (8,438,262)

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS (FFS)

Statement C

Tensas Parish School Board
St. Joseph, Louisiana

GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2017

	Major Funds			Nonmajor Funds	
		Special Revenue Funds			
	General Fund	Food Service	Title I Program	Other Governmental Funds	Total
Assets					
Cash and cash equivalents	$ 1,843,714	$ 345,409	$ -	$ 161,827	$ 2,350,950
Investments	-	45,310	-	-	45,310
Receivables	148	42,924	286,072	304,777	633,921
Interfund receivables	523,350	-	-	383	523,733
Prepaid expenses	189,478	-	-	-	189,478
Inventory	-	25,323	-	-	25,323
Investement held by State Treasury	511,600	-	-	-	511,600
Total assets	$ 3,068,290	$ 458,966	$ 286,072	$ 466,987	$ 4,280,315
Liabilities, deferred inflows, and fund balances					
Liabilities					
Accounts payable	$ 123,371	$ -	$ 28,100	$ 4,212	$ 155,683
Salaries payable	427,578	37,501	-	83,015	548,094
Deferred revenue	-	20,607	-	1,415	22,022
Interfund payables	383	25,933	257,972	239,445	523,733
Total liabilities	551,332	84,041	286,072	328,087	1,249,532
Deferred Inflows of Resources					
Educational Excellence Fund	511,600	-	-	-	511,600
Fund balances					
Nonspendable	189,478	4,716	-	-	194,194
Restricted					
Salaries & benefits	-	-	-	133,694	133,694
Debt Service	-	-	-	5,206	5,206
Committed					
Maintenance & operations	100,036	80,000	-	-	180,036
Unassigned	1,715,844	290,209	-	-	2,006,053
Total fund balances	2,005,358	374,925	-	138,900	2,519,183
Total liabilities, deferred inflows, and fund balances	$ 3,068,290	$ 458,966	$ 286,072	$ 466,987	$ 4,280,315

Statement D

Tensas Parish School Board
St. Joseph, Louisiana

Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position
Fiscal Year Ended June 30, 2017

Total fund balances – governmental funds		$ 2,519,183
The cost of capital assets (land, buildings, furniture and equipment) and intangible assets (software) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Position includes those capital assets and intangible assets among the assets of the School Board as a whole. The cost of those capital and intangible assets is allocated over their estimated useful lives (as depreciation expense for capital assets and amortization expense for intangible assets) to the various programs reported as Governmental Activities in the Statement of Activities. Because neither depreciation nor amortization expenses affect financial resources, they are not reported in the Governmental Funds.		
Cost of capital assets	$ 12,065,537	
Accumulated depreciation	(9,055,606)	3,009,931
Deferred outflows for refundings and pension are not reported in the governmental funds but are reported in the government-wide financial statements.		
Pensions		2,337,529
Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Position. Post-employment benefits in the Governmental Funds are recorded as expenditures when paid. The unfunded annual required contribution in the Statement of Net Position is recognized as a liability as it accrues. Balances at June 30, 2016 are as follows:		
Bonds payable	(466,620)	
Net Pension liability	(9,512,400)	
Other post employment benefits	(5,208,570)	
Compensated absences payable	(140,851)	(15,328,441)
Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid. Bond interest in the Statement of Net Position is recognized as an expense as it accrues.		
Accrued interest on outstanding bonds		(2,100)
Deferred inflows on pensions are not reported in the governmental funds but are reported in the government-wide financial statements.		
Pensions		(974,364)
Net Position		$ (8,438,262)

Tensas Parish School Board
St. Joseph, Louisiana

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Fiscal Year Ended June 30, 2017

	Major Funds			Nonmajor Funds	
		Special Revenue Funds			
	General Fund	Food Service	Title I Program	Other Governmental Funds	Total
REVENUES					
Local sources					
Taxes:					
Ad valorem taxes	$ 2,025,670	$ -	$ -	$ -	$ 2,025,670
Ad valorem taxes - 1%	65,405	-	-	-	65,405
Sales and use taxes	-	-	-	724,076	724,076
Interest earnings	5,764	1,354	-	765	7,883
Food services	-	6,039	-	-	6,039
Other	280,298	13,978	-	5,720	299,996
State sources:					
Equalization	4,182,090	6,828	-	-	4,188,918
Other	237,091	-	-	63,368	300,459
Federal sources	-	510,174	599,379	446,822	1,556,375
Total revenues	6,796,318	538,373	599,379	1,240,751	9,174,821
EXPENDITURES					
Current					
Instructional services:					
Regular programs	2,238,614	-	-	429,659	2,668,273
Special education programs	914,218	-	-	274,616	1,188,834
Vocational programs	124,230	-	638	23,818	148,686
Other instructional programs	126,865	-	38,585	8,295	173,745
Student programs	66,911	-	331,423	43,093	441,427
Adult education programs	6,754	-	-	-	6,754
Support services					
Pupil support services	515,171	-	5,473	86,709	607,353
Instructional staff support services	207,619	-	172,085	77,276	456,980
General administration	354,361	-	51,175	40,260	445,796
School administration	395,393	-	-	55,634	451,027
Business services	284,094	-	-	48,035	332,129
Plant services	828,950	-	-	37,034	865,984
Student transportation services	601,774	-	-	30,309	632,083
Noninstructional services:					
Food service operations	59,153	495,312	-	7,837	562,302
Debt service:					
Principal	-	-	-	66,660	66,660
Interest	-	-	-	7,199	7,199
Total expenditures	6,724,107	495,312	599,379	1,236,434	9,055,232
Excess (deficiency) of revenues over expenditures	72,211	43,061	-	4,317	119,589
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	73,859	73,859
Transfers out	(73,859)	-	-	-	(73,859)
Total other financing sources (uses)	(73,859)	-	-	73,859	-
Net change in fund balances	(1,648)	43,061	-	78,176	119,589
Fund balances at beginning of year - originally reported	2,007,006	350,789	-	60,724	2,418,519
Prior period adjustment	-	(18,925)	-	-	(18,925)
Fund balances at beginning of year	2,007,006	331,864	-	60,724	2,399,594
Fund balances at end of year	$ 2,005,358	$ 374,925	$ -	$ 138,900	$ 2,519,183

See accompanying notes to the basic financial statements.

Tensas Parish School Board
St. Joseph, 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, 2017

Total net change in fund balances – Governmental Funds		$ 119,589
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays and intangible assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense for the capital assets and amortization expense for the intangible assets. This is the amount by which capital outlays exceed depreciation and amortization in the period:		
Depreciation		(167,421)
Repayment of debt is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
QZAB		66,660
Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the Governmental Funds when it is due, which requires the use of current financial resources. In the Statement of Activities, however, interest expenses are recognized as the interest accrues,		
Interest payable at June 30, 2017	$ (2,100)	
Interest payable at June 30, 2016	2,400	300
In the Statement of Activities, certain operating expenses (compensated absences for accrued vacation and sick leave, claims) are measured by the amounts earned during the year. However, in the Governmental Funds expenditures for these items are measured by the amount of financial resources used (what was actually paid during the year). This year, vacation and sick leave earned exceeded the amount used.		
Compensated absenses		65,489
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		13,192
Other post-employment benefits are reported in the Governmental Funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.		(567,253)
Change in net position of governmental activities		$ (469,444)

Tensas Parish School Board
St. Joseph, Louisiana

Fiduciary Fund - Agency Funds
Combining Statement of Fiduciary Assets and Liabilities

June 30, 2017

	School Activity Funds	Total
Assets:		
Cash and cash equivalents	$ 69,684	**$ 69,684**
Liabilities:		
Deposits due student groups	$ 69,684	**$ 69,684**

See accompanying notes to the basic financial statements.

Tensas Parish School Board
Saint Joseph, Louisiana

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2017

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(Continued)

(Concluded)

Tensas Parish School Board
Saint Joseph, Louisiana

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The School Board operates three schools within the parish with a total enrollment of approximately 600 students, including Pre-K. In conjunction with the regular educational programs, some of these schools offer special and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards,* establishes the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Certain units of local government, such as other independently elected officials, the parish police jury and municipalities, are excluded from the accompanying financial statements. These units have their own elected governing authorities and are not financially accountable to the School Board.

B. Basis of Accounting and Measurement Focus

Government-wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level and are accounted for on an accrual basis. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets, deferred outflows, liabilities and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the School Board has an enforceable legal claim to the revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows.

General Revenues

General revenues included in the Statement of Activities derive directly from local property and sales taxes, interest and investment earning, unrestricted state and local grants, and other miscellaneous revenues. General revenues finance the remaining balance of a function not covered by program revenues.

Program Revenues

Amounts reported as *program revenues* include charges for services provided and grants and contributions. Charges for services are primarily derived from food sales and drivers education courses. Operating grants and contributions consist of the grants received from federal, state, or local government; private foundation; or restricted contributions or donations. Program revenues reduce the cost of the function to be financed from the School Board's general revenues. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Allocation of indirect expenses

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

Fund Financial Statements (FFS)

Governmental Funds

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

Operating revenues are charges to the General Fund for insurance related costs such as claims liability, insurance premiums, and centralized printing services. Non-operating revenues are revenues that are not derived from charges to the General Fund such as earnings on investments.

Operating expenses are general liability and worker's compensation claims and expenses and costs of operating centralized printing services.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Such revenue items are ad valorem, sales and use taxes, and federal and state entitlements. Ad valorem taxes are considered measurable and are recognized in the calendar year of the tax levy. Sales and use taxes are considered measurable and available when collected by the vendors. Revenue from state and federal grants are recorded when the reimbursable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year. Other post-employment benefits (OPEB) are recorded in the Government-wide Financial Statements as expenditures and as a liability when incurred.

C. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, and each is considered a separate accounting entity and reported in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The School Board uses the following fund categories and fund types.

Governmental Funds - Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues, and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the governmental funds that do not meet the dollar tests for major funds.

The major and nonmajor funds of the School Board are described below.

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 another fund and is always a major fund.

Special Revenue Funds – Special Revenue Funds account for and report the proceeds of specific revenue sources (other than special assessments) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The School Board reports the following major special revenue funds.

Food Service – accounts for the operations of the school food service programs in the parish school system during the regular school term. This fund also accounts for the Fresh Fruits and Vegetables Program sponsored by the United States Department of Agriculture to provide heathy snacks to elementary school students. The basic goals fo the school food service program is 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.

Title I – is a program for economically and educationally deprived school children, which is federally financed, Stated administered and locally operated by the School Board. The Tile I serves are provided through various projects which are designated to meet the special needs of educationally deprived children. The activities supplement, rather than replace, State and local mandated activities.

The School Board has nine nonmajor Special Revenue Funds.

Debt Service Fund - accounts and reports the financial resources that are restricted, committed, or assigned to expenditures to expenditures for principal and interest. The School Board has one nonmajor Debt Service Fund which provides for the payment of the 2009 QSCB Revenue Bonds.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School Board in a trustee capacity or as an agent for individuals, private organizations, other governmental unites or other funds.

Agency Funds – Agency Funds account for assets that the School Board holds on behalf of others as their agent. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School Board accounts for agency funds as follows:

School Activity Funds, which represents funds generated by schools in the district specifically for student activity uses. The School Board has one agency fund.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest-bearing and non-interest bearing demand deposits and bank certificates of deposit. Bank certificates of deposit with original maturities of 90 days or less are considered cash equivalents. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. Investments

Investments are limited by Louisiana Revised Statutes (R.S. 33:2955) and the Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days of less, they are classified as cash equivalents. The only investments held by the School Board is a certificate of deposit with an original maturity that is greater than 90 days.

F. Short-Term Interfund Receivables and Payables

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

G. Eliminations and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column. Interfund services provided and used by the various Governmental Funds have not been eliminated in the process of aggregating data.

H. Inventory and Prepaid Items

Inventory of the school food service special revenue fund consists primarily of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

Prepaid items are also accounted for using the consumption method where expenditures are recognized as the prepaid item expires with the passage of time. There are no prepaid items reported at year end.

I. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, intangibles, and construction-in-progress are reported as governmental funds in the Government-wide Financial Statements. The School Board considers assets, other than intangibles, with an initial individual cost of more than \$5,000 and an estimated useful life of more than 1 year as a capital asset. Intangibles, such as software, with an initial individual cost of \$200,000 or more and an estimated useful life of 1 year or more are considered a capital asset.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's best estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial.

Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	10-40 years
Furniture and equipment	3-12 years

Public domain (infrastructure) capital assets (e.g. parking lots, sidewalks, and other assets that are immovable and of value only to the government) were capitalized as part of the construction cost of the buildings. Subsequent infrastructure improvements are capitalized as land improvements.

J. Unearned Revenue

The School Board reports unearned revenue on its Statement of Net Position and on the Fund Financial Statements' balance sheet. Unearned revenue will arise when the School Board receives resources before qualifying events have occurred to allow it to be recognized as revenue at the end of the current period, as when grant monies are received and available to spend in the current period but cannot be recognized as revenue until the qualifying expenditures are incurred in accordance with GAAP. In subsequent periods, when the qualifying expenditures are incurred, the liability for unearned revenue is removed from the Governmental Fund's Fund Financial Statements' balance sheet and the revenue is recognized as earned.

K. Interfund Transactions

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation to the Government-wide Financial Statements. Reimbursements occur between funds when one fund incurs a cost that benefits another fund, and the benefiting fund reimburses the fund incurring the cost for the benefit received. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Compensated Absences

Twelve-month full-time employees earn from ten to eighteen days of vacation leave each year, depending upon the length of service. For the purpose of calculating and apportioning annual leave, the "leave year" shall run from July 1st to June 30th. For employees hired after June 30, 2009, an employee can carry over no more than 5 days of vacation into a new fiscal year. Upon termination, resignation, or retirement, any unused annual leave shall be paid at the employee's rate of pay.

All School Board employees earn from ten to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid leave is used in the retirement benefit computation as earned service.

The School Board's recognition and measurement criterion for compensated absences follows:

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

A. The employees' rights to receive compensation are attributable to services already rendered.

B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as payments at termination or retirement.

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments or funerals.

B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave. The School Board makes the assumption that employees who have a minimum experience of ten years will become eligible in the future to receive their accrued sick leave and for those with less than ten years that 85% will become eligible.

Sick and annual leave are reported in the Statement of Net Position as a long-term liability and expensed in the Statement of Activities. Sick and vacation leave accrued in the Statement of Net Position as of the end of the fiscal year are valued at employees' current rates of pay. Neither the School Board nor the employees are required to contribute to the retirement system for sick and annual leave payments. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire. A current liability for sick and annual leave is reported in the Governmental Funds only if it is due and payable as of year-end as the result of an employee's retirement during the fiscal year.

M. Long-Term Liabilities

Bond premiums and discounts, as well as issuance costs, are recognized in the fund financial statements in the period the bonds are issued. Bond proceeds are reported as an Other Financing Source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refunding are capitalized and amortized over the life of the refunding in the Government-Wide Financial Statements.

In the Government-wide Financial Statements bond premiums are reported on the balance sheet net of amortization and amortized over the life of the bonds. Bond proceeds have been reported in the Government-wide Financial Statements as a long-term liability.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The other post-employment (OPEB) benefits plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board. The current cost of other post-employment benefits is recognized in the fund financial statements in the year earned.

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Deferred resources for investments are reported at their fair value.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. *Deferred Outflows* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. These have a positive effect on net position and are similar to assets. The School Board has two items that qualify for reporting in this category; the *deferred charge on refunding* and the *deferred charge on pensions* and are reported in the government-wide Statement of Net Position. The deferred charge on refunding is the result of the difference in the carrying value of refunded debt and its reacquisition price for bonds issues that were refunded in previous fiscal periods. This amount is deferred and amortized over the shorter of the life of the refunded or refunding bond issues.

In addition to liabilities, a separate section for deferred inflows of resources is reported in the Statement of Net Position. *Deferred Inflows* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. These have a negative effect on net position and fund balance, and are similar to liabilities.

The School Board has deferred inflows reported on the government-wide Statement of Net Position as unavailable revenue from Education Excellence Funds held in the Millennium Trust (tobacco settlement funds) under the oversight of the Louisiana State Treasury, protested sales and use taxes, funds due from Louisiana Medicaid for cost-sharing reimbursements, and deferred changes on pensions. These amounts are reported as deferred and recognized as an inflow of resources in the period the amounts become available.

The School Board has deferred inflows reported on the government-wide Statement of Net Position as *unavailable revenue* from the deferred changes on pensions. These amounts are reported as deferred and recognized as an inflow of resources in the period the amounts become available.

O. Equity Classifications

Government-wide Financial Statements
Equity is classified as "net position" in the Government-wide Financial Statements. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is shown in three classifications in the Statement of Net Position:

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

- Restricted Net Position – Consists of net position with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

  The following net positions are considered restricted:

  - Debt service resources from sales and use taxes and ad valorem taxes levied specifically to meet the principal and interest payments of various general obligation and revenue bond issues via an approved public referendum in accordance with state law and bond covenants with investors.

  - Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of supplemental salaries and benefits to employees.

  - Investments held by the Louisiana Workforce Commission as surety for payment of workers compensation claims of self-insured employers, as promulgated under Louisiana Revised Statute 23:1168.

- Unrestricted Net Position – All other net positions that do not meet the definition of "restricted" or "net investments in capital assets".

Sometimes the School Board will make expenditures for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as *restricted* – net position and *unrestricted* – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School Board's practice to consider *restricted* – net position to have been depleted before *unrestricted* – net position is applied.

Fund Financial Statements

In the fund financial statements, equity is classified as "fund balance". Fund balance is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Fund balance is classified according to its useful purpose or function of restriction at year-end in one or more of the following categories:

- Nonspendable fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory.

- Restricted fund balance represent resources restricted by enabling legislation, state or federal laws, tax ordinances or by local, state or Federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.

- Committed fund balance indicates the School Board's plans for the use of financial resources in a future period for specific purposes determined by the School Board, the highest level of the government's decision-making authority. Fund balance commitments are made by formal actions of the School Board in the form of a resolution, ordinance, or action approved by the majority vote of the School Board in an open meeting prior to the end of the fiscal year. Once adopted, the limitation imposed by the instrument remains in place until a similar action is taken to remove or revise the limitation.

- Assigned fund balances are those determined by the Board of the Finance Committee, under authority given under a resolution of the Board, as needed for the payment of future commitments.

- Unassigned fund balance is the remaining fund balance in the General Fund after all classifications have been made in the previously described fund balance categories. Unassigned fund balance is only reported in the General Fund. However, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Sometimes the School Board will make expenditures for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as *restricted*, *committed*, *assigned*, and *unassigned* fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School Board's practice to consider *restricted* fund balance to have been depleted before using any of the components of *unrestricted* fund balance. Further, when the components of *unrestricted* fund balance can be used for the same purpose, *committed* fund balance is depleted first, followed by *assigned* fund balance. *Unassigned* fund balance is applied last.

The School Board has not established through board resolution unassigned fund balance requirements.

P. Sales and Use Taxes

On May 20, 1969 and October 23, 1999, the voters of Tensas Parish approved a one percent and one-half of one percent, respectively sales and use tax to be levied by the Tensas Parish School Board. In accordance with each proposition approved by the voters of the parish, the net revenues derived from these two sales taxes are dedicated and used for the purpose of providing funding for the payment of salaries of school employees and operating expenses in connection with curriculum improvement. The proceeds of said taxes (after paying reasonable and necessary costs and expenses of collecting and administering the tax) are to be dedicated and used to supplement other revenues available for the payment of salaries and retirement benefits for certified and noncertified employees of the School Board.

Q. Encumbrances

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

R. Levied Taxes

The School Board levies taxes on real and business personal property located within Tensas Parish. Property taxes are levied by the School Board on property values assessed by the Tensas Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the tax roll in 2015. Total assessed value was $60,790,702 in calendar year 2016. Louisiana state law exempts the first $75,000 of assessed value of a taxpayer's primary residence from parish property taxes. The homestead exemption was $5,426,296 of the assessed value in calendar year 2016 resulting in net taxable property of $55,364,406.

All property tax revenue is recorded in the general fund. Revenues are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year are primarily due to the subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

Property taxes were levied September 1, 2016. The tax roll is prepared by the parish tax assessor in November of each year. The collection of the property taxes occurs in December, and January and February of the following year. As a result, substantially no property taxes are reflected as receivable for 2016 on the accompanying balance sheet because most are not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable are collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

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

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional Tax	5.40	5.39	Statutory
Special Maintenance Tax	8.39	8.36	2022
District 3, Special Maintenance	11.77	11.74	2020
District 3, Parish-wide	12.01	11.99	2019

S. Budget and Budgetary Accounting

The School Board utilities the following procedures in establishing the budgetary data reflected in the financial statements:

In September, the Business Manager submits to the School Board proposed annual appropriated budgets for the General Fund, Special Revenue Funds, and Debt Service Funds for the fiscal year commencing the prior July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopt a balanced budget; that is total budgeted expenditures and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.

The General Fund budget is adopted on a basis consistent with GAPP. Unencumbered appropriations in the General Fund lapse at the end of the fiscal year, whereas, encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.

The Special Revenues Funds' budges have annual appropriated budgets adopted on a basis consistent with GAPP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when good or serves are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriation of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and the Debt Service Fund. All budgets are operational at the departmental or project level. The Superintendent and the Business Manager of the School Board are authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions passed during the year were insignificant to the budgets as originally approved.

T. Use of Estimates

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

2. Deposits and Investments

Custodial credit risk - deposits. The School Board's cash and cash equivalents consist of deposits with financial institutions. State statutes govern the School Board's investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements.

Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance. Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. .

The following is a schedule of the School Board's cash and cash equivalents, and investments at June 30, 2017. Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	School Board Balance	Bank Balance
Cash and Cash Equivalents		
Cash - Governmental Funds	$ 2,350,950	$ 2,720,589
Cash - Agency Funds	69,684	69,684
Investments		
Certificates of Deposit -		
Governmental Funds	45,310	45,310
TOTAL	$ 2,465,944	$ 2,835,583

The School Board's deposits are collateralized as follows:

FDIC Insured Deposits	$ 552,904
Uninsured Deposits: Collateralized	2,282,679
Total Deposits	$ 2,835,583

Credit risk. The School Board invests in certificates of deposit which do not have credit ratings. The School Board's policy does not address credit rate risk.

Concentration of credit risk. The School Board does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The School Board manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

3. Receivables

The receivables of $633,921 at June 30, 2017, as reported in the Fund Financial Statements are as follows:

	Sales and Use Taxes	Federal	State	Total
Major Funds				
General Fund	$ -	$ 148	$ -	$ 148
Food Service	-	42,924	-	42,924
Title I	-	286,072	-	286,072
Total major funds	-	329,144	-	329,144
Non-Major Funds				
Sales Tax	59,705	-	-	59,705
IDEA (Special Education)	-	113,188	-	113,188
Title II	-	61,703	-	61,703
LA-4 Federal	-	9,766	-	9,766
LA-4 State	-	-	13,112	13,112
8G	-	-	15,636	15,636
TIF	-	31,667	-	31,667
Total non-major funds	59,705	216,324	28,748	304,777
Total governmental funds	$ 59,705	$ 545,468	$ 28,748	$ 633,921

All governmental receivables are expected to be collected within the next fiscal year and therefore, no allowance for doubtful accounts is recorded.

4. Investments Held by Others

The School Board participates in the Louisiana State Treasury's Education Excellence Fund (EEF), which is a special fund, similar to an external local government investment pool, established within the Millennium Trust, a special permanent trust of the State of Louisiana, pursuant to the Louisiana Constitution Article 1, Section 10.8. In accordance with GASB Statement 40, Deposits and Investment Risk Disclosures, the investment in EEF at year end is excluded from custodial credit risk disclosures provided by this statement because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Also investments in a pool of funds of this nature are not subject to concentration of credit risk or interest rate risk disclosures. The EEF is administered by the Louisiana State Treasury through an investment agreement pursuant to La. R.S. 39:99. Only school boards that have executed investment agreements pursuant to La. R.S. 39:99 have an investment interest in the fund's pool of assets. Pursuant to La. R.S. 39:99 C (1), the State guarantees the principal invested in this fund by the School System. The primary objective of the EEF is to provide a safe environment for the placement of certain local school board monies associated with tobacco company settlements. The monies invested in EEF by the treasurer, are done so with the same authority and subject to the same restrictions as the Louisiana Education Quality Trust Fund pursuant to La. R.S. 17:3803. According to Louisiana Constitution Article 7, Section 10.8 (C)(g) no funds may be distributed to the School System from the EEF until an annual plan has been submitted and receives both legislative and Department of Education approval as provided by law. Investments held in trust with the Louisiana State Treasurer for EEF at year end was $511,600.

5. Capital Assets

The changes in capital assets during the fiscal year were as follows:

	Balance 07/01/2016	Additions	Deletions	Balance 06/30/2017
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 309,540	$ -	$ -	$ 309,540
Total capital assets, not being depreciated	309,540	-	-	309,540
Capital assets being depreciated				
Buildings	11,034,457	-	-	11,034,457
Furniture and equipment	721,541	-	-	721,541
Total capital assets being depreciated	11,755,998	-	-	11,755,998
Less accumulated depreciation				
Buildings	8,245,246	126,392	-	8,371,638
Furniture and equipment	642,940	41,029	-	683,969
Total accumulated depreciation	8,888,186	167,421	-	9,055,607
Total capital assets being depreciated, net	2,867,812	(167,421)	-	2,700,391
Capital assets, net	$ 3,177,352	$ (167,421)	$ -	$ 3,009,931

Depreciation expense was charged to governmental activities as follows:

	Depreciation
Instructional services	
Regular programs	$ 114,364
Special education programs	6,984
Other instructional programs	856
Support services	
Central services	1,778
Student transportation services	34,157
Non-instructional services	
Food service operations	9,282
Total depreciation expense	$ 167,421

6. Pension Plans

General Information about the Pension Plans

Plan Descriptions

Substantially all employees of the School Board are provided with pensions through cost-sharing multiple-employer defined benefit pension plans administered by the Teachers' Retirement System Louisiana ("TRSL") or the Louisiana School Employees' Retirement System ("LSERS"), all of which are administered on a statewide basis. The authority to establish and amend the benefit terms of TRSL and LSERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL and LSERS each issue publicly available financial reports that can be obtained at www.trsl.org and www.lsers.net, respectively.

Benefits Provided

TRSL

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information. Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system between January 1, 2011 and June 30, 2015 may retire with a 2.5% accrual rate after attaining age 60 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired on or after July 1, 2015 may retire with a 2.5% accrual rate after attaining age 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

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

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

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post -DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based on the account balance.

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

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

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

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

LSERS

LSERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010. All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. A member who joined the System on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the System on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. A member who joined the System on or after July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially reduced benefit. For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of $2.00 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the System on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

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

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(E)(3). Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

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

Contributions

TRSL

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSACX) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2017 are as follows:

	Contribution Rates	
TRSL Sub Plan	**School Board**	**Employees**
K-12 Regular Plan	25.5%	8.0%
Plan A	30.7%	9.1%
Plan B	28.2%	5.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 25.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were $896,312 for the year ended June 30, 2017.

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2017 was 28.7%. The actual employer rate for the year ended June 30, 2017 was 30.2%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were $116,513 for the year ended June 30, 2017.

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

The net pension liabilities were measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2016 and the change compared to the June 30, 2015 proportion.

	Net Pension Liability at June 30, 2017	Proportion at June 30, 2016	Increase (Decrease) to June 30, 2015 Proportion
TRSL	$ 8,494,175	0.072371%	-0.007704%
LSERS	1,018,225	0.134981%	0.001567%
	$ 9,512,400		

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2017

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2017.

	Pension Expense	Amortization	Total
TRSL	$ 866,587	$ 37,591	$ 904,178
LSERS	123,193	(97)	123,096
	$ 989,780	$ 37,494	$ 1,027,274

At June 30, 2017, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TRSL	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 167,699
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	618,356	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	545,012	737,079
Employer contributions subsequent to the measurement date	896,312	-
Total TRSL	$ 2,059,680	$ 904,778

LSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 27,787
Changes in assumptions	24,122	26,913
Net difference between projected and actual earnings on pension plan investments	128,992	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,222	14,886
Employer contributions subsequent to the measurement date	116,513	-
Total LSERS	$ 277,849	$ 69,586

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
TRSL	$ 2,059,680	$ 904,778
LSERS	277,849	69,586
	$ 2,337,529	$ 974,364

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2018. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
TRSL	$ 896,312
LSERS	116,513
	$ 1,012,825

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	TRSL	LSERS	Total
2018	$ 54,662	$ (10,069)	$ 44,593
2019	54,661	6,404	61,065
2020	139,661	58,294	197,955
2021	9,606	37,121	46,727
	$ 258,590	$ 91,750	$ 350,340

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

	TRSL	LSERS
Valuation Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	
Actuarial Assumptions:		
Expected Remaining Service Lives	5 years	3 years
Investment Rate of Return	7.75% net of investment expenses	7.125% net of investment expenses
Inflation Rate	2.50% per annum.	2.625% per annum.
Salary Increases	3.5% - 10.0% varies depending on duration of service.	2008-2012 experience study, ranging from 3.075% to 5.375%
Cost of Living Adjustments	None	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provision for potential future increases not yet authorized by the Board of Trustees.
Mortality	Mortality rates based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex Distinct Morality Table.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2008-2012) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2008-2012) experience study of the System's members.

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2017

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

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

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2016:

	Target Allocation		Long-Term Expected Portfolio Real Rate of Return	
Asset Class	**TRSL**	**LSERS**	**TRSL**	**LSERS**
Cash	-	-	-	-
Domestic equity	31.0%	51.0%	4.50%	3.10%
International equity	19.0%	-	5.31%	-
Domestic fixed income	14.0%	30.0%	2.45%	1.82%
International fixed income	7.0%	-	3.28%	-
Alternative investments	29.0%	13.0%	11.62%	0.79%
Global asset allocation	-	-	-	-
Real assets	-	6.0%	-	0.36%
Total	100.0%	100.0%	n/a	6.07%
International fixed income				2.00%
Expected Arithmetic Nominal Return				8.07%

Discount Rate

The discount rates used to measure the total pension liability for TRSL and LSERS were 7.75% and 7.125%, respectively, for the year ended June 30, 2016.

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

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each pension plan as well as what the School Board's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.75%	7.75%	8.75%
Share of NPL	$ 10,594,836	$ 8,494,175	$ 6,706,654
LSERS			
Discount rate	6.125%	7.125%	8.125%
Share of NPL	$ 1,336,646	$ 1,018,225	$ 745,421

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of $27,641 for its participation in TRSL. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2017.

Pension Plans Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for TRSL and LSERS and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: www.lla.la.gov.

Payables to the Pension Plan

As of June 30, 2017, the School Board had payables due to the pension plans. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:

	Payables
TRSL	$ 82,744
LSERS	27,981
	$ 110,725

7. Other Post-Employment Benefits

Plan Description – The School Board participates in a fully insured health insurance and life insurance program administered by the Louisiana Office of Group Benefits (OGB).

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 plan provisions are contained in the official plan documents of the OGB, available at www.groupbenefits.org – "Quick Links" – "Health Plans". 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. OGB does not issue a stand-alone financial report on the plan; however, the financial information is included in the Louisiana State's Comprehensive Annual Financial Report. A copy can be obtained on the website at www.doa.la.gov/osrap.htm.

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 Codification Section P50) for financial reporting purposes and for this valuation. Most of the employees are covered by the Teachers' Retirement System of Louisiana. The 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 60 and 5 years of service. Employees hired on or after January 1, 2011 must have attained at least age 60 at retirement (or D.R.O.P. entry) to avoid actuarial reduction in the retirement benefit.

Life insurance coverage under the OGB program is available to retirees by election and the employer pays 50% of the cost of the retiree life insurance based on the blended active/retired OGB rates. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described above 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 2007, the School Board recognized the cost of providing post-employment medical and life insurance benefits (the 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 2017 and 2016, the Tensas Parish School Board's portion of health care and life insurance funding cost for retired employees totaled $6,669,731 and $6,175,677, respectively. Effective July 1, 2007, the Tensas Parish School Board implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. 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 Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2017	2016
Normal cost	$436,638	$ 436,638
30-year UAL amortization amount	822,346	822,346
Annual required contribution (ARC)	$1,258,984	$1,258,984

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2017

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

	2017	2016
Beginning Net OPEB Obligation	$4,641,317	$3,917,104
Annual required contribution	1,258,984	1,258,984
Interest on Net OPEB Obligation	185,653	157,968
ARC Adjustment	(304,410)	(259,015)
OPEB Cost	1,140,227	1,157,937
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(572,974)	(433,724)
Change in Net OPEB Obligation	567,253	724,213
Ending Net OPEB Obligation	$5,208,570	$4,641,317

The following table shows the Tensas Parish 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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	$ 1,140,227	40.2%	$5,208,570
June 30, 2016	$1,157,937	40.2%	$4,641,317

Funded Status and Funding Progress – In 2017 and 2016, the 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, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was $5,208,570 which is defined as that portion, as determined by a particular actuarial cost method (the Tensas Parish 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.

		2017		2016
Actuarial Accrued Liability (AAL)	$	12,538,249	$	12,538,249
Actuarial Value of Plan Assets (AVP)		-		-
Unfunded Act. Accrued Liability (UAAL)	$	12,538,249	$	12,538,249
Funded Ratio (AVP/AAL)		0.00%		0.00%
Covered Payroll (active plan members)	$	3,137,594	$	3,380,907
UAAL as a percentage of covered payroll		400%		371%

The Schedule of Funding Progress and Schedule of Employer Contributions required supplemental information follows the notes. The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

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 the Tensas Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Tensas Parish 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 the Tensas Parish 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 Codification Section P50.

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 five years after earliest eligibility to enter the D.R.O.P. with an unreduced benefit as described on the first page of this letter under the heading "Plan Terms". This consists of a three year D.R.O.P. period plus an additional two year delay. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 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.

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 Codification Section P50 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 2015	FY 2016	FY 2017
OPEB Cost	$ 1,146,733	$ 1,157,937	$ 1,140,227
Contribution	-	-	-
Retiree premium	477,193	433,724	572,974
Total contribution and premium	477,193	433,724	572,974
Change in net OPEB obligation	$ 669,540	$ 724,213	$ 567,253
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	41.61%	37.46%	50.25%

8. Agency Fund Deposits Due Others (FFS level only)

The following is a summary of changes in agency fund deposits due others:

	Balance 07/01/2016	Additions	Deletions	Balance 06/30/2017
Agency Funds:				
School Activity Funds	$ 48,802	$ 198,083	$ 177,201	$ 69,684
Total	$ 48,802	$ 198,083	$ 177,201	$ 69,684

9. Deferred Compensation Plan

The School Board offers a deferred compensation plan for employees under the provisions of Internal Revenue Service Code Section 457 (Deferred Compensation Plan) and permits employees to defer a portion of their salary until future years. Part-time, seasonal, and substitute employees are required to contribute 7.5% of their compensation to the Deferred Compensation Plan in lieu of social security, as the School Board does not participate in social security under an Internal Revenue Service Section 218 Agreement for these employee classes. Full-time employees may also voluntarily make contributions to the Deferred Compensation Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. The School Board does not contribute or match employee contributions to the Deferred Compensation Plan. At June 30, 2017 the Plan had assets with an approximate market value of $100,309.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of participants and their beneficiaries and may not be used for, or diverted to, any other expense, except to defray the reasonable expenses of administering the plan.

The School Board is not liable to participating employees for the diminution in value or loss of all or part of the participating employees' deferred amounts or investment income because of market conditions or the failure, insolvency or bankruptcy of a qualified vendor. Therefore, the Plan is not reported in these financial statements.

10. General Long-Term Obligations

The following table presents a summary of bonded indebtedness during the fiscal year:

Original Issue	Issue Date	Original Borrowing	Interest Rates to Maturity	Interest to Maturity	Final Maturity	Outstanding June 30, 2017
Revenue bonds:						
Series 2009	11-19-2009	$1,000,000	1.35%	$ 25,198	2024	$ 466,620
Total revenue bonds				$25,198		$ 466,620

Bond principal and interest are due in total, to maturity, as follows:

Year Ended June 30,	Principal Payments	Interest Payments	Total
2018	$ 66,660	$ 6,299	$ 72,959
2019	66,660	5,399	72,059
2020	66,660	4,500	71,160
2021	66,660	3,600	70,260
2022	66,660	2,700	69,360
2023 - 2024	133,320	2,700	136,020
Total	$ 466,620	$ 25,198	$ 491,818

The following is a summary of governmental activities long-term obligation transactions for the year ending June 30, 2017:

Long-term Obligations	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017	Amounts Due Within One Year
Revenue bonds	$ 533,280	$ -	$ 66,660	$ 466,620	$ 66,660
Net pension liability	9,455,900	56,500	-	9,512,400	-
OPEB liability	4,641,317	1,140,227	572,974	5,208,570	-
Compensated absences	206,340	93,091	158,580	140,851	119,723
Total	$14,836,837	$1,289,818	$798,214	$15,328,441	$186,383

The School Board issued $1,000,000 in Revenue Bonds (Taxable QSCB), Series 2009, dated November 19, 2009 for the purpose of constructing new classrooms at Tensas High School. These bonds were purchased by Sabine State Bank and are due in annual installments of $66,660 plus interest at 1.35% from March 1, 2010 to March 1, 2024.

Compensated absences, OPEB and net pension liabilities attributable to the governmental activities will be liquidated mainly by the General Fund.

Tensas Parish School Board
Saint Joseph, Louisiana

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2017

11. Interfund Assets/Liabilities (FFS level only)

Individual balances due to/from other funds at June 30, 2017 were as follows:

	Due To Other Funds	Due From Other Funds
Major Funds		
General Fund	$ 383	$ 523,350
Food Service	25,933	-
Title I Fund	257,972	-
Total Major Funds	284,288	523,350
Nonmajor Special Revenue Funds		
Sales Tax	-	383
IDEA	111,662	-
Title II	59,017	-
LA-4 Federal	9,766	-
LA-4 State	11,697	-
8g	15,636	-
TIF	31,667	-
Total Nonmajor Special Revenue Funds	239,445	383
Total interfund transactions	$ 523,733	$ 523,733

Of the amounts shown above, $523,350 relates to balances due for cash deficits that are due to timing differences in receiving reimbursements from grantors for expenditure reimbursement grants after the fiscal year ended and a limited number of temporary transfers during the year. The General Fund pays the obligations of expenditure reimbursement grants until a claim is filed and payment is received. All interfund transactions will be completed during the 2017-18 fiscal year.

The remaining $383 is an amount that is due from the General Fund to the Title I Fund to correct a clerical error between funds incurred during the fiscal year. The Title I Fund will be reimbursed during the 2017-18 fiscal year.

12. Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)

The following Governmental Funds' fund balances are nonspendable, legally restricted, committed, or assigned for the following purposes:

NONSPENDABLE	**PURPOSE**	**JUNE 30, 2017**
Major Funds		
General Fund	Prepaid expenses	$ 189,478
Special Revenue Fund-Food Service	Food inventory	4,716
Total Nonspendable Fund Balance		**$ 194,194**

RESTRICTED	**PURPOSE**	**JUNE 30, 2017**
Nonmajor Funds:		
Special Revenue Fund-Sales Tax Fund	Salaries and related benefits	$ 133,694
Debt Service Fund	Debt service	5,206
Total Restricted Fund Balance		**$ 138,900**

COMMITTED	**PURPOSE**	**JUNE 30, 2017**
Major Funds:		
General Fund	Maintenance and operation	$ 100,036
Special Revenue Fund-Food Service	Maintenance and operation	80,000
Total Committed Fund Balance		**$ 180,036**

13. Operating Leases

The School Board has entered into various operating leases for office equipment and buses. Total rental expense under these leases for the year ended June 30, 2017 was $153,531. The schedule by year of future minimum lease payments as of June 30, 2017 is as follows:

Year ending June 30,	Total Payments
2018	$ 126,645
2019	49,636
2020	16,800
2021	16,800
Total	$ 209,881

14. Interfund Transfers (FFS level only)

Transfers to/from Governmental Funds for the year ending June 30, 2017 were as follows:

	Transfers In	Transfers Out
Major Fund - General Fund	$ -	$ 73,859
Nonmajor Fund - Debt Service Fund	73,859	-
Total	$ 73,859	$ 73,859

The $73,859 transfer to the Debt Service Fund from the General Fund was for the servicing of the debt.

15. Risk Management

The School Board is at risk for property damage, liability, and theft which are covered by insurance policies. The School Board is also fully insured for workers compensation. Settled claims did not exceed commercial insurance in fiscal year 2017. Management believes that such coverage is sufficient to preclude any significant uninsured losses to the School Board.

16. Contingencies

As with the majority of all other school boards within the state, the Tensas Parish School Board is substantially dependent upon federal, state and local funding. The loss or reduction of these funding sources would have a significant impact on its operations. Additionally, these federal and state programs are subject to compliance audits. Such audits could lead to request for reimbursement by a grantor agency for expenditures that are not allowed under terms of the grants. Management of the School Board believes the amount of such disallowances, if any, which may arise in a future audit will not be material to the financial statements

17. On-Behalf Payments For Fringe Benefits and Salaries

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

The Tensas Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2017 the Tax

Collector paid the Teacher's Retirement System of Louisiana $65,405. These amounts are reflected in the financial statements for the General Fund.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of $1,997. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salaries are paid.

18. Economic Dependency

The Minimum Foundation Funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided $4,188,918 to the school board, which represents approximately 45.6% of the School Board's total revenue for the year. Federal revenues also accounts for $1,556,375 (17.0%) of total revenues.

The Minimum Foundation Program (MFP) formula adopted by the State legislature now requires a portion of the School Board's state MFP funding, representing a per pupil allotment of all local tax revenue collected by the School Board, to be deducted from the State MFP allocation paid monthly to the School Board and transferred to other educational providers. This occurs when a student who resides within the jurisdictional boundaries of the Tensas Parish School Board attends a public charter school, a state recognized special school or participates in the State's scholarship program to attend a private school, which operates outside the governance of the Tensas Parish School Board but under the authority and oversight of the State Board of Elementary and Secondary Education. A total of $80,852 was reported as Minimum Foundation funding revenue for the 2016-2017 fiscal year related to local revenue transfers to other educational providers. This local revenue transfer is reported as a regular program expenditure in the governmental fund financial statements and the government-wide financial statements.

19. Prior Period Adjustment

An $18,925 adjustment to fund balance and net position was made to the June 30, 2016 fund financial statements and the government-wide financial statements to reflect a correction in food inventory.

20. Subsequent Events

As of the date of issuance of these financial statements, management is aware of the following subsequent event: Due to declining enrollment, the School Board voted to close Newellton Elementary School at the close of the 2017 / 2018 school year.

REQUIRED SUPPLEMENTARY INFORMATION (Part B)

Tensas Parish School Board
St. Joseph, Louisiana

GENERAL FUND
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2017

(Unaudited)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Budgetary fund balance at beginning of year	$ 2,007,006	$ 2,007,006	$ 2,007,006	$ -
Resources (inflows)				
Local sources				
Ad valorem taxes	2,006,732	1,872,952	2,025,670	152,718
Ad valorem taxes - 1%	62,716	-	65,405	65,405
Interest earnings	2,936	2,420	5,764	3,344
Other	319,782	89,682	280,298	190,616
State sources				
Equalization	4,330,930	4,199,105	4,182,090	(17,015)
Other	88,594	38,927	237,091	198,164
Federal sources	101,806	101,806	-	(101,806)
Other financing sources				
Transfers in	12,400	12,400	-	(12,400)
Total resources	6,925,896	6,317,292	6,796,318	479,026
Amounts available for appropriations	8,932,902	8,324,298	8,803,324	479,026
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	1,930,309	1,396,960	2,238,614	(841,654)
Special education programs	1,162,773	833,530	914,218	(80,688)
Vocational programs	136,184	83,479	124,230	(40,751)
Other instructional programs	113,334	89,151	126,865	(37,714)
Special programs	17,076	11,459	66,911	(55,452)
Adult eduction programs	-	-	6,754	(6,754)
Support services				
Pupil support services	629,729	418,205	515,171	(96,966)
Instructional staff support services	168,564	99,515	207,619	(108,104)
General administration	386,287	413,898	354,361	59,537
School administration	431,840	282,589	395,393	(112,804)
Business services	358,026	259,154	284,094	(24,940)
Plant services	752,562	650,024	828,950	(178,926)
Student transportation services	437,932	457,425	601,774	(144,349)
Noninstructional services				
Food service operations	47,379	21,059	59,153	(38,094)
Capital Outlay	-	72,797	-	72,797
Other financing uses				
Transfers out	224,759	73,859	73,859	-
Total charges to appropriations	6,796,754	5,163,104	6,797,966	(1,634,862)
Budgetary fund balance at end of year	$ 2,136,148	$ 3,161,194	$ 2,005,358	$ (1,155,836)

See accompanying notes to the budgetary comparison schedules.

Tensas Parish School Board
St. Joseph, Louisiana

FOOD SERVICE
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2017

(Unaudited)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Budgetary fund balance at beginning of year (restated)	$ 364,767	$ 364,767	$ 331,864	$ (32,903)
Resources (inflows)				
Local sources:				
Interest earnings	295	295	1,354	1,059
Food services	7,023	7,023	6,039	(984)
Other	-	-	13,978	13,978
State sources:				
Equalization	7,038	7,038	6,828	(210)
Federal sources	517,998	517,998	510,174	(7,824)
Toral resources	532,354	532,354	538,373	6,019
Amounts available for appropriations	897,121	897,121	870,237	(26,884)
Charges to appropriations (outflows)				
Current:				
Noninstructional services:				
Food service operations	468,299	325,662	495,312	(169,650)
Total charges to appropriations	468,299	325,662	495,312	(169,650)
Budgetary fund balance at end of year	$ 428,822	$ 571,459	$ 374,925	$ (196,534)

See accompanying notes to the budgetary comparison schedules.

Schedule 3

Tensas Parish School Board
St. Joseph, Louisiana

TITLE I PROGRAM
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2017
(Unaudited)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Budgetary fund balance at beginning of year	$ -	$ -	$ -	$ -
Resources (inflows)				
Federal sources	680,482	680,482	599,379	(81,103)
Amounts available for appropriations	680,482	680,482	599,379	(81,103)
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	-	-	-	-
Vocational programs	-	-	638	(638)
Other instructional programs	36,485	36,485	38,585	(2,100)
Support services:				
Student programs	321,018	321,018	331,423	(10,405)
Pupil support services	5,248	5,248	5,473	(225)
Instructional staff support services	252,302	252,302	172,085	80,217
General administration	61,517	61,517	51,175	10,342
Plant services	540	540	-	540
Student transportation services	3,372	3,372	-	3,372
Total charges to appropriations	680,482	680,482	599,379	81,103
Budgetary fund balance at end of year	$ -	$ -	$ -	$ -

See accompanying notes to the budgetary comparison schedules.

TENSAS PARISH SCHOOL BOARD
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2017

A. BUDGETS

General Budget Practices

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

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

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

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

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

Encumbrances

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

Budget Basis of Accounting

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

OTHER SUPPLEMENTARY INFORMATION

Tensas Parish School Board
Saint Joseph, Louisiana

Schedule of Funding Progress for Other Post-Employment Benefits

Fiscal Year Ended June 30, 2017
(Unaudited)

The School Board's Other Post-Employment Benefits (OPEB) program for health and life insurance is administered by the Office of Group Benefits (OGB) as an agent multiple-employer defined benefit OPEB plan. It provides health and life insurance coverage to eligible members. The following schedules present the actuarially determined funding progress and required contributions for the School Board's participation in the OGB OPEB Plan using the projected unit credit cost method.

Schedule of Funding Progress
Other Post-Employment Benefit – Health & Life Insurance

		(a)	(b)	(a-b)	(b/a)	(c)	(a-b)/(c)
Year Ended June 30	Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2010	7/01/2009	$11,273,975	$0	$11,273,975	0%	$5,484,092	205%
2011	7/01/2009	$11,273,975	$0	$11,273,975	0%	$5,123,532	220%
2012	7/01/2009	$11,273,975	$0	$11,273,975	0%	$4,842,663	232%
2013	7/01/2012	$12,030,842	$0	$12,030,842	0%	$4,743,040	253%
2014	7/01/2012	$12,030,842	$0	$12,030,842	0%	$4,821,577	250%
2015	7/01/2012	$12,030,842	$0	$12,030,842	0%	$3,436,991	350%
2016	7/01/2015	$12,538,249	$0	$12,538,249	0%	$3,380,907	371%
2017	7/01/2015	$12,538,249	$0	$12,538,249	0%	$3,137,594	400%

Tensas Parish School Board
Saint Joseph, Louisiana

Schedule of Employer's Proportionate Share of Net Pension Liability
Cost Sharing Plans Only

Fiscal Year Ended June 30, 2017

(Unaudited)

	Year	TRSL	LSERS
Employer's proportion of the net pension liability			
	2017	0.072371%	0.134981%
	2016	0.080075%	0.133414%
	2015	0.080820%	0.139600%
Employer's proportionate share of the net pension liability			
	2017	$ 8,494,175	$ 1,018,225
	2016	$ 8,609,886	$ 846,014
	2015	$ 8,261,270	$ 809,506
Employer's covered payroll			
	2017	$ 3,514,951	$ 385,804
	2016	$ 3,938,576	$ 384,100
	2015	$ 4,014,331	$ 390,814
Employer's proportionate share of the net pension liability as a percentage of its covered payroll			
	2017	242%	264%
	2016	219%	220%
	2015	206%	207%
Plan fiduciary net position as a percentage of a total pension			
	2017	59.9%	70.09%
	2016	62.5%	74.49%
	2015	63.7%	76.18%

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

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

Tensas Parish School Board
Saint Joseph, Louisiana

Schedule of Employer's Contributions
Cost Sharing Plans Only

Fiscal Year Ended June 30, 2017

(Unaudited)
Schedule of Employer's Contributions
Defined-Benefit Pension Plans

		TRSL	LSERS
Contractually required contribution			
	2017	$ 896,312	$ 116,513
	2016	$ 1,013,412	$ 115,785
	2015	$ 1,087,047	$ 126,753
	2014	$ 1,091,898	$ 126,233
Contributions in relation to contractually required contributions			
	2017	$ 896,312	$ 116,513
	2016	$ 1,013,412	$ 115,785
	2015	$ 1,087,047	$ 126,753
	2014	$ 1,091,898	$ 126,233
Contribution deficiency (excess)			
	2017	-	-
	2016	-	-
	2015	-	-
	2014	-	-
Employer's covered payroll			
	2017	$ 3,514,951	$ 385,804
	2016	$ 3,866,967	$ 383,394
	2015	$ 3,938,576	$ 384,100
	2014	$ 4,014,331	$ 390,814
Contributions as a percentage of covered employee payroll			
	2017	25.5%	30.2%
	2016	26.2%	30.2%
	2015	27.6%	33.0%
	2014	27.2%	32.3%

Notes:

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

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

Tensas Parish School Board
Saint Joseph, Louisiana

Notes to the Required Supplemental Information for Pensions

Fiscal Year Ended June 30, 2017

(1) Change in Benefit Terms

Teachers Retirement System of Louisiana and Louisiana School Employees' Retirement System
For the year ended June 30, 2016, members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after 7/1/15 may retire with a 2.5% benefit factor after attaining age 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

(2) Change in Assumptions

Louisiana School Employees' Retirement System
For the actuarial valuation for the year ended June 30, 2016, the discount rate was increased from 7.000% to 7.125%, inflation rate was decreased from 2.75% to 2.65% and salary increases were decreased from a range of 3.2% to 5.5% to a range of 3.075% to 5.375%

Teachers Retirement System of Louisiana
There were no changes in assumptions for the three years ended June 30, 2017.

Tensas Parish School Board
St. Joseph, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
Governmental Activities

June 30, 2017

	Schedule 9	Fund 25	Statement C
	Special Revenue Funds	**Debt Service Fund**	**TOTAL**
Assets			
Cash and cash equivalents	$ 156,621	$ 5,206	**$ 161,827**
Receivables	304,777	-	**304,777**
Total assets	461,781	5,206	**466,987**
Liabilities and fund balances			
Liabilities			
Accounts payable	4,212	-	**4,212**
Salaries payable	83,015	-	**83,015**
Deferred revenue	1,415	-	**1,415**
Interfund payables	239,445	-	**239,445**
Total liabilities	328,087	-	**328,087**
Fund balances			
Restricted:			
Salaries & Benefits	133,694	-	**133,694**
Debt Service	-	5,206	**5,206**
Total fund balances	133,694	5,206	**138,900**
Total liabilities and fund balances	$ 461,781	$ 5,206	**$ 466,987**

Tensas Parish School Board
St. Joseph, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type
Governmental Activities

Fiscal Year Ended June 30, 2017

	Schedule 10	Fund 25	Statement E
	Special Revenue Funds	Debt Service Fund	TOTAL
REVENUES			
Local sources			
Taxes			
Sales taxes	$ 724,076	$ -	$ 724,076
Interest earnings	754	11	765
Other	5,720	-	5,720
State sources:			
Other	63,368	-	63,368
Federal sources	446,822	-	446,822
Total revenues	1,240,740	11	1,240,751
EXPENDITURES			
Current			
Instructional services			
Regular programs	429,659	-	429,659
Special education programs	274,616	-	274,616
Vocational programs	23,818	-	23,818
Other instructional programs	8,295	-	8,295
Student programs	43,093	-	43,093
Support services			
Pupil support services	86,709	-	86,709
Instructional staff support services	77,276	-	77,276
General administation	40,255	5	40,260
School administation	55,634	-	55,634
Plant services	37,034	-	37,034
Student transportation services	30,309	-	30,309
Noninstructional services			
Food service operations	7,837	-	7,837
Debt service:			
Principal	-	66,660	66,660
Interest	-	7,199	7,199
Total expenditures	1,162,570	73,864	1,236,434
Excess (deficiency) of revenues over expenditures	78,170	(73,853)	4,317
OTHER FINANCING SOURCES (USES)			
Transfers in	-	73,859	73,859
Total other financing sources (uses)	-	73,859	73,859
Net change in fund balances	78,170	6	78,176
Fund balances at beginning of year (originally reported)	55,524	5,200	60,724
Prior period adjustments	-	-	-
Fund balances at beginning of year (restated)	55,524	5,200	60,724
Fund balances at end of year	$ 133,694	$ 5,206	$ 138,900

Tensas Parish School Board
St. Joseph, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet

June 30, 2017

	Sales Tax (Fund 3)	Federal IDEA (Fds 30 & 35)	Federal Title II (Fund 62)	Other Parishes (Fund 68)	Federal Perkins (Fund 71)	Federal LA-4 (Fund 80)	State LA-4 (Fund 81)	State 8G (Fund 82)	State TIF (Fund 108)	Schedule 7 Total
Assets										
Cash and cash equivalents	$ 156,621	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 156,621
Receivables	59,705	113,188	61,703	-	-	9,766	13,112	15,636	31,667	304,777
Interfund Receivables	383	-	-	-	-	-	-	-	-	383
Total assets	216,709	113,188	61,703	-	-	9,766	13,112	15,636	31,667	461,781
Liabilities and fund balances										
Liabilities										
Accounts payable	-	1,526	2,686	-	-	-	-	-	-	4,212
Salaries payable	83,015	-	-	-	-	-	-	-	-	83,015
Deferred revenue	-	-	-	-	-	-	1,415	-	-	1,415
Interfund payables	-	111,662	59,017	-	-	9,766	11,697	15,636	31,667	239,445
Total liabilities	83,015	113,188	61,703	-	-	9,766	13,112	15,636	31,667	328,087
Fund balances										
Restricted-Salaries & Benefits	133,694	-	-	-	-	-	-	-	-	133,694
Total fund balances	133,694	-	-	-	-	-	-	-	-	133,694
Total liabilities and fund balances	$ 216,709	$ 113,188	$ 61,703	$ -	$ -	$ 9,766	$ 13,112	$ 15,636	$ 31,667	$ 461,781

Tensas Parish School Board
St. Joseph, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Fiscal Year Ended June 30, 2017

Schedule 8

	Sales Tax (Fund 3)	Federal IDEA (Fds 30 & 35)	Federal Title II (Fund 62)	Other Parishes (Fund 68)	Federal Perkins (Fund 71)	Federal LA-4 (Fund 80)	State LA-4 (Fund 81)	State 8G (Fund 82)	State TIF (Fund 108)	Total
REVENUES										
Local sources										
Taxes										
Sales and use taxes	$ 724,076	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 724,076
Interest earnings	754	-	-	-	-	-	-	-	-	754
Other	-	-	-	5,720	-	-	-	-	-	5,720
State sources										
Other	-	-	-	-	-	-	15,335	48,033		63,368
Federal sources										
Federal programs	-	264,172	120,610	-	-	30,373	-	-	31,667	446,822
Total revenues	724,830	264,172	120,610	5,720	-	30,373	15,335	48,033	31,667	1,240,740
EXPENDITURES										
Current										
Instructional services										
Regular programs	284,498	-	97,128	-	-	-	-	48,033		429,659
Special education programs	100,629	173,987	-	-	-	-	-	-	-	274,616
Vocational programs	23,818	-	-	-	-	-	-	-	-	23,818
Other instructional programs	8,295	-	-	-	-	-	-	-	-	8,295
Student programs	-	-	-	-	-	27,758	15,335	-	-	43,093
Support services										
Pupil support services	59,949	26,760	-	-	-	-	-	-	-	86,709
Instructional staff support services	18,009	40,208	13,339	5,720	-	-	-	-	-	77,276
General administation	4,280	23,217	10,143	-	-	2,615	-	-	-	40,255
School administation	55,634	-	-	-	-	-	-	-	-	55,634
Business services	16,368	-	-	-	-	-	-	-	31,667	48,035
Plant services	37,034	-	-	-	-	-	-	-	-	37,034
Student transportation services	30,309	-	-	-	-	-	-	-	-	30,309
Noninstructional services										
Food service operations	7,837	-	-	-	-	-	-	-	-	7,837
Total expenditures	646,660	264,172	120,610	5,720	-	30,373	15,335	48,033	31,667	1,162,570
Excess (deficiency) of revenues over expenditures	78,170	-	-	-	-	-	-	-	-	78,170
Fund balances at beginning of year	55,524	-	-	-	-	-	-	-	-	55,524
Fund balances at end of year	$ 133,694	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 133,694

Tensas Parish School Board

St. Joseph, Louisiana

Fiduciary Fund - Agency Funds

Combining Schedule of Changes in Fiduciary Assets and Liabilities

For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash and cash equivalents				
School Activity Funds	$ 48,802	$ 198,083	$ 177,201	$ 69,684
Total	$ 48,802	$ 198,083	$ 177,201	$ 69,684
Liabilities:				
Deposits due student groups				
School Activity Funds	$ 48,802	$ 198,083	$ 177,201	$ 69,684
Total	$ 48,802	$ 198,083	$ 177,201	$ 69,684

Tensas Parish School Board
School Activities Agency Fund
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
Newellton Elementary School	$ 693	$ 37,811	$ 22,914	$ 15,590
Tensas Parish Elementary School	26,481	33,266	32,095	27,652
Tensas Parish High School	21,628	127,006	122,192	26,442
	$ 48,802	$ 198,083	$ 177,201	$ 69,684

Schedule 13

Tensas Parish School Board

St. Joseph, Louisiana

Schedule of Compensation Paid Board Members

For the year ended June 30, 2017

Purpose	District		Amount
Jennifer S Burnside	1	$	3,900
James E Kelly	2		3,900
Oscar S McLemore	3		3,900
Annice A Miller	4		3,900
Esaw Turner	5		3,900
Steve D Vinson	6		3,900
John L Turner	7		3,900
Total Compensation		$	27,300

Schedule 14

Tensas Parish School Board

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

For the year ended June 30, 2017

Chief Executive Officer, Superintendent Paul E Nelson, PhD

Purpose		Amount
Salary - regular	$	102,605
Benefits-insurance		2,917
Benefits-retirement		26,164
Travel		4,620
Total Compensation	$	136,306

REPORTS REQUIRED BY *GOVERNMENT ADUTING STANDARDS*
AND
BY UNIFORM GUIDANCE

HUFFMAN & SOIGNIER

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CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP
Katie Jacola, CPA
Lesley Engolia, CPA

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*

School Board
Tensas Parish School Board
St. Joseph, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tensas Parish School Board, (the School Board), as of and for the year ended June 30, 2017, 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 July 3, 2018.

Internal Control over Financial Reporting

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

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

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

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in the accompanying schedule of findings and questioned costs to be material weaknesses (Findings 2017-001 to 2017-004).

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 to those in charge of governance.

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 are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as items 2017-005 to 2017-006.

The School Board's Response to Findings

The School Board's response to the finding identified in our audit is described in the accompanying schedule of finding 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.

Huffman & Soignier

(A Professional Accounting Corporation)

July 3, 2018

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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Lesley Engolia, CPA

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

Board Members
Tensas Parish School Board
St. Joseph, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Tensas Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2017. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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St. Joseph, Louisiana

Basis for Qualified Opinion on Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding CFDA 10.553, 10.555 as described in finding number 2017-009 Controls over Federal Program Disbursements, 2017-010 for Controls over Federal Procurement, 2017-011 Risk Assessment, and 2017-012 for Monitoring and Reporting Program Performance. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliances described in the Basis for Qualified Opinion paragraph, the School Board complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2017.

Basis for Qualified Opinion on Special Education Cluster

As described in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding CFDA 84.027, 84.173 as described in finding number 2017-008 Controls over Federal Program Disbursements, 2017-009 for Controls over Federal Procurement, 2017-010 for Risk Assessment, and 2017-011 for Monitoring and Reporting Program Performance. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

Qualified Opinion on Special Education Cluster

In our opinion, except for the noncompliances described in the Basis for Qualified Opinion paragraph, the School Board complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster for the year ended June 30, 2017.

Basis for Qualified Opinion on Title I

As described in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding CFDA 84.010 as described in finding 2017-008 Controls over Federal Program Disbursements, 2017-008 for Controls over Federal Procurement, 2017-009 for Controls over Federal Procurement, 2017-010 for Risk Assessment, and 2017-011 for Monitoring and Reporting Program Performance. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

Qualified Opinion on Title I

In our opinion, except for the noncompliances described in the Basis for Qualified Opinion paragraph, the School Board complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Title I for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-009, 2017-010, 2017-11, and 2017-012. Our opinion on the major federal programs are 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the 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 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 have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedules of findings and questioned costs as Findings 2017-008, 2017-009, 2017-010, 2017-011, and 2017-012, that we consider to be material weaknesses.

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 Members
Tensas Parish School Board
St. Joseph, Louisiana

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Huffman & Soignier

(A Professional Accounting Corporation)

July 3, 2018

Tensas Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/Program or Cluster Title	CFDA Number	Pass-through Grantor Number	Federal Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	LEA No. 054	$ 157,047
National School Lunch Program	10.555	LEA No. 054	284,811
Non-Cash Assistance - Food Distribution Program (Commodities)	10.555	LEA No. 054	39,747
Total Child Nutrition Cluster			481,605
Fresh Fruits and Vegetables	10.582	LEA No. 054	28,569
Total United States Department of Agriculture			**510,174**
United States Department of Education			
Passed Through Louisiana Department of Education			
Special Education Cluster (IDEA)-Cluster			
Special Education_Grants to States	84.027	28-17-B1-54	244,498
Special Education_Preschool Grants	84.173	28-17-P1-54	19,674
Total Special Education Cluster (IDEA)-Cluster			264,172
Title I Basic Grants to States	84.010	28-17-T1-54	599,379
Rural Education Achievement Program	84.358	28-17-RE-54	12,837
Title II (Teacher & Principal Training and Recruiting)	84.367	28-17-50-54	107,773
Teacher Incentive Funds	84.374	28-17-TP-54	31,667
Total United States Department of Education			**1,015,828**
United States Department of Health and Human Services			
Passed Through Louisiana Department of Education			
Temporary Assistance for Needy Families - Cluster	93.558	281536-37	**30,373**
Total Expenditures of Federal Awards			**$ 1,556,375**

The accompanying notes are an integral part of this schedule

TENSAS PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2017

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Tensas Parish School Board (the School Board) for the year ended June 30, 2017. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because of the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School Board.

Note 2 - Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports, except for the amounts in reported submitted as of a date subsequent to June 30, 2017.

Note 3 - Relationship to the Financial Statements

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

	Federal Programs
Major Funds	
School Food Service	510,174
Title I	599,379
Nonmajor Funds	
Special Education	264,172
Title II	107,773
Rural Education	12,837
TANF	30,373
Teacher Incentive Funds	31,667
Total Nonmajor Funds	446,822
Total Governmental Funds Revenues	$ 1,556,375

Note 4 - Indirect Cost Rate

The School Board did not elect to use the 10% de minimis indirect cost rate.

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

We have audited the financial statements of the governmental activities and each major fund of the Tensas Parish School Board, as of and for the year ended June 30, 2017, and the related notes to the financial statement, which collectively comprise the basic financial statements and have issued our report thereon dated July 3, 2018. 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. Our audit of the financial statements as of June 30, 2017 resulted in an unmodified opinion.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting
Material Weaknesses _x_ yes ___ no Significant Deficiency ___ yes _x_ no

Noncompliance material to financial statements _x_ yes ___ no

Federal Awards

Internal Control
Material Weaknesses _x_ yes ___ no Significant Deficiency ___ yes _x_ no

Type of Opinion on Compliance For Major Programs: Unmodified ___ Modified _x_ Disclaimer ___ Adverse ___

Are there findings required to be reported in accordance with the Uniform Guidance? Yes

Identification of Major Programs:

- CFDA #10.553, 10.555 Child Nutrition Cluster
- CFDA #84.027, 84.173 Special Education Cluster (IDEA B)
- CFDA #84.010, Title I

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

Is the auditee a "low-risk" auditee ___ yes _x_ no

Section II – Findings related to the financial statements that are required to be reported under *Government Auditing Standards.*

2017-001 Weaknesses in Internal Controls

Criteria or Specific Requirement

Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Written policies and procedures are necessary for successful operation of properly designed internal controls. Management should perform risk assessments and other evaluations to ensure internal controls are designed and operating appropriately and take appropriate action in cases where they are not.

Condition Found

The 2016 / 2017 fiscal year included many changes in personnel including a new Superintendent and a reassignment of some employees in the business office. The Accounts Payable clerk was promoted to the Business Manager position effective July 1, 2016 without an adequate turnover period with the retiring Business Manager. As a result, the new Business Manager was not properly trained and prepared for the position. The complex and demanding nature of her responsibilities, along with no adequate support system, was a significant factor in the decline of fiscal accountability of the School Board. In addition, the changes in the department resulted in other employees being placed in positions for which they were not adequately trained. Written policies and procedures were insufficient to assist with these reassignments.

These factors culminated into the situation that resulted in many of the findings of the June 30, 2016 audit since a considerable amount of the accounting work is performed post year-end. During the course of fiscal year 2017, improvements in internal controls were made as employees progressed in their new positions. However, at June 30, 2017, there were still serious material weaknesses in internal controls in that employees lacked the knowledge to complete tasks such as reconciling significant bank accounts (Finding 2017-002), disbursing funds with appropriate oversight(Finding 2017-003), ensuring payroll is properly managed (Finding 2017-004) and reviewing and reconciling individual accounts for accuracy with supporting documentation. The lack of designed and operating internal controls in the form of written policies and procedures and employee training resulted in inadequate controls over significant accounts and processes including a failure to reconcile significant accounts. As a result, the auditors identified multiple inaccuracies in the trial balances received in November 2017, December 2017 and February 2018. Upon the reconciliation of accounts by the consulting CPA, the auditors were provided a final trial balance in May 2018. However, this final trial balance also required adjustment for significant journal entries that were posted in error by School Board personnel, as well accounts that were not able to be adequately reviewed due to the limited time period for review.

As a result of these conditions, management was not properly updated on a timely basis of current financial performance as demonstrated under budgeting expenditures (Finding 2017-005). The School Board was also noncompliant with the Louisiana Audit law (Finding 2017-006) due to the additional time needed to correct the financial statements and records as of June 30, 2017. Finally, the School Board was also noncompliant with laws and regulations related to federal programs (Findings 2017-007 through 2017-011) and did not process federal reimbursement requests on a timely basis.

The prior year issue of a lack of segregation of duties referred to the significant control provided to the previous business manager. When the previous Business Manager retired, this issue was no longer of substance because the department was realigned such that the new Business Manager utilized the assistance of other employees in the management of duties. The issue became a lack of knowledge and expertise.

Management did assess the controls and the risks of misstatements and attempted to take actions to rectify the situation during fiscal year 2017. A retired School Board Business Manager was hired on a contract basis during fiscal year 2017 to provide assistance and training to the new Business Manager and to reconcile and review accounts to ensure that accurate records were available. While this person did provide good assistance, the work required for a complete overhaul of the operations of the business office coupled with the training of the business manager, the accounts payable clerk, and later the payroll clerk, was too extensive for this contracted personnel to adequately address.

When management was still unable to receive accurate, timely records, management appointed a new Business Manager in April of 2018 and engaged a consulting CPA firm to begin work, also in April of 2018. However, these actions were not soon enough to provide for a timely completion of the audit nor to provide timely information to management for decision making for the year ended June 30, 2017.

Cause

Deficiencies in internal controls include employees / management who lack the qualifications and training to fulfill their assigned functions and insufficiently documented policies and procedures. Although risk assessment was somewhat performed, it was not effective. Refer to Condition Found.

Effect

A variety of deficiencies were identified as cited by Findings 2017-002 through 2017-011 that could have been prevented or detected and corrected with appropriate training and operative internal controls.

Recommendations to Prevent Future Occurrences

We recommend that the School Board continue to utilize the services of its contracted CPA firm to further train School Board personnel in order for them to perform these duties in a timely, accurate manner. The School Board should further ensure that written policies and procedures are adequately described to guarantee smooth transition of operations during employee turnover. Cross-training should be an eventual goal but one that is not anticipated in the near future given the amount of work required in the initial stabilization of the operating environment. Risk assessment should be effective and continue to be performed to determine when appropriate action should be taken.

Origination Date and Prior Year Reference (if applicable)
This finding originated on June 30, 2016. See prior year finding 2016-001.

View of Responsible Official
When the prior Business Manager retired and the Accounts Payable Clerk was moved to Business Manager, we, including the new Business Manager, were aware there was an issue with lack of training and experience for the position. We attempted to reach out to various State and local agencies for training opportunities and assistance; however, we were not able to find adequate training opportunities to assist in the transition. Therefore, the contract consultant was hired, and later a contract CPA firm. From what we learned, we understand the need for the adequate training of personnel and it has been and will continue to be a priority for the school board. We understand and agree with the finding as written above and plan to continue working with the contract CPA firm for at least the next year to ensure financial records are kept up-to-date and that staff is provided appropriate training to perform their job.

2017-002 Protection of School Board Assets – Bank Accounts

Criteria or Specific Requirement
Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to protect all assets, including cash. Those controls include reconciling bank accounts in a manner timely enough to provide management with information necessary for decision making.

Condition Found
The two primary operating bank accounts were not reconciled for the month ending June 30, 2017 until April / May 2018. Additionally, the other eleven months of reconciliations for fiscal year 2017 for these two primary accounts were also not reconciled timely resulting in management being unaware of current cash balances when making management decisions including approving disbursements. None of the School Board's fifteen bank accounts reflected management approval. Five of the fifteen bank accounts had 39 checks totaling $7,304 dated as far back as 2005 that were outstanding beyond the time required for forwarding to the State's Unclaimed Property Division.

Cause

The School Board maintains 15 separate bank accounts, far in excess of the amount necessary for a school board of this size making it more complicated than necessary to protect, control, and properly account for the School Board's assets.

The new Business Manager was not properly trained and prepared for the position. As a result, the complex and demanding nature of her responsibilities, along with no adequate support system, overwhelmed her. These factors combined resulted in duties not being performed on a timely basis. While the reconciliations of most of the bank accounts were simple, straight forward, and performed in a timely manner, the complexity of the two main accounts were beyond the capabilities and resources of the new Business Manager. As a result, the reconciliations were not performed until a contracting CPA firm was retained.

Effect

The School Board's two largest accounts were not reconciled timely enough to provide current, accurate information to management for decision making or to detect and correct material misstatements in a timely manner.

Recommendations to Prevent Future Occurrences

The School Board should evaluate the number of bank accounts that are employed, determine the minimum number required and close any unneeded bank accounts.

The Business Manager should reconcile each bank account on a monthly basis to ensure that cash transactions have been accounted for accurately. Once reconciled, the Business Manager should send the reconciliation along with the bank statement to the Superintendent for his review. If he is in agreement, he should initial and date the reconciliation before returning both items to the Business Manager for filing.

Old outstanding checks should be assessed as to the validity of those amounts still being outstanding or if those amount had been paid through a subsequent month and therefore not still owed. If an amount is still owed, the School Board should void the old check and reissue if the employee or vendor can be located. If the employee or vendor cannot be located, then the amount due to the outside party should be forwarded to Unclaimed Property.

We recommend that the School Board continue to utilize the services of its contracted CPA firm to further train School Board personnel in each of these areas.

Origination Date and Prior Year Reference (if applicable)

This finding originated on June 30, 2016. See prior year finding 2016-001.

View of Responsible Official

The School Board is currently evaluating the necessity of each bank account and working on a plan to close/consolidate accounts as considered necessary. Furthermore, the contract consultant is currently primarily focused on completing bank reconciliations for all accounts, since she is not involved in any of the transactions within each account. Once the reconciliations are completed for each account, the reconciliation will then be sent to the new Business Manager for her review and approval, with the assistance of the contract CPA firm. We believe this new system will allow for adequate segregation of duties and for adequate review of accounts.

2017-003 Internal Controls Not Adequately Designed or Operating - Disbursements

Criteria or Specific Requirement

Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. With respect to disbursements, all invoice should notate items received including a signature of the person that verified the receipt and all disbursements should be approved by a supervisor prior to receipt. Purchase orders should be obtained on all purchases over $500 and should be approved prior to the purchase.

Condition Found

Internal controls are not designed and operating adequately with respect to non-payroll disbursements. The accounts payable clerk maintains custody of the blank check stock and has the capability to add vendors to the system. She processes payments by printing the checks on the blank stock, including the approving signature, then forwards the completed, signed check with the invoice to the Business Manager for approval prior to mailing.

Of the 60 items that were part of the original testwork, 16 of the 60 invoices were not signed by the receiver and 25 of the 60 were not approved by a supervisor prior to payment. Most of the 25 items noted as not being approved by a supervisor were a result of a miscommunication between the Superintendent and the Business Manager which was rectified mid-year.

It was also noted that 6 of the 60 expenditures did not have a purchase requisition / purchase order associated with the expenditure and 7 of the 60 expenditures had purchase orders dated after the invoice date. The Accounts Payable Clerk indicated that she was unaware of the need to do a purchase requisition / purchase order on disbursements over $500 (excluding travel and payroll related disbursements). It should also be noted that despite the items cited above, the disbursements tested were charged to the appropriate accounts in the general ledger.

Cause

Deficiencies in internal controls include inadequate design of controls over significant accounts and processes, inadequate documentation of the components of internal control, and inadequate design of monitoring controls used to assess the design and operating effectiveness of the entity's internal control over time and the absence of an internal process to report deficiencies in internal control to management on a timely basis.

Effect
The failure to provide adequate control over disbursements reflects a lack of management oversight which could result in misstatements not being prevented or detected and corrected on a timely basis. Additionally, disbursements could be made for services/products that were not received.

Recommendations to Prevent Future Occurrences
We recommend that the person responsible for disbursement not have the capability to add vendors to the system. The approving signature should not be printed on the checks but, rather, the checks should be signed by an authorized signor after review and approval of supporting documentation. The number of checks physically printed each month is minimal and this would not cause hardship on the authorized signor(s).

We recommend that each item that is presented for payment by a vendor or a reimbursement to an employee, should be signed by the employee receiving the item to reflect that the item was received, and each item should be approved for payment in order to reflect proper approval from an employee that is responsible for that fund / program. Finally, purchase requisitions / purchase orders should be a part of the disbursements process when applicable. We recommend that the School Board continue to utilize the services of its contracted CPA firm to further train School Board personnel in this area.

Origination Date and Prior Year Reference (if applicable)
This finding originated on June 30, 2016. See prior year finding 2016-002.

View of Responsible Official
Management intends to create processes and procedures to ensure that all goods and/or services are acknowledged and approved by the appropriate staff before payment is rendered to vendors. Furthermore, the new Business Manager has been notified of the deficiencies noted above and will look for all required approvals and documentation prior to approving any invoice for release of the payment.

2017-004 Internal Controls Not Adequately Designed or Operating - Payroll

Criteria or Specific Requirement
Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls over payroll require that all employees be paid accurately and that taxes be submitted in accordance with applicable laws and regulations.

Condition Found
Internal controls are not designed and operating adequately with respect to payroll disbursements. Conditions found include the following:

Federal and state taxes were submitted late on three occasions. The Form 941 for March 31, 2017 and June 30, 2017 were not filed until October 27, 2017. Our testwork of 60 payroll disbursements revealed an overpayment to one employee by $365, another for $1,890, and another for $169. One teacher was being paid on a salary scale with one year of service but should have been reflected as having two years of service resulting in a $358 underpayment to the employee. Finally, it was unclear as to what salary scale one employee was being paid from.

Cause
Deficiencies in internal controls including employees not possessing the training required to fulfill their assigned functions. Lack of adequate training of the new payroll clerk was the cause on the Form 941s being submitted late as well as delay in submitting tax deposits. We were unable to determine a cause as to the variances regarding individual employee payroll file information.

Effect
Delayed responses to providing timely information to a Federal agency, late fees associated with payment of payroll taxes and inaccurate payroll checks being issued as well as inaccurate data in the payroll system for reporting of data to state agency.

Recommendations to Prevent Future Occurrences
We recommend that employee salaries and employee data be reviewed annually by two people to ensure accurate information is being reflected in the payroll system which will ensure accurate payments to employees and accurate reporting of classifications of employees. The Payroll Clerk who was hired in the spring of 2017 became aware of the time requirements on filing Form 941s and the payment of payroll taxes and has corrected the situation. We recommend that the School Board continue to utilize the services of its contracted CPA firm to further train School Board personnel.

Origination Date and Prior Year Reference (if applicable)
This finding originated on June 30, 2016. See prior year finding 2016-003.

View of Responsible Official
Management intends to create processes and procedures whereby all salaries are created by the personnel department, verified by the payroll clerk, and then checked for accuracy by the business manager before payroll disbursements are made to employees. Furthermore, the Business Manager and the Payroll Clerk have both been updated on filing requirements and deadlines to ensure no additional late fees are incurred related to late filing of taxes withheld. The School Board plans to continue working with the contract CPA firm over the next year to ensure additional training and guidance is received as needed.

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

2017-005 Louisiana Budget Act

Entity-wide or Program/Department Specific
This finding is entity-wide.

Criteria or Specific Requirement
Louisiana Revised Statute 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by 5% or more and when total revenues and other sources for the remainder of the year, within a fund, are failing to meet budgeted revenues and other sources by 5% or more.

Condition Found
The General Fund had expenditures and other financing uses totaling $6,791,212 which were budgeted for $5,163,104, resulting in a $11,638,108 (31.5%) negative variance.

Food Service had expenditures and other financing uses totaling $502,150 which were budgeted for $325,662, resulting in a $176,488 (54.2%) negative variance.

Cause
Accurate information was not available during the time of the final budget amendment.

Effect
The School Board was not in compliance with state law.

Recommendations to Prevent Future Occurrences
We recommend that the School Board continue to utilize the services of its contracted CPA firm to further train School Board personnel. In doing so, the School Board will have accurate financial data when preparing budgets. Management will also have information that is reliable in making decisions including amending its budget when warranted.

Origination Date and Prior Year Reference (if applicable)
This finding originated on June 30, 2017.

View of Responsible Official
As stated above, due to not having up-to-date financial records during the fiscal year, the School Board was unable to properly evaluate the budget to actual information on a timely basis. Therefore, an adequate budget revision was not able to be prepared. The School Board is working with the contract CPA firm to get all financial records up-to-date and to ensure budget-to-actual comparisons are prepared on a timely basis and that budgets are revised as needed to be in compliance with State law and sound financial practices.

2017-006 Late Filing

Criteria or Specific Requirement
Louisiana Revised Statute 24:513 requires that the District prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

Condition Found
Due to delays associated with deficiencies noted in the preceding findings, the audited financial statements were not able to be submitted within the time frame prescribed by law.

Cause
Deficiencies in the design of controls included inadequate design of controls over significant accounts and processes, inadequate documentation of the components of internal control, and inadequate design of monitoring controls used to assess the design and operating effectiveness of the entity's internal control over time and the absence of an internal process to report deficiencies in internal control to management on a timely basis.

Effect
The School Board was not in compliance with state law regarding the timely filing of the audit report.

Recommendations to Prevent Future Occurrences
The School Board should continue to use its contracted CPA that began working with the School Board in April of 2018. The assistance provided by the CPA firm was and will continue to be necessary for the School Board to be able to maintain accurate financial records on a timely basis to management and to an auditing firm. Additionally, the internal controls should be assessed and redesigned to address deficiencies such that accurate financial records are available in a timely manner.

Origination Date and Prior Year Reference (if applicable)
This finding originated on June 30, 2016. See prior year finding 2016-009.

View of Responsible Official
The new Business Manager and the contracted CPA have already began working on getting financial records up-to-date and have established a schedule to ensure year-end financial records are ready on a time basis for audit for fiscal year 2018.

Section III - Findings or questioned costs for Federal awards, including those specified by the Uniform Guidance.

2017-007 Training of Personnel

Federal Program Affected
This finding relates to all Federal programs.

See current year finding 2017-001 for criteria, condition found, context, cause, effect, recommendations to prevent future occurrences, origination date, and prior year reference (if applicable) and view of responsible official.

2017-008 Controls over Federal Programs Disbursements

Federal Program Affected
This finding relates to all Federal programs.

See current year finding 2017-003 and 2017-004 for criteria, condition found, context, cause, effect, recommendations to prevent future occurrences, origination date, and prior year reference (if applicable) and view of responsible official.

2017-009 Controls over Federal Programs Procurements

Federal Program Affected
This finding relates to all Federal programs.

Criteria or Specific Requirement
2 CFR 200.303 requires that the entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The requirements that apply to procurement under grants and cooperative agreements are contained in 2 CFR sections 200.317 through 200.326, program legislation; Federal awarding agency regulations, and the terms and conditions of the award. The requirements that apply to procurement under cost-reimbursement contracts under the FAR are contained in 48 CFR parts 03, 15, 44 and the clauses at 48 CFR sections 52.244-2, 52.244-5, 52.203-13, 52.203-16, and 52.215-12; agency FAR Supplements; and the terms and conditions of the contract.

Condition Found
Internal controls are not designed and operating adequately with respect to procurement.

Cause

Deficiencies in the design of controls included inadequate design of controls over significant accounts and processes, inadequate documentation of the components of internal control, and inadequate design of monitoring controls used to assess the design and operating effectiveness of the entity's internal control over time and the absence of an internal process to report deficiencies in internal control to management on a timely basis.

Effect

School Board policies and procedures do not sufficiently detail:

- Managements attitude regarding acceptable practices, conflicts of interest and expected standards of ethical and moral behavior
- A requirement for School Board approval for high dollar, lengthy or other sensitive procurement contracts
- Procedures to identify risks arising from contractor adequacy, e.g., quality of goods and services, delivery schedules, warranty assurances and user support. Further, procedures are not in place to reduce this risk to an acceptable level
- Requirements for procurement, suspension, and debarment
- Procedures to identify risks arising from conflicts of interest and procedures to reduce these risks to an acceptable level
- Requirements for contract files documenting procurement history
- Methods of procurement authorized including selection of contract type, contractor selection or rejection, and the basis for the contract price
- Verification that procurements provide full and open competition
- Cost or price analysis including contract modifications
- Obtaining and reacting to suspension and debarment certifications or equivalent documentation
- Other applicable requirements for procurement under Federal awards be followed
- A system to assure that the required procurement documentation is retained for the time period required by 2 CFR part 200, award agreements, contracts and program regulation:
    - The basis for contractor selection
    - Justification for lack of competition when competitive bids or offers are not obtained
    - The basis for award cost or price

Perspective Information

This finding does not represent an isolated instance but rather a systemic problem. These findings are interrelated and entity-wide.

Recommendations to Prevent Future Occurrences

Policies and procedures should be reviewed and internal controls should be redesigned to include those items as required by laws, award agreements, contracts and program regulations.

Origination Date and Prior Year Reference (if applicable)
This finding originated on June 30, 2016. See prior year finding 2016-013.

View of Responsible Official
The School Board, with the help of the contracted CPA, will review written policies and procedures regarding federal awards to ensure compliance with the Uniform Guidance.

2017-010 Risk Assessment

Federal Program Affected
This finding relates to all Federal programs.

See current year finding 2017-001 for criteria, condition found, context, cause, effect, recommendations to prevent future occurrences, origination date, and prior year reference (if applicable) and view of responsible official.

2017-011 Monitoring and Reporting Program Performance

Federal Program Affected
All Federal programs are affected

Criteria or Specific Requirement
2 CFR 200.328 states that the entity is responsible for oversight of the operations of the Federal award supported activities. The entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the entity must cover each program, function or activity.

Condition Found
The entity did not monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations were being achieved. Additionally, more than ten months after year end, the contracted CPA identified nearly $80,000 of Title I expenditures that had not been recorded in the Title I fund nor had been requested for reimbursement.

Cause
Deficiencies in the design of controls included inadequate design of controls over significant accounts and processes, inadequate documentation of the components of internal control, and inadequate design of monitoring controls used to assess the design and operating effectiveness of the entity's internal control over time and the absence of an internal process to report deficiencies in internal control to management on a timely basis.

Effect
With respect to the major programs, there was no documentary evidence that expenditure reports, reimbursement reports or budget to actual comparisons were produced, reviewed or approved by appropriate personnel.

Recommendations to Prevent Future Occurrences
Records should be maintained on a funding source level, in an understandable format and reconciled with the appropriate agencies monthly. Further, a knowledgeable individual, with the assistance of the School Board's contracted CPA firm until this knowledgeable individual is adequately trained, should review and reconcile all accounts monthly to ensure accuracy and financial statements including budget to actual comparisons should be available to management within a time frame sufficient to allow for knowledgeable decision making.

Origination Date and Prior Year Reference (if applicable)
This finding originated on June 30, 2016. See prior year finding 2016-015.

View of Responsible Official
The new Business Manager has already began working with the contracted CPA firm to ensure grant reporting, including reimbursement requests, PER's, etc., are completed, reviewed and submitted on a timely basis for fiscal year 2018.

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

2017-001 Weaknesses in Internal Controls

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

Condition
Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Written policies and procedures are necessary for successful operation of properly designed internal controls. Management should perform risk assessments and other evaluations to ensure internal controls are designed and operating appropriately and take appropriate action in cases where they are not.

The 2016 / 2017 fiscal year included many changes in personnel including a new Superintendent and a reassignment of some employees in the business office. The Accounts Payable clerk was promoted to the Business Manager position effective July 1, 2016 without an adequate turnover period with the retiring Business Manager. As a result, the new Business Manager was not properly trained and prepared for the position. The complex and demanding nature of her responsibilities, along with no adequate support system, was a significant factor in the decline of fiscal accountability of the School Board. In addition, the changes in the department resulted in other employees being placed in positions for which they were not adequately trained. Written policies and procedures were insufficient to assist with these reassignments.

These factors culminated into the situation that resulted in many of the findings of the June 30, 2016 audit since a considerable amount of the accounting work is performed post year-end. During the course of fiscal year 2017, improvements in internal controls were made as employees progressed in their new positions. However, at June 30, 2017, there were still serious material weaknesses in internal controls in that employees lacked the knowledge to complete tasks such as reconciling significant bank accounts (Finding 2017-002), disbursing funds with appropriate oversight(Finding 2017-003), ensuring payroll is properly managed (Finding 2017-004) and reviewing and reconciling individual accounts for accuracy with supporting documentation. The lack of designed and operating internal controls in the form of written policies and procedures and employee training resulted in inadequate controls over significant accounts and processes including a failure to reconcile significant accounts. As a result, the auditors identified multiple inaccuracies in the trial balances received in November 2017, December 2017 and February 2018. Upon the reconciliation of accounts by the consulting CPA, the auditors were provided a final trial balance in May 2018. However, this final trial balance also required adjustment for significant journal entries that were posted in error by School Board personnel, as well accounts that were not able to be adequately reviewed due to the limited time period for review.

As a result of these conditions, management was not properly updated on a timely basis of current financial performance as demonstrated under budgeting expenditures (Finding 2017-005). The School Board was also noncompliant with the Louisiana Audit law (Finding 2017-006) due to the additional time needed to correct the financial statements and records as of June 30, 2017. Finally, the School Board was also noncompliant with laws and regulations related to federal programs (Findings 2017-007 through 2017-011) and did not process federal reimbursement requests on a timely basis.

The prior year issue of a lack of segregation of duties referred to the significant control provided to the previous business manager. When the previous Business Manager retired, this issue was no longer of substance because the department was realigned such that the new Business Manager utilized the assistance of other employees in the management of duties. The issue became a lack of knowledge and expertise.

Management did assess the controls and the risks of misstatements and attempted to take actions to rectify the situation during fiscal year 2017. A retired School Board Business Manager was hired on a contract basis during fiscal year 2017 to provide assistance and training to the new Business Manager and to reconcile and review accounts to ensure that accurate records were available. While this person did provide good assistance, the work required for a complete overhaul of the operations of the business office coupled with the training of the business manager, the accounts payable clerk, and later the payroll clerk, was too extensive for this contracted personnel to adequately address.

When management was still unable to receive accurate, timely records, management appointed a new Business Manager in April of 2018 and engaged a consulting CPA firm to begin work, also in April of 2018. However, these actions were not soon enough to provide for a timely completion of the audit nor to provide timely information to management for decision making for the year ended June 30, 2017.

Corrective Action Plan

When the prior Business Manager retired and the Accounts Payable Clerk was moved to Business Manager, we, including the new Business Manager, were aware there was an issue with lack of training and experience for the position. We attempted to reach out to various State and local agencies for training opportunities and assistance; however, we were not able to find adequate training opportunities to assist in the transition. Therefore, the contract consultant was hired, and later a contract CPA firm. From what we learned, we understand the need for the adequate training of personnel and it has been and will continue to be a priority for the school board. We understand and agree with the finding as written above and plan to continue working with the contract CPA firm for at least the next year to ensure financial records are kept up-to-date and that staff is provided appropriate training to perform their job.

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-002 Protection of School Board Assets – Bank Accounts

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

Condition
Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to protect all assets, including cash. Those controls include reconciling bank accounts in a manner timely enough to provide management with information necessary for decision making.

The two primary operating bank accounts were not reconciled for the month ending June 30, 2017 until April / May 2018. Additionally, the other eleven months of reconciliations for fiscal year 2017 for these two primary accounts were also not reconciled timely resulting in management being unaware of current cash balances when making management decisions including approving disbursements. None of the School Board's fifteen bank accounts reflected management approval. Five of the fifteen bank accounts had 39 checks totaling $7,304 dated as far back as 2005 that were outstanding beyond the time required for forwarding to the State's Unclaimed Property Division.

Corrective Action Plan
The School Board is currently evaluating the necessity of each bank account and working on a plan to close/consolidate accounts as considered necessary. Furthermore, the contract consultant is currently primarily focused on completing bank reconciliations for all accounts, since she is not involved in any of the transactions within each account. Once the reconciliations are completed for each account, the reconciliation will then be sent to the new Business Manager for her review and approval, with the assistance of the contract CPA firm. We believe this new system will allow for adequate segregation of duties and for adequate review of accounts.

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-003 Internal Controls Not Adequately Designed or Operating – Disbursements

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

Condition
Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. With respect to disbursements, all invoice should notate items received including a signature of the person that verified the receipt and all disbursements should be approved by a supervisor prior to receipt. Purchase orders should be obtained on all purchases over $500 and should be approved prior to the purchase.

Internal controls are not designed and operating adequately with respect to non-payroll disbursements. The accounts payable clerk maintains custody of the blank check stock and has the capability to add vendors to the system. She processes payments by printing the checks on the blank stock, including the approving signature, then forwards the completed, signed check with the invoice to the Business Manager for approval prior to mailing.

Of the 60 items that were part of the original testwork, 16 of the 60 invoices were not signed by the receiver and 25 of the 60 were not approved by a supervisor prior to payment. Most of the 25 items noted as not being approved by a supervisor were a result of a miscommunication between the Superintendent and the Business Manager which was rectified mid-year.

It was also noted that 6 of the 60 expenditures did not have a purchase requisition / purchase order associated with the expenditure and 7 of the 60 expenditures had purchase orders dated after the invoice date. The Accounts Payable Clerk indicated that she was unaware of the need to do a purchase requisition / purchase order on disbursements over $500 (excluding travel and payroll related disbursements). It should also be noted that despite the items cited above, the disbursements tested were charged to the appropriate accounts in the general ledger.

Corrective Action Plan
Management intends to create processes and procedures to ensure that all goods and/or services are acknowledged and approved by the appropriate staff before payment is rendered to vendors. Furthermore, the new Business Manager has been notified of the deficiencies noted above and will look for all required approvals and documentation prior to approving any invoice for release of the payment.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-004 Internal Controls Not Adequately Designed or Operating - Payroll

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

Condition
Sound business practices require internal controls be designed and operate to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls over payroll require that all employees be paid accurately and that taxes be submitted in accordance with applicable laws and regulations.

Federal and state taxes were submitted late on three occasions. The Form 941 for March 31, 2017 and June 30, 2017 were not filed until October 27, 2017. Our testwork of 60 payroll disbursements revealed an overpayment to one employee by $365, another for $1,890, and another for $169. One teacher was being paid on a salary scale with one year of service but should have been reflected as having two years of service resulting in a $358 underpayment to the employee. Finally, it was unclear as to what salary scale one employee was being paid from.

Corrective Action Plan
Management intends to create processes and procedures whereby all salaries are created by the personnel department, verified by the payroll clerk, and then checked for accuracy by the business manager before payroll disbursements are made to employees. Furthermore, the Business Manager and the Payroll Clerk have both been updated on filing requirements and deadlines to ensure no additional late fees are incurred related to late filing of taxes

withheld. The School Board plans to continue working with the contract CPA firm over the next year to ensure additional training and guidance is received as needed.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-005 Louisiana Budget Act

Entity-wide or Program/Department Specific
This finding is entity-wide.

Condition
Louisiana Revised Statute 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by 5% or more and when total revenues and other sources for the remainder of the year, within a fund, are failing to meet budgeted revenues and other sources by 5% or more.

The General Fund had expenditures and other financing uses totaling \$6,791,212 which were budgeted for \$5,163,104, resulting in a \$11,638,108 (31.5%) negative variance.

Food Service had expenditures and other financing uses totaling \$502,150 which were budgeted for \$325,662, resulting in a \$176,488 (54.2%) negative variance.

Corrective Action Plan
As stated above, due to not having up-to-date financial records during the fiscal year, the School Board was unable to properly evaluate the budget to actual information on a timely basis. Therefore, an adequate budget revision was not able to be prepared. The School Board is working with the contract CPA firm to get all financial records up-to-date and to ensure budget-to-actual comparisons are prepared on a timely basis and that budgets are revised as needed to be in compliance with State law and sound financial practices.

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-006 Late Filing

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

Condition
Louisiana Revised Statute 24:513 requires that the District prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

Due to delays associated with deficiencies noted in the preceding findings, the audited financial statements were not able to be submitted within the time frame prescribed by law.

Corrective Action Plan
The new Business Manager and the contracted CPA have already began working on getting financial records up-to-date and have established a schedule to ensure year-end financial records are ready on a time basis for audit for fiscal year 2018.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
181 days

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

2017-007 Training of Personnel

Entity-wide or program/department specific
This finding relates to all Federal programs.

See current year finding 2017-001 for criteria, condition found, context, cause, effect, recommendations to prevent future occurrences, origination date, and prior year reference (if applicable) and view of responsible official.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-008 Controls over Federal Programs Disbursements

Entity-wide or program/department specific
This finding relates to all Federal programs.

See current year finding 2017-003 and 2017-004 for criteria, condition found, context, cause, effect, recommendations to prevent future occurrences, origination date, and prior year reference (if applicable) and view of responsible official.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-009 Controls over Federal Programs Procurements

Entity-wide or program/department specific
This finding relates to all Federal programs.

Condition
2 CFR 200.303 requires that the entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The requirements that apply to procurement under grants and cooperative agreements are contained in 2 CFR sections 200.317 through 200.326, program legislation; Federal awarding agency regulations, and the terms and conditions of the award. The requirements that apply to procurement under cost-reimbursement contracts under the FAR are contained in 48 CFR parts 03, 15, 44 and the clauses at 48 CFR sections 52.244-2, 52.244-5, 52.203-13, 52.203-16, and 52.215-12; agency FAR Supplements; and the terms and conditions of the contract.

Internal controls are not designed and operating adequately with respect to procurement.

Corrective Action Plan
The School Board, with the help of the contracted CPA, will review written policies and procedures regarding federal awards to ensure compliance with the Uniform Guidance.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-010 Risk Assessment

Entity-wide or program/department specific
This finding relates to all Federal programs.

See current year finding 2017-001 for criteria, condition found, context, cause, effect, recommendations to prevent future occurrences, origination date, and prior year reference (if applicable) and view of responsible official.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

2017-011 Monitoring and Reporting Program Performance

Entity-wide or program/department specific
This finding relates to all Federal programs.

Condition
2 CFR 200.328 states that the entity is responsible for oversight of the operations of the Federal award supported activities. The entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the entity must cover each program, function or activity.

The entity did not monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations were being achieved. Additionally, more than ten months after year end, the contracted CPA identified nearly $80,000 of Title I expenditures that had not been recorded in the Title I fund nor had been requested for reimbursement.

Corrective Action Plan
The new Business Manager has already began working with the contracted CPA firm to ensure grant reporting, including reimbursement requests, PER's, etc., are completed, reviewed and submitted on a timely basis for fiscal year 2018.

Person responsible for corrective action plan
Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion
120 days

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

The following is a summary of the status of the prior year findings included in Huffman & Soignier (APAC)'s audit report dated May 3, 2017, covering the audit of the financial statements of Ouachita Council of Governments as of and for the year ended June 30, 2016.

2016-001 Protection of School Board Assets – Bank Accounts

Condition Found
Two of the fifteen bank accounts, namely the payroll and accounts payable accounts both of which include significant transactions, were not reconciled until mid-March 2017, eight and a half months after year end.

Five of the fifteen bank accounts had 61 checks totaling $11,673 that were outstanding beyond the time required for forwarding to Unclaimed Property.

Status
Partially remedied. Refer to Finding 2017-002

2016-002 Internal Controls Not Adequately Designed or Operating - Disbursements

Condition Found
Internal controls are not designed and operating adequately with respect to non-payroll disbursements. Of the 60 items that were part of the original testwork, 8 of the 60 invoices were not signed by the receiver and 12 of the 60 were not approved by a supervisor prior to payment. The failure to provide adequate control over disbursements could result in amounts being paid for which the services/products were not received. However, it should be noted that the exceptions do appear to be for items that are normally expected to be an expenditure of a school board.

Status
Refer to Finding 2017-003.

2016-003 Internal Controls Not Adequately Designed or Operating - Payroll

Condition Found
Internal controls are not designed and operating adequately with respect to payroll disbursements. Seven exceptions were noted for the 60 items selected in our testwork.

Status
Refer to Finding 2017-004

2016-004 Lack of Segregation of Duties

Condition Found

The previous Business Manager maintained substantial control and access to all aspects of the business office resulting in inadequate checks and balances over internal controls.

Status

Resolved

2016-005 Training of Personnel

Condition Found

A variety of deficiencies were identified (Refer to Findings 2016-001, 2016-002 and 2016-003) that could have been prevented or detected and corrected with appropriate training and operative internal controls.

Status

Partially resolved. Refer to Finding 2017-001.

2016-006 Controls over Significant Accounts and Processes

Condition Found

Lack of designed and operating internal controls in the form of written policies and procedures ensuring segregation of duties (finding 2016-02) and employee training (finding 2016-03) resulted in inadequate controls over significant accounts and processes including a failure to reconcile significant accounts.

Status

Partially resolved. Refer to Finding 2017-001.

2016-007 Risk Assessment

Condition Found

The deficiencies identified during the course of the audit were not prevented or detected and corrected in a timely manner due to a lack of properly designed and adequately operating internal controls.

Status

Partially resolved. Refer to Finding 2017-001.

2016-008 Timeliness of Accurate Records

Condition Found
Financial reports were not provided to management in a timely manner.

Status
Refer to Finding 2017-001.

2016-009 Late Filing

Condition Found
Due to delays associated with deficiencies noted in the preceding findings, the audited financial statements were not able to be submitted within the time frame prescribed by law.

Status
Refer to Finding 2017-006.

Section III - <u>Findings or questioned costs for Federal awards, inkling those specified by the Uniform Guidance.</u>

2016-010 Lack of Segregation of Duties

Condition Found
The Business Manager retired at year end without adequately training her successor. During her tenure, the Business Manager was provided unfettered control and access to all aspects of the business office resulting in no checks and balances to ensure adequate internal controls. For the Title I program, there were several employees involved in the processes but segregation was not properly designed to prevent or detect and correct material misstatements in a timely manner.

Status
Resolved

2016-011 Training of Personnel

Condition Found
Refer to Conditions Found listed in Finding 2016-005.

Status
Partially resolved. Refer to Finding 2017-001.

2016-012 Controls over Federal Programs Disbursements

Condition Found
Internal controls are not designed and operating adequately with respect to non-payroll and payroll disbursements, including those paid with Federal funds (refer to Findings 2016-02 and 2016-03).

Status
Refer to Findings 2017-008.

2016-013 Controls over Federal Programs Procurements

Condition Found
School Board policies and procedures do not sufficiently detail:

- Managements attitude regarding acceptable practices, conflicts of interest and expected standards of ethical and moral behavior
- A requirement for School Board approval for high dollar, lengthy or other sensitive procurement contracts
- Procedures to identify risks arising from contractor adequacy, e.g., quality of goods and services, delivery schedules, warranty assurances and user support. Further, procedures are not in place to reduce this risk to an acceptable level
- Requirements for procurement, suspension, and debarment
- Procedures to identify risks arising from conflicts of interest and procedures to reduce these risks to an acceptable level
- Requirements for contract files documenting procurement history
- Methods of procurement authorized including selection of contract type, contractor selection or rejection, and the basis for the contract price
- Verification that procurements provide full and open competition
- Cost or price analysis including contract modifications
- Obtaining and reacting to suspension and debarment certifications or equivalent documentation
- Other applicable requirements for procurement under Federal awards be followed
- A system to assure that the required procurement documentation is retained for the time period required by 2 CFR part 200, award agreements, contracts and program regulation:
    - The basis for contractor selection
    - Justification for lack of competition when competitive bids or offers are not obtained
    - The basis for award cost or price

Status
Refer to Finding 2017-010.

2016-014 Risk Assessment

Condition Found

Policies and procedures do not establish responsibility and provide procedures for periodic monitoring, verification, and reporting of program progress and accomplishments.

Status

Refer to Finding 2017-010.

2016-015 Monitoring and Reporting Program Performance

Condition Found

The entity did not monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations were being achieved.

Status

Refer to Finding 2017-011.

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP
Katie Jacola, CPA
Lesley Engolia, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2017

Tensas Parish School Board
St. Joseph, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Tensas Parish School Board (the School Board); the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School Board for the fiscal year ended June 30, 2017; 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 1929, in compliance with Louisiana Revised Statute 24:514 I. Management of the School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

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

Comment: The Annual Financial Report (AFR) was summited on January 24, 2018, but the submission was before the final and accurate trial balance was available for AFR reporting. Material adjustments to the trial balance were made after the AFR submission. Amounts used in Schedule 1 are based upon the original AFR submission as required and therefore, will not be an accurate reflection of activities.

Management's Response: Management has noted the error and is working to ensure the AFR for fiscal year 2018 is submitted timely and includes all material adjustments.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant 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 1.

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

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

   Comment: Two teachers were incorrectly shown as not being certificated, and one teacher was incorrectly shown as being certified.
   Management's Response: The School Board has noted the error and will make necessary corrections.

Number and Type of Public Schools (Schedule 3)

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

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

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

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

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

Public School Staff Data: Average Salaries (Schedule 5)

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

   Comment: One teacher was overpaid by $365. In addition, one teacher's PiP salary of $1,297 was not included in the Schedule 5 average salaries calculation.
   Management's Response: The School Board agrees with the comments and will make necessary corrections.

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

   Comment: Minor variance caused by the exception noted in number 7 above.
   Management's Response: The School Board agrees with the comment and will make necessary corrections.

Class Size Characteristics (Schedule 6)

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

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

Louisiana Educational Assessment Program (LEAP) - ELA & Math (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by TPSB.

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

Graduation Exit Examination (GEE) (Schedule 8)

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

Tensas Parish School Board
St. Joseph, Louisiana

LEAP Tests - Science & Social Studies (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by TPSB.

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

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statue 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Huffman & Soignier

(A Professional Accounting Corporation)
Monroe, LA

July 3, 2018

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources For the Year Ended June 30, 2017

	Column A	Column B
General Fund Instructional and Equipment Expenditures		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	$ 1,651,966	
Other Instructional Staff Activities	264,150	
Instructional Staff Employee Benefits	1,160,231	
Purchased Professional and Technical Services	291,920	
Instructional Materials and Supplies	322,933	
Instructional Equipment	32,205	
Total Teacher and Student Interaction Activities		$ 3,723,405
Other Instructional Activities		54,202
Pupil Support Activities	607,569	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		607,569
Instructional Staff Services	165,552	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		165,552
School Administration		
Less: Equipment for School Administration	517,817	
Net School Administration	-	517,817
Total General Fund Instructional Expenditures (Total of Column B)		$ 5,068,545
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		$ 32,205
Certain Local Revenue Sources		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		$ 287,672
Renewable Ad Valorem Tax		1,721,477
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		65,405
Sales and Use Taxes		724,750
Total Local Taxation Revenue		$ 2,799,304
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		$ 23,547
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		$ 23,547
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		$ -
Revenue Sharing - Other Taxes		5,811
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		$ 5,811
Nonpublic Textbook Revenue		$ -
Nonpublic Transportation Revenue		$ -

TENSAS PARISH SCHOOL BOARD

St. Joseph, Louisiana

Education Levels of Public School Staff

As of October 1, 2016

	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
Category	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	16	34%	21	45%	-	-	-	-
Master's Degree	5	11%	2	4%	2	40%	-	-
Master's Degree + 30	3	6%	-	-	2	40%	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	1	20%	-	-
Total	**24**	**51%**	**23**	**49%**	**5**	**100%**	-	-

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2017

Type	Number
Elementary	2
Middle/Jr. High	0
Secondary	1
Combination	0
Total	3

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

TENSAS PARISH SCHOOL BOARD

St. Joseph, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	1	1
Principals	-	-	-	-	2	-	2	4
Classroom Teachers	12	5	13	3	3	3	8	47
Total	12	5	13	3	5	3	11	52

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	$36,424	$35,609
Average Classroom Teachers' Salary Excluding Extra Compensation	$35,750	$35,006
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	49.8001	43.8277

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Class Size Characteristics
As of October 1, 2016

	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	81.62%	111	18.38%	25	0.00%	0	0.00%	0
Elementary Activity Classes	81.25%	13	18.75%	3	0.00%	0	0.00%	0
Middle/Jr. High	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Middle/Jr. High Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0
High	68.81%	75	22.94%	25	8.26%	9	0.00%	0
High Activity Classes	83.33%	15	5.56%	1	11.11%	2	0.00%	0
Combination	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0

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

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	0%	0%	1%	0%	5%
Mastery	22%	15%	20%	5%	25%	32%
Basic	32%	23%	15%	27%	33%	27%
Approaching Basic	14%	35%	22%	30%	18%	20%
Unsatisfactory	30%	28%	44%	38%	25%	17%
Total	101%	101%	101%	101%	101%	101%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	0%	0%	2%	0%	0%
Mastery	24%	16%	24%	15%	23%	18%
Basic	32%	29%	50%	34%	35%	39%
Approaching Basic	24%	29%	21%	34%	39%	32%
Unsatisfactory	15%	26%	5%	15%	3%	11%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	3%	0%	1%	0%	0%
Mastery	18%	14%	15%	6%	28%	8%
Basic	36%	33%	35%	30%	33%	40%
Approaching Basic	36%	36%	39%	48%	36%	40%
Unsatisfactory	9%	14%	11%	15%	3%	11%
Total	100%	100%	100%	100%	100%	99%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	2%	0%	3%	0%	0%
Mastery	17%	15%	18%	17%	15%	3%
Basic	36%	42%	25%	33%	34%	40%
Approaching Basic	42%	28%	38%	33%	40%	43%
Unsatisfactory	6%	13%	20%	14%	11%	15%
Total	102%	100%	101%	100%	100%	101%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	0%	0%	1%	0%	0%
Mastery	28%	5%	22%	9%	3%	11%
Basic	28%	32%	37%	46%	34%	35%
Approaching Basic	26%	39%	31%	39%	42%	39%
Unsatisfactory	18%	24%	9%	7%	21%	15%
Total	101%	100%	99%	102%	100%	100%

Louisiana Educational Assessment Program (LEAP) (continued)
For the Year Ended June 30, 2016

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	2%	0%	1%	0%	0%
Mastery	5%	22%	14%	1%	10%	9%
Basic	43%	41%	41%	30%	18%	14%
Approaching Basic	23%	22%	29%	40%	47%	53%
Unsatisfactory	30%	12%	16%	30%	24%	24%
Total	102%	99%	100%	102%	99%	100%

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2017

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule 9

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	0%	2%	3%	N/A	0%
Mastery	5%	10%	12%	3%	N/A	12%
Basic	43%	38%	37%	24%	N/A	45%
Approaching Basic	19%	35%	29%	32%	N/A	24%
Unsatisfactory	32%	18%	20%	38%	N/A	19%
Total	100%	101%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2%	0%	0%	1%	N/A	2%
Mastery	10%	3%	3%	15%	N/A	0%
Basic	41%	52%	38%	12%	N/A	45%
Approaching Basic	37%	29%	44%	44%	N/A	15%
Unsatisfactory	10%	16%	15%	29%	N/A	38%
Total	100%	100%	100%	101%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	0%	0%	1%	N/A	0%
Mastery	9%	8%	6%	1%	N/A	0%
Basic	30%	39%	35%	18%	N/A	45%
Approaching Basic	24%	33%	37%	21%	N/A	36%
Unsatisfactory	36%	19%	21%	61%	N/A	19%
Total	100%	99%	99%	102%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	2%	0%	1%	N/A	0%
Mastery	9%	15%	18%	3%	N/A	2%
Basic	40%	42%	25%	31%	N/A	29%
Approaching Basic	34%	28%	38%	42%	N/A	50%
Unsatisfactory	17%	13%	20%	25%	N/A	19%
Total	101%	100%	101%	102%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	0%	0%	1%	N/A	0%
Mastery	7%	3%	9%	12%	N/A	4%
Basic	35%	34%	39%	25%	N/A	40%
Approaching Basic	35%	42%	35%	25%	N/A	35%
Unsatisfactory	23%	21%	17%	39%	N/A	21%
Total	101%	100%	100%	102%	N/A	100%

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule 9

iLEAP Tests
For the Year Ended June 30, 2016

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1%	3%	0%	1%	N/A	0%
Mastery	3%	8%	2%	5%	N/A	0%
Basic	30%	37%	33%	20%	N/A	32%
Approaching Basic	33%	39%	37%	30%	N/A	34%
Unsatisfactory	35%	14%	28%	45%	N/A	34%
Total	102%	101%	100%	101%	N/A	100%

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP
Katie Jacola, CPA
Lesley Engolia, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Tensas Parish School Board
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Tensas Parish School Board (the School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The School Board's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We requested the entity's written policies and procedures to report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

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

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

   d) ***Receipts***, including receiving, recording, and preparing deposits

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

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

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

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

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

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

Results: The following exceptions were noted during the review of policies and procedures:

a) ***Budgeting*** - The budgeting policy does not address how often the budgets are monitored.

b) ***Purchasing*** - The purchasing policy does not address (2) how vendors are added to the vendor list, (4) controls to ensure compliance with public bid law, and (5) documentation required to be maintained for all bids and price quotes.

c) ***Disbursements*** - There were no written policies or procedures discussing processing, reviewing, and approving disbursements.

d) ***Receipts*** - There were no written policies or procedures discussing receiving, recording, and preparing deposits.

e) ***Payroll/Personnel*** - There were no written policies or procedures discussing (1) payroll processing and (2) reviewing and approving time and attendance records.

f) ***Contracting*** - There were no written policies or procedures discussing (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) ***Credit Cards*** - There were no written policies and procedures discussing (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

h) ***Travel*** - The travel policy does not address (1) allowable expenses, (2) dollar thresholds by category of expense, and (4) required approvers.

i) ***Ethics*** - The ethics policy does not address a (3) system to monitor possible ethics violations and the (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

j) ***Debt Service*** - The debt service policy does not address (2) EMMA reporting requirements and (4) debt service requirements.

Management's Response: The School Board has noted the exceptions detailed above and will work to update written policies and procedures to include all necessary information.

Board (or Finance Committee, if applicable)

2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
   a) Determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
   b) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
      - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
   c) Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: There were 12 exceptions related to procedure 2.b). The minutes covering the July 2016-June 2017 time period did not contain any evidence showing that the board reviewed or discussed monthly budget-to-actual comparisons. Quarterly financial data was distributed but was largely of incomplete or incorrect information that would have been of limited to no value.

Management's Response: Management is working with the contract CPA to update accounting records and provide timely financial records to the Board.

Bank Reconciliations

3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and determined whether:
   a) Bank reconciliations have been prepared;

b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: The review of a sample of 6 bank accounts revealed that bank reconciliations for 2 of the accounts were not prepared, resulting in 24 exceptions for procedure 4.a). In addition, there were 72 exceptions related to procedure 4.b) because bank reconciliations were either not prepared, or, if they were prepared, they were not approved by a member of management or board member not involved in the transactions associated with the bank accounts.

Finally, 31 exceptions were noted during the completion of procedure 4.c). The June 2017 bank reconciliation for one account tested lists 18 checks totaling $8,189.34 that have been outstanding for more than 6 months as of the end of fiscal year 2017 that have not been researched. Another June 2017 bank reconciliation for a different account tested contains 13 outstanding checks totaling $1,824.02 that have also not been researched.

Management's Response: The School Board is currently working to close any unnecessary bank accounts and to ensure all remaining bank accounts have a properly prepared and reviewed bank reconciliation.

Collections

5. We requested a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). **For each cash collection location selected**:

   a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) in order to determine whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

   b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) in order to determine whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

  - Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.

  - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and report any exceptions.

7. We obtained existing written documentation (e.g. policy manual, written procedure) in order to determine whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: There were five exceptions related to procedure 6.a) and five exceptions noted for 6.b). For all five cash collection locations tested, there was not proper written segregation of duties for cash collections.

Regarding procedure 6.c), twenty exceptions were found across the 5 locations when testing whether collections were deposited within 1 business day of receipt. The date of receipt was undeterminable for 15 transactions due to either lack of support or a receipt date missing on the support. For the remaining 5 items that had a determinable receipt date, they were deposited in 2 to 3 business days. It should be noted that one front office secretary did not receipt any of the $8,174.10 in collections tested for that location.

When testing whether collections were supported by proper documentation, there were 14 exceptions noted. As previously mentioned, the secretary at one location did not receipt any collections for the week that was tested. There were also 4 concession stand count forms at the same location that were not properly completed. A different location could not find support for a $67.29 collection, while another location lacked documentation for a $103.20 collection. Finally, a separate location did not have a receipt for a $5.00 collection, and a concession stand count form was missing for a $123.00 collection.

There was 1 exception for procedure 7 due to there being no written documentation describing the process to determine completeness of all cash collections by a person who is not responsible for collections.

Management's Response: The School Board has noted the errors above and will work with the contract CPA to develop proper procedures for cash receipts.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, we randomly selected twenty-five disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than twenty-five transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:
   a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
   b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
   c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and determined whether the persons with signatory authority have system access to print checks.

13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Results: There were 5 exceptions related to procedure 9.a) in which 5 purchases were not supported by a purchase order. Also, 7 purchase orders were not approved by a person who did not initiate the purchase, which resulted in 7 exceptions for procedure 9.b). Five exceptions were found for procedure 9.c) that involved five payments that were processed without an approved purchase order, receiving report, and/or an approved invoice. The School Board does not have documentation to use in determining whether procedures 10 and 11 apply to its operations; however, the business manager stated that the accounts payable clerk, who processes payments, can add vendors to the School Board's purchasing system, maintains custody of the blank check stock, and prints the checks (including the approving signatures). The accounts payable clerk also maintains the signed checks until they are mailed. A compensating control is that the business manager does review the checks before they are mailed and is in charge of the bank reconciliation process, but, given the lack of timely bank reconciliations on the main operating accounts, the disbursements process is operating in a flawed manner.

Management's Response: Due to the limited staff within the District, it is harder to segregate controls properly regarding disbursements. The School Board has noted the exceptions above and will work with the contract CPA to address these areas.

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

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

15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

    a) Determined whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

    b) Determined whether finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

    a) For each transaction, we determined whether the transaction is supported by:

        - An original itemized receipt (i.e., identifies precisely what was purchased)
        - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
        - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

    b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.

    c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: There was one exception noted related to procedure 15.a). An authorized card holder reviewed and approved his own credit card statement.

Management's Response: The School Board has noted the exception above and will review processes to determine necessary changes needed.

Travel and Expense Reimbursement

17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.

18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.

19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

   a) Compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.

   b) Reported whether each expense is supported by:

      - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

      - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

      - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

   c) Compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

   d) Determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Regarding procedure 18, written policies and procedures related to travel are generic and do not specifically address the maximum reimbursement rates for all areas of reimbursable expenses. For procedure 19.a), three exceptions were noted. One employee's two hotel stays for separate trips in Baton Rouge were charged at a rate of $123 per night and $99 per night. The GSA rate for Baton Rouge during this period of travel was $98 per night. As a result, the amounts charged for hotel stays exceeded the amount allotted by GSA by $25 per night and $1 per night, respectively. Another employee had a three night stay in Lake Charles charged at $119 per night. The GSA rate for Lake Charles during the period of travel was $91 per night. The employee's hotel stay exceeded the GSA allowable rate by $28 per night. Finally, one exception was noted for procedure 19.d). One reimbursement to an employee was not approved by the employee's supervisor.

Management's Response: The School Board has noted the exceptions and will review the District's travel policy.

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sort/filter for contract payments. Obtained management's representation that the listing or general ledger is complete.

21. Using the listing above, selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtained the related contracts and paid invoices and:

    a) Determined whether there is a formal/written contract that supports the services arrangement and the amount paid.

    b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

       - If yes, obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

       - If no, obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.

    c) Determined whether the contract was amended. If so, reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

    d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

    e) Obtained/reviewed contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: We were provided with 3 contracts for SAUP testing and found no exceptions as a result of applying agreed-upon procedures; however, the current business manager was unable to confirm the existence of contracts on the remaining vendors.

Management's Response: The new Business Manager will work with the contract CPA to identify contracts and maintain an appropriate listing.

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtained their personnel files, and:

    a) Reviewed compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

    b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.

23. We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

    b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

    c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. Reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results:

There was one exception related to procedure 22.a) in which the School Board overpaid 1 of the 5 employees tested by $365.

Regarding procedure 23, three of the 25 employees tested did not fully document their attendance. An employee signed-in but did not sign-out on one day. Two other employees-a principal and a supervisor-did not document their attendance at all. Also, a supervisor did not approve all of the sign-in sheets for 10 employees. Furthermore, the School Board could not provide complete leave documentation for 7 of the 13 employees in our sample who took leave. The undocumented leave totaled 9.5 days of 21 total leave days tested. Of the 11.5 days of leave that were documented, 1 day was not approved by a supervisor.

Regarding procedure 25, it was determined that the School Board was late paying all of its Form 941 payroll tax deposits for fiscal year 2017 and that one L-1 tax deposit was submitted late. In addition, the School Board did not file its Form 941 for the quarters' ending March 31, 2017, and June 30, 2017, until October 2017 when the new payroll clerk became aware of the filing requirement. Also, the Form L-1 for the quarter ending March 31, 2017, was submitted late. Retirement contributions were made timely except for one contribution which was made 3 days late during the transition period between payroll clerks during the spring of 2017.

Management's Response: The School Board understands the exceptions noted above and is working with the contract CPA and payroll clerk to ensure these exceptions are cleared in the future.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtained ethics compliance documentation from management and reported whether the entity maintained documentation to demonstrate that required ethics training was completed.

27. Inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, reviewed documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: No exceptions were noted as a result of applying agreed-upon procedures.

Debt Service

28. If debt was issued during the fiscal period, obtained supporting documentation from the entity, and reported whether State Bond Commission approval was obtained.

29. If the entity had outstanding debt during the fiscal period, obtained supporting documentation from the entity and reported whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtained supporting documentation and reported whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, reported any millages that continue to be received for debt that has been paid off.

Results: No exceptions were noted as a result of applying agreed-upon procedures.

Other

31. Inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

32. Observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

33. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Results: No exceptions were noted as a result of applying agreed-upon procedures.

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

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

Huffman & Soignier

(A Professional Accounting Corporation)
Monroe, Louisiana
July 3, 2018