

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2019

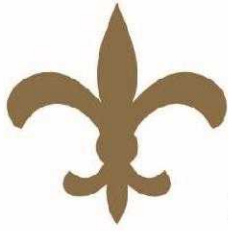
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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

INDEPENDENT AUDITOR'S REPORT

Members of the
Tensas Parish School Board
St. Joseph, Louisiana

Report on the Financial Statements

I 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 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the foregoing 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audits 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 I 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 internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting principles used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Tensas Parish School Board as of June 30, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 16 of the financial statements, an adjustment was made to the beginning fund balance of the General Fund as well as beginning net position of governmental activities to correct certain balance sheet amounts related to payroll. The effect of the adjustment resulted in an increase of beginning equity of \$197,959 for both the General Fund and Governmental Activities. My opinion is not modified with respect to this matter.

As discussed in Note 15 of the financial statements, Louisiana Governor John Bel Edwards declared a public health emergency in March 2020 which included closures of schools and restrictions on other public gatherings. As a result, the state's economy has been negatively impacted. Given the uncertainty of the situation, any negative impact on the Tensas Parish School Board cannot be reasonably estimated at this time. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that certain budget, other post-retirement employee benefits information, and pension information (Exhibits 1-8) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I 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. The Tensas Parish School Board has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board also determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information. My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying combining and individual nonmajor fund schedules, the schedule of compensation paid to board members, and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Tensas Parish School Board. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived 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 my opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated April 6, 2020, on my consideration of the Tensas Parish School Board's internal control over financial reporting and on my 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 my 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.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

St. Joseph, Louisiana

April 6, 2020

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Statement A

Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,488,063
Receivables	636,395
Inventory	9,047
Prepaid expenses	95,522
Restricted assets:	
Investments	519,086
Capital assets (net of accumulated depreciation):	
Land	309,540
Buildings and improvements	2,409,165
Furniture and equipment	64,252
	<u>6,531,070</u>
Total assets	
DEFERRED OUTFLOWS OF RESOURCES	
Postretirement related deferrals	<u>1,778,454</u>
LIABILITIES	
Accounts payable	129,851
Salaries and benefits payable	539,341
Unearned revenue	547,838
Interest payable	1,492
Long-term liabilities:	
Due within one year	193,289
Due in more than one year	266,640
Other post-employment benefits liability	14,141,655
Net pension liability	7,335,024
Total liabilities	<u>23,155,130</u>
DEFERRED INFLOWS OF RESOURCES	
Postretirement related deferrals	<u>1,764,119</u>
NET POSITION	
Invested in capital assets, net of related debt	2,449,657
Restricted for:	
Debt service	3,731
Future salaries from sales tax proceeds	31,773
Capital improvements	2
School food service	424,271
Unrestricted	<u>(19,519,159)</u>
TOTAL NET POSITION	<u>\$ (16,609,725)</u>

The accompanying notes are an integral part of this statement.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2019

	Expenses	Program Revenues		Governmental Activities - Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction:				
Regular programs	\$ 2,546,910	\$ -	\$ 104,325	\$ (2,442,585)
Special education programs	919,094	-	104,715	(814,379)
Vocational programs	96,028	-	1,595	(94,433)
Other instructional programs	123,623	-	57,685	(65,938)
Special programs	449,109	-	302,067	(147,042)
Adult and continuing education programs	18,158	-	84,862	66,704
Support services:				
Student services	611,960	-	171,991	(439,969)
Instructional staff support	1,005,292	-	719,104	(286,188)
General administration	624,932	-	-	(624,932)
School administration	350,135	-	320	(349,815)
Business services	392,616	-	138,798	(253,818)
Plant services	652,126	-	20,791	(631,335)
Student transportation services	599,537	-	132	(599,405)
Central services	26,729	-	-	(26,729)
Food services	426,789	3,615	419,475	(3,699)
Interest on long-term debt	5,091	-	-	(5,091)
	<u>\$ 8,848,129</u>	<u>\$ 3,615</u>	<u>\$ 2,125,860</u>	<u>(6,718,654)</u>
Taxes:				
Property taxes, levied for general purposes				2,174,270
Sales and use taxes, levied for salaries				743,696
State revenue sharing, unrestricted				16,443
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				2,980,387
Interest and investment earnings				19,915
Special items:				
Miscellaneous				215,303
				<u>6,150,014</u>
Total general revenues and special items				
				(568,640)
Excess of expenses over revenues				
				(16,041,085)
Beginning net position, as restated				
				<u>\$ (16,609,725)</u>
Ending net position				

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Balance Sheet - Governmental Funds
June 30, 2019

	Major Funds				
	General Fund	Food Service	Sales Tax	Special Revenue Funds	
				Title I	Education Excellence
Assets					
Assets:					
Cash and cash equivalents	\$ 1,853,626	\$ 395,706	\$ 208,697	\$ -	\$ -
Restricted investments	-	-	-	-	519,086
Receivables	18,905	38,941	53,266	198,520	-
Interfund receivable	579,146	120,453	383	8,565	-
Inventory	-	9,047	-	-	-
Prepaid items	95,522	-	-	-	-
Total assets	\$ 2,547,199	\$ 564,147	\$ 262,346	\$ 207,085	\$ 519,086
Liabilities, deferred inflows, and fund balances					
Liabilities:					
Accounts payable	\$ 60,900	\$ 4,933	\$ 5,671	\$ 18,143	\$ -
Salaries and benefits payable	303,067	60,592	14,902	94,848	-
Interfund payable	122,465	60,811	210,000	94,094	-
Total liabilities	486,432	126,336	230,573	207,085	-
Deferred inflows of resources:					
Deferred revenue	-	4,493	-	-	519,086
Fund balances:					
Nonspendable items	95,522	9,047	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Capital improvements	-	-	-	-	-
Future salaries from sales tax proceeds	-	-	31,773	-	-
School food service	-	424,271	-	-	-
Committed for:					
Maintenance and operations	100,036	-	-	-	-
Unassigned	1,865,209	-	-	-	-
Total fund balances	2,060,767	433,318	31,773	-	-
Total liabilities, deferred inflows, and fund balances	\$ 2,547,199	\$ 564,147	\$ 262,346	\$ 207,085	\$ 519,086

The accompanying notes are an integral part of this statement.

Statement C

Nonmajor Funds		
Other Governmental Funds	Total Governmental Funds	
\$ 30,034	\$ 2,488,063	
-	519,086	
326,763	636,395	
1,629	710,176	
-	9,047	
-	95,522	
<u>\$ 358,426</u>	<u>\$ 4,458,289</u>	
\$ 40,204	\$ 129,851	
65,932	539,341	
222,806	710,176	
<u>328,942</u>	<u>1,379,368</u>	
<u>24,259</u>	<u>547,838</u>	
-	104,569	
5,223	5,223	
2	2	
-	31,773	
-	424,271	
-	100,036	
-	1,865,209	
<u>5,225</u>	<u>2,531,083</u>	
<u>\$ 358,426</u>	<u>\$ 4,458,289</u>	

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

Total fund balances at year end - governmental funds		\$ 2,531,083
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and, therefore, not reported in the funds.		
Cost of capital assets at year end	12,105,156	
Less - accumulated depreciation at year end	<u>(9,322,199)</u>	2,782,957
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Long-term liabilities at year end:		
Compensated absences	(126,629)	
Bonds payable	(333,300)	
Other post-employment benefits liability	(14,141,655)	
Net pension liability	(7,335,024)	
Accrued interest payable	<u>(1,492)</u>	<u>(21,938,100)</u>
Post-retirement related deferrals:		
Outflows	1,778,454	
Inflows	<u>(1,764,119)</u>	<u>14,335</u>
Net position at year end - governmental activities		<u>\$ (16,609,725)</u>

The accompanying notes are an integral part of this statement.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

June 30, 2019

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TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2019

	Major Funds				
	General Fund	Special Revenue Funds			
		Food Service	Sales Tax	Title I	Education Excellence
Revenues:					
Local sources:					
Ad valorem taxes	\$ 2,174,270	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	743,696	-	-
Interest earnings	11,241	5,165	3,499	-	-
Food services	-	3,615	-	-	-
Other	194,350	192	-	-	-
State sources:					
Equalization	2,973,741	6,646	-	-	-
Other	22,667	-	-	-	9,724
Federal sources	-	419,475	-	643,371	-
Total revenues	<u>5,376,269</u>	<u>435,093</u>	<u>747,195</u>	<u>643,371</u>	<u>9,724</u>
Expenditures:					
Current:					
Instruction:					
Regular programs	1,839,572	-	304,196	1,314	9,724
Special education programs	704,839	-	138,223	-	-
Vocational educational programs	69,884	-	12,195	1,595	-
Other instructional programs	69,624	-	-	49,879	-
Special programs	41,798	-	29,746	288,989	-
Adult education programs	6,446	-	-	-	-
Support services:					
Student services	380,464	-	75,422	1,556	-
Instructional staff support	168,181	-	42,530	245,792	-
General administration	548,115	-	36,813	-	-
School administration	295,504	-	64,688	-	-
Business services	328,339	-	37,909	-	-
Plant services	581,170	13,667	49,531	-	-
Student transportation services	502,400	-	30,030	-	-
Central services	24,691	-	-	-	-
Food services	-	369,859	30,241	-	-
Debt service	-	-	-	-	-
Total expenditures	<u>5,561,027</u>	<u>383,526</u>	<u>851,524</u>	<u>589,125</u>	<u>9,724</u>
Excess (deficiency) of revenues over expenditures	(184,758)	51,567	(104,329)	54,246	-
Other financing sources (uses):					
Transfers in	130,402	-	-	-	-
Transfers out	(72,059)	-	-	(54,246)	-
Total other financing sources (uses)	<u>58,343</u>	<u>-</u>	<u>-</u>	<u>(54,246)</u>	<u>-</u>
Net change in fund balances	(126,415)	51,567	(104,329)	-	-
Beginning fund balances, as restated	<u>2,187,182</u>	<u>381,751</u>	<u>136,102</u>	<u>-</u>	<u>-</u>
Ending fund balances	<u>\$ 2,060,767</u>	<u>\$ 433,318</u>	<u>\$ 31,773</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Statement E

Nonmajor Funds	
Other	Total
Governmental Funds	Governmental Funds
\$ -	\$ 2,174,270
-	743,696
10	19,915
-	3,615
20,761	215,303
-	2,980,387
77,106	109,497
969,960	2,032,806
<u>1,067,837</u>	<u>8,279,489</u>
107,824	2,262,630
104,715	947,777
7,806	91,480
13,078	132,581
84,862	445,395
-	6,446
170,435	627,877
473,312	929,815
-	584,928
320	360,512
8,396	374,644
20,791	665,159
132	532,562
-	24,691
-	400,100
72,059	72,059
<u>1,063,730</u>	<u>8,458,656</u>
4,107	(179,167)
72,059	202,461
<u>(76,156)</u>	<u>(202,461)</u>
<u>(4,097)</u>	<u>-</u>
10	(179,167)
<u>5,215</u>	<u>2,710,250</u>
<u>\$ 5,225</u>	<u>\$ 2,531,083</u>

**Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances to the Statement of Activities
 For the Year Ended June 30, 2019**

Total net change in fund balances - governmental funds \$ (179,167)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	(137,898)	
Capital outlays	<u>33,170</u>	(104,728)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds of bond issues is an other source in the governmental funds but increases long-term liabilities in the Statement of Net Position:

Principal payments		66,660
--------------------	--	--------

In the Statement of Activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which the amounts earned exceeds the amount actually paid:

Change in compensated absences payable		28,338
Change in other post-employment benefits and related deferrals		(828,244)
Change in net pension liability and related deferrals		448,193

Interest on long-term debt in the Statement of Activities is recorded as it is incurred, however, in the governmental funds interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources:

Change in accrued interest payable		<u>308</u>
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Change in net position of governmental activities \$ (568,640)

The accompanying notes are an integral part of this statement.

Statement of Assets and Liabilities - Agency Fund
June 30, 2019

	<u>School Activity Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 57,729</u>
 Total assets	 <u><u>\$ 57,729</u></u>
Liabilities	
Deposits due others	<u>\$ 57,729</u>
 Total liabilities	 <u><u>\$ 57,729</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements

The Tensas Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Tensas Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 10 members who are elected from 10 districts for terms of four years.

The School Board operates 2 schools within the parish with a total enrollment of approximately 500 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999, as amended.

B. REPORTING ENTITY

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements

C. FUND ACCOUNTING

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

Funds of the School Board are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include the following:

1. The General Fund is the general operating fund of the School Board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. The School Activity Agency Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

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

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

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

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

Fund Financial Statements (FFS)

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

TENSAS PARISH SCHOOL BOARD
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Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School Board reports the General Fund, the Food Service Fund, the Sales Tax Fund, the Title I Fund, and the Education Excellence Fund as its major governmental funds. The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Food Service Fund includes the school meal preparation operations and is primarily funded via federal school nutrition programs. The Sales Tax Fund is used to account for sales tax collections that are to be used for salaries and benefits. Title I is a federally-funded program to provide financial assistance to local educational agencies to help children from low-income families meet challenging state academic standards. The Education Excellence Fund reflects the School Board's interest in the state's Education Excellence Fund (see Note 4).

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board generally considers all revenues available if they are collected within 60 days after the fiscal year ended except for revenues related to federal grant programs where costs are reimbursed 100%. For these programs, revenues are recognized when the expenditures are made. Management feels that the financial statements would be misleading if these revenues were not recorded. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the reimbursable expenditures have been incurred. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February of the fiscal year. Sales and use tax revenues are recorded in the month that the original taxable transaction occurred. Substantially all other revenues are recorded when received.

TENSAS PARISH SCHOOL BOARD
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Expenditures

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Governmental fund expenditures include the following:

Salaries are recorded as earned. All nine-month employees are to be paid pro rata over twelve months. Thus, salaries paid to these employees in July and August are earned (and are accrued) as of fiscal year end. Principal and interest on general long-term obligations are recognized when due. Inventory is expensed when consumed. Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the government-wide financial statements. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Increases (decreases) in net current assets arising from sources other than revenues (expenditures) are accounted for as other financing sources (uses). Such transactions include transfers between funds that are not expected to be repaid, capital lease transactions, sale of fixed assets, and long-term debt proceeds. These other financing sources (uses) are recognized at the time the underlying events occur.

Agency Funds – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for on the accrual basis of accounting.

E. BUDGETS

The School Board adopts budgets for all funds under its control. The School Board uses the following budget practices:

1. The proposed budget for the fiscal year ended June 30, 2019, was published August 29, 2018. The budget was available for viewing from that date until the date of the public hearing September 11, 2018. The budget was formally adopted on September 11, 2018, by the School Board. The budget must be adopted no later than September 15th and submitted to the Louisiana Department of Education no later than September 30th each year for approval.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. Budgets are prepared on a GAAP basis for all funds.

TENSAS PARISH SCHOOL BOARD
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Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. The superintendent of the School Board has the authority to transfer amounts between accounts within any fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances are recorded at the time the purchasing system generates a purchase order and are liquidated at the time the corresponding expenditure is recognized. Outstanding encumbrances lapse at year-end. To the extent the School Board intends to honor the purchase orders and commitments, they are disclosed in the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

G. CASH AND INTEREST-EARNING DEPOSITS

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and short-term investments with original maturities of three months or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. INVENTORIES

Inventory consists of expendable supplies and are recorded on the consumption method. These items are recorded at the lower of cost (first-in, first-out) or market value.

Inventory of the Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); 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.

TENSAS PARISH SCHOOL BOARD
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J. PREPAID ITEMS

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

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Furniture and fixtures	10 years
Vehicles	5 years
Equipment	3-10 years

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L. COMPENSATED ABSENCES

Twelve-month full-time employees earn from ten to fifteen 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. 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 records a liability for leave in accordance with GASB Statement 16, *Accounting for Compensated Absences*. The liability for vacation leave is calculated for each employee as the number of vacation leave days available at year end times the employee's current daily wage rate. 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 30% 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.

TENSAS PARISH SCHOOL BOARD
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M. EQUITY CLASSIFICATIONS

For government-wide statement of net position, equity is classified as net position and displayed in three components:

- Net investment in capital assets. This component consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position. Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position. Unrestricted net position consists of all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The School Board uses restricted resources first when expenses are incurred when both restricted and unrestricted net position are available.

In the fund statements, governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the School Board classifies governmental fund balances as follows:

- Non-spendable. Relates to fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted. Relates to fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed. Relates to fund balance amounts that are constrained for specific purposes that are internal imposed by the district through formal action of the School Board and does not lapse at year-end.
- Assigned. Relates to fund balance amounts that are intended to be used for a specific purpose that are considered to be neither restricted nor committed. Fund balance can be assigned by the School Board.
- Unassigned. Relates to fund balance amounts within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

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

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N. INTERFUND TRANSACTIONS

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

O. 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.

P. ESTIMATES

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

Q. PENSIONS

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

Q. 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.

TENSAS PARISH SCHOOL BOARD
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2. 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.

Total assessed value was \$60,463,648 in calendar year 2018. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer’s primary residence from parish property taxes. The homestead exemption was \$5,252,419 of the assessed value in calendar year 2018 resulting in net taxable property of \$55,211,229.

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, 2018. 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 the 2018 levy 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 <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Constitutional	5.44	5.44	N/A
Special Maintenance	8.45	8.45	2022
District 3, Special Maintenance	11.85	11.85	2020
District 3, Parish-wide	12.09	12.09	2029

TENSAS PARISH SCHOOL BOARD
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3. DEPOSITS

At June 30, 2019, the School Board has cash and interest-bearing deposits (book balances) as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Deposits in banks	\$ 2,488,063	\$ 57,729	\$ 2,545,792
Total	<u>\$ 2,488,063</u>	<u>\$ 57,729</u>	<u>\$ 2,545,792</u>

Custodial credit risk is the risk that, in the event of a bank failure, the School Board’s deposits may not be recovered. Under state law, the School Board’s deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the School Board or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the School Board has \$2,686,074 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$788,056 of federal deposit insurance and \$1,898,018 of pledged securities held by the custodial bank in the name of the School Board. The deposits covered by insurance and pledged securities are not considered subject to custodial credit risk according to GASB Statement No. 3.

TENSAS PARISH SCHOOL BOARD
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4. RESTRICTED 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 \$519,086.

5. RECEIVABLES

The receivables of \$636,395 at June 30, 2019, are as follows:

Class of Receivable	General Fund	Food Service Fund	Sales Tax Fund	Title I Fund	Non-Major Funds	Total
Taxes:						
Sales	\$ -	\$ -	\$ 53,266	\$ -	\$ -	\$ 53,266
Ad valorem	18,088	-	-	-	-	18,088
Intergovernmental:						
Federal	-	38,941	-	198,520	267,945	505,406
State	-	-	-	-	58,818	58,818
Other	817	-	-	-	-	817
Total	\$ 18,905	\$ 38,941	\$ 53,266	\$ 198,520	\$ 326,763	\$ 636,395

TENSAS PARISH SCHOOL BOARD
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6. CAPITAL ASSETS

The changes in capital assets follow:

	Balance, Beginning of Year	Additions	Deletions	Transfers	Balance, End of Year
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 309,540	\$ -	\$ -	\$ -	\$ 309,540
	<u>309,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,540</u>
Capital assets being depreciated:					
Buildings and improvements	11,040,905	-	-	-	11,040,905
Furniture and equipment	721,541	33,170	-	-	754,711
	<u>11,762,446</u>	<u>33,170</u>	<u>-</u>	<u>-</u>	<u>11,795,616</u>
Less accumulated depreciation:					
Buildings and improvements	(8,505,346)	(126,394)	-	-	(8,631,740)
Furniture and equipment	(678,954)	(11,505)	-	-	(690,459)
	<u>(9,184,300)</u>	<u>(137,899)</u>	<u>-</u>	<u>-</u>	<u>(9,322,199)</u>
Total capital assets being depreciated, net	<u>2,578,146</u>	<u>(104,729)</u>	<u>-</u>	<u>-</u>	<u>2,473,417</u>
Governmental activities capital assets, net	<u>\$2,887,686</u>	<u>\$ (104,729)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,782,957</u>

Depreciation expense of \$137,899 for the year ended June 30, 2019, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 111,534
Special Education	7,483
Other instructional	917
Support Services:	
Student Transportation Services	5,784
Central Services	2,038
School Food Services	10,143
Total	<u>\$ 137,899</u>

TENSAS PARISH SCHOOL BOARD
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7. RETIREMENT SYSTEMS

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

The School Board has implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This standard requires the School Board to record its proportional share of each of the pension plan's Net Pension Liability and report the following disclosures:

A. TEACHERS' RETIREMENT SYSTEM OF LOUISIANA (TRSL)

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

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

1) Normal Retirement

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of 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.

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- 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.

2) Deferred Retirement Option Plan (DROP)

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

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3) Disability Benefits

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

4) Survivor Benefits

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

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

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

5) Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature. These ad hoc COLAs are not considered to be substantially automatic.

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Contributions. The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems’ Actuarial Committee (PRSAC), taking into consideration the recommendation of the System’s actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2019 are as follows:

TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.7%
Higher Ed Regular Plan	8.0%	25.5%
Plan A	9.1%	26.7%
Plan B	5.0%	26.7%

The School Board’s contractually required composite contribution rate for the year ended June 30, 2019, was 26.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The School Board’s contributions to TRSL for the years ending June 30, 2019, 2018, and 2017, were \$785,639, \$897,899, and \$896,312, respectively, equal to the required contributions for each year.

B. LOUISIANA SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (LSERS)

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

Benefits Provided. The following is a description of the plan and its benefits and is provided for general informational purposes only. Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153. LSERS provides retirement, deferred retirement option (DROP), and disability. Participants should refer to the appropriate statutes for more complete information.

TENSAS PARISH SCHOOL BOARD
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Notes to the Financial Statements

1) Normal Retirement

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.

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.

2) Deferred Retirement Option Plan (DROP)

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

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

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

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3) Disability Benefits

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

4) Initial Benefit Retirement Plan (IBRP)

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

Contributions. The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Plan members are required to contribute 7.5% (8.0% for members hired after July 1, 2010) of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 28.0% of annual covered payroll. Contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is set by state statute at the greater of 6% or the actuarially determined required rate. Since the statutory rate has been significantly greater than the actuarially required rate in recent years, employers have accumulated a contribution credit. As such, the School Board's contributions to the LSERS for the years ending June 30, 2019, 2018, and 2017, were \$87,693, \$113,627, and \$116,513, respectively, which is equal to the required contributions each year.

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

At June 30, 2019, the School Board reported liability of \$7,335,024 (\$6,381,432 and \$953,592, respectively, for TRSL and LSERS) for its proportionate share of the Net Pension Liability for both plans. The Net Pension Liabilities were measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Obligation for each plan was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the School Board's proportion was .06493% for TRSL and 0.142724% for LSERS, which represented a decrease of .00489 percentage points for TRSL and a decrease of .001116 percentage points for LSERS from its proportions measured as of June 30, 2017.

For the year ended June 30, 2019, the School Board recognized pension expense of \$425,139 (\$312,117 and \$113,022, respectively, for TRSL and LSERS) which includes current year amortization of deferrals related to pensions of \$(183,313) (\$173,492) and (\$9,821), respectively for TRSL and LSERS).

At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 236,532
Changes of assumptions	450,201	-
Net difference between projected and actual earnings on pension plan investments	18,936	411,271
Changes in proportion	435,985	1,116,316
Contributions subsequent to the measurement date	873,332	-
Total	<u>\$ 1,778,454</u>	<u>\$ 1,764,119</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teachers' Retirement System	\$ 1,607,822	\$ 1,729,633
School Employees' Retirement System	170,632	34,486
Total	<u>\$ 1,778,454</u>	<u>\$ 1,764,119</u>

TENSAS PARISH SCHOOL BOARD
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The School Board reported \$873,332 as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date of June 30, 2018, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 785,639
School Employees' Retirement System	<u>87,693</u>
Total	<u>\$ 873,332</u>

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

<u>Year</u>	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
2020	\$ (194,532)	\$ 57,705	\$ (136,827)
2021	(311,732)	15,109	(296,623)
2022	(306,357)	(28,796)	(335,153)
2023	<u>(94,829)</u>	<u>4,435</u>	<u>(90,394)</u>
	<u>\$ (907,450)</u>	<u>\$ 48,453</u>	<u>\$ (858,997)</u>

TENSAS PARISH SCHOOL BOARD
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Notes to the Financial Statements

Actuarial Assumptions

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

System	TRSL	LSERS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization approach	Closed	Closed
Actuarial assumptions:	The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017.	The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2017.
Expected Remaining Service Lives	5 years	3 years
Investment rate of return	7.65% net of investment expenses.	7.0625% net of investment expenses.
Inflation rate	2.5% per annum	2.5% per annum
Projected salary increases	3.3% - 4.8% varies depending on duration of service	3.25%
Cost-of-living adjustments	None	None
Mortality	RP-2014 mortality tables, adjusted using MP-2017 generational improvement tables, with continued future mortality improvement projecting using MP-2017 generational mortality tables.	RP-2014 Healthy Annuitant, Sex Distinct Employee, and Sex Distinct Disabled Lives mortality tables with generational projections using the full generational scale MP2017.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members.	RP-2014 Sex Distinct Disability Mortality and Sex Distinct Employee tables.

TENSAS PARISH SCHOOL BOARD
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Best estimates of arithmetic real rates of return by system for each major asset class included in the pension plan's target asset allocation as of the June 30, 2018 valuation date, are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic equity	27.0%	20.0%	4.01%	6.44%
International equity	19.0%	31.0%	4.90%	7.53%
Domestic fixed income	13.0%	13.0%	1.36%	3.23%
International fixed income	5.5%	17.0%	2.35%	3.05%
Alternatives	35.5%	13.0%	7.03%	6.41%
Real assets	-	6.0%	-	7.50%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL and LSERS was 7.65% and 7.0625%, respectively, for the year ended June 30, 2018.

The TRSL discount rate used in the June 30, 2018 net pension liability valuation was decreased from the 7.70% used in the June 30, 2017 valuation to 7.65%. The discount rate was reduced in accordance with the TRSL Board's adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contribution requirements for fiscal year 2019. The LSERS discount rate used in the June 30, 2018 net pension liability valuation was decreased from the 7.125% used in the June 30, 2017 valuation to 7.0625%.

TENSAS PARISH SCHOOL BOARD
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Notes to the Financial Statements

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

The following presents the School Board’s proportionate share of the Net Pension Liability using the discount rate of each system 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 used by each system:

	Rates		Share of Net Pension Liability	
	TRSL	LSERS	TRSL	LSERS
Current discount rate	7.65%	7.0625%	\$ 6,381,432	\$ 953,592
One percentage point decrease	6.65%	6.0625%	\$ 8,453,852	\$ 1,309,056
One percentage point increase	8.65%	8.0625%	\$ 4,633,237	\$ 649,742

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, 2019, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$25,680 for its participation in TRSL.

Payables to the Pension Plan

The School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2019, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. At June 30, 2019, \$68,827 and \$89,561 were payable to TRSL and LSERS, respectively.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements

8. INTERFUND ACTIVITIES

The following is a summary of interfund receivables and payables at June 30, 2019:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major funds	\$ 214,241
General Fund	Food Service Fund	60,811
General Fund	Sales Tax Fund	210,000
General Fund	Title I Fund	94,094
Food Service Fund	General Fund	120,453
Sales Tax Fund	General Fund	383
Non-major special revenue funds	General Fund	1,629
Title I Fund	Non-major funds	<u>8,565</u>
		<u>\$ 710,176</u>

Generally, interfund receivables/payables result from overdrafts of the common cash pool.

The following is a summary of interfund transfers for the year ended June 30, 2019:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Title I Fund	\$ 54,246
General Fund	Non-major funds	76,156
Non-major funds	General Fund	<u>72,059</u>
		<u>\$ 202,461</u>

Generally, interfund transfers result from the 1) reimbursement of indirect costs from federal programs to the General Fund, 2) reimbursement to other funds for expenditures paid on behalf of the General Fund, or 3) transfers from the General Fund to the Debt Service Fund for bond payments.

9. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2019:

	<u>Beginning</u>			<u>Ending</u>	<u>Current</u>
	Balance	Additions	Deductions	Balance	Portion
Bonded debt	\$ 399,960	\$ -	\$ (66,660)	\$ 333,300	\$ 66,660
Compensated absences	154,967	181,239	(209,577)	126,629	126,629
Total	<u>\$ 554,927</u>	<u>\$ 181,239</u>	<u>\$ (276,237)</u>	<u>\$ 459,929</u>	<u>\$ 193,289</u>

TENSAS PARISH SCHOOL BOARD
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Revenue Bonds

Revenue bonds outstanding at June 30, 2019, are as follows:

Bond Issue	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Current Portion
Series 2009, Taxable QSCB	<u>\$ 1,000,000</u>	1.35%	2024	<u>\$ 13,500</u>	<u>\$ 333,300</u>	<u>\$ 66,660</u>
	<u>\$ 1,000,000</u>			<u>\$ 13,500</u>	<u>\$ 333,300</u>	<u>\$ 66,660</u>

The Series 2019 Taxable QSCB bonds were sold in a private placement.

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

At June 30, 2019, the School Board has accumulated \$5,214 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2020	\$ 66,660	\$ 4,500	\$ 71,160
2021	66,660	3,600	70,260
2022	66,660	2,700	69,360
2023	66,660	1,800	68,460
2024	<u>66,660</u>	<u>900</u>	<u>67,560</u>
Total	<u>\$ 333,300</u>	<u>\$ 13,500</u>	<u>\$ 346,800</u>

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2019, the statutory limit is approximately \$30 million.

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10. 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. G-32

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.

11. 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, 2019 was \$150,174. The schedule by year of future minimum lease payments as of June 30, 2019 is as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ 123,952
2021	91,220
2022	57,820
2023	<u>50,400</u>
Total	<u>\$ 323,392</u>

TENSAS PARISH SCHOOL BOARD
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12. EQUITY RESTRICTIONS

As discussed in Note 1(O), the School Board receives the proceeds of two sales taxes totaling one and one-half percent which are dedicated to employee salaries and benefits. Revenues from these taxes and the related expenditures are recorded in the Sales Tax Fund and the resulting fund balance is considered restricted for future salaries.

Funds that have been transferred to the Debt Service Fund in accordance with the provisions of its bond resolution are restricted to future debt service.

13. RISK MANAGEMENT

The School Board maintains insurance coverage through commercial insurance carriers for liability, errors and omissions, employee bonds, and property insurance.

14. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES

The School Board is subject to claims and torts arising principally in the normal course of operations. In the opinion of the School Board and legal counsel, there are no known claims outstanding that would have a material adverse effect on the accompanying basic financial statements and, accordingly, no provision for losses has been recorded.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applied funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the School Board expects such amounts, if any, to be immaterial.

Under the Internal Revenue Code, interest earned on debt proceeds in excess of interest expense prior to the disbursement of such proceeds (called "arbitrage") must be rebated to the Internal Revenue Service. Management believes there is no arbitrage rebate liability at year end.

TENSAS PARISH SCHOOL BOARD
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15. OTHER POST-EMPLOYMENT BENEFITS

In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended June 30, 2018, the School Board recognizes the cost of other post-employment benefits (OPEB) in the year when employee services are received, recognizes a liability for OPEB obligations, on the statement of net position, and provides information useful in assessing potential demands on the School Board's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Plan Description. In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through Office of Group Benefits, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits is included in these expenditures. No assets are accumulated in a trust that meet the criteria in Paragraph 4 of GASB 75

Funding Policy. The contribution requirements of plan members and the School Board are established and may be amended by LA R.S. 42:801-883. Employees do not contribute to their other post-employment benefits cost until they become retirees and begin receiving those benefits. The healthcare and life insurance premiums are paid 25% by the retiree and 75% by the employer.

The plan is currently financed on a pay-as-you-go basis, with the School Board contributing \$492,645 for 67 active employees and 78 retirees and \$484,660 for 88 active employees and 76 retirees during the years ended June 30, 2019 and 2018, respectively.

Total OPEB Liability

The School Board's total OPEB liability of \$14,141,655 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	3.00%
Discount rate	3.88%
Health care cost trend rates	5.5% for 2018, varying gradually until an ultimate rate of 4.50% for 2029 and beyond

TENSAS PARISH SCHOOL BOARD
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The discount rate used to calculate total OPEB liability was 3.88%, which was based on the S&P 20-year general obligation bond index.

For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018.

Changes in total OPEB liability are as follows:

Total OPEB liability at beginning of year	\$ 13,313,411
Changes during year:	
Service cost	813,886
Interest on the total OPEB liability	507,003
Annual OPEB cost	<u>1,320,889</u>
Current year premiums paid	<u>(492,645)</u>
Net change in total OPEB liability	<u>828,244</u>
Total OPEB liability at end of year	<u><u>\$ 14,141,655</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.88 percent) or one percentage point higher (4.88 percent) than the current discount rate:

	1% Decrease <u>2.88%</u>	Discount Rate <u>3.88%</u>	1% Increase <u>4.88%</u>
Total OPEB liability	<u>\$ 16,335,409</u>	<u>\$ 14,141,655</u>	<u>\$ 12,381,522</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease <u></u>	Assumed Rate <u></u>	1% Increase <u></u>
Total OPEB liability	<u>\$ 12,403,477</u>	<u>\$ 14,141,655</u>	<u>\$ 16,322,162</u>

TENSAS PARISH SCHOOL BOARD
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Notes to the Financial Statements

16. 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 2018 the Tax Collector paid the Teacher's Retirement System of Louisiana \$69,225. These amounts are reflected in the financial statements for the General Fund.

17. 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 2019. Management believes that such coverage is sufficient to preclude any significant uninsured losses to the School Board.

18. 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.

19. ECONOMIC DEPENDENCY

The state's Minimum Foundation Program (MFP) provides funding to all public school systems in Louisiana and is primarily based on October 1 student count. The state provided \$2,980,387 to the school board, which represents approximately 36% of the School Board's total revenue for the year. Due to declining student counts over the last two years, MFP funding to Tensas Parish School Board decreased by approximately \$730,000 compared to prior year. Additional decreases in student count could have a significant impact on state funding.

Federal revenues accounts for \$2,032,807 (25%) of total revenues.

TENSAS PARISH SCHOOL BOARD
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20. SUBSEQUENT EVENTS

In March 2020, Governor John Bel Edwards declared a public health emergency due to the COVID-19 epidemic and imposed restrictions on citizen movements and gatherings that has closed schools and greatly impacted the economy of the state, including Tensas Parish. As such, revenues of Tensas Parish School Board could be negatively impacted. The potential impact cannot be determined at this time.

The School Board evaluated its June 30, 2019 financial statements for subsequent events through April 6, 2020, the date the financials were available to be issued. The School Board is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

21. PRIOR PERIOD ADJUSTMENT

During the current year it was discovered that there were significant errors in payroll-related accounts at the beginning of the year. The effect on beginning equity is as follows:

	General Fund	Governmental Activities
July 1, 2018 equity, as previously reported	\$ 1,989,223	\$ (16,239,044)
Error correction	197,959	197,959
July 1, 2018 equity, as restated	<u>\$ 2,187,182</u>	<u>\$ (16,041,085)</u>

22. NEW ACCOUNTING STANDARDS

In fiscal year 2019, the School Board adopted one new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements

Following is a summary of accounting standards adopted by GASB that are scheduled to be implemented in the future that may affect the School Board's financial report:

Statement No. 84 – *Fiduciary Activities*. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the School Board controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The standard is effective for annual reporting periods beginning after December 15, 2018. The School Board will include the requirements of this standard, as applicable, in its June 30, 2020 financial statement. The effect of this standard or its applicability to the School Board are unknown at this time.

Statement No. 87 – *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of leased assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. This standard is effective for annual reporting periods beginning after December 15, 2019. The School Board will include the requirements of this standard, as applicable, in its June 30, 2021 financial statement. All the School Board lease agreements will need to be evaluated to determine the impact of implementing this standard, however, the effect of this standard or its applicability to the School Board are unknown at this time.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Exhibit 1

Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 2,069,399	\$ 2,094,585	\$ 2,174,270	\$ 79,685
Interest earnings	10,728	11,115	11,241	126
Other	146,725	169,511	194,350	24,839
State sources:				
Equalization	3,025,000	2,973,741	2,973,741	-
Other	10,688	24,971	22,667	(2,304)
Total revenues	5,262,540	5,273,923	5,376,269	102,346
Expenditures:				
Current:				
Instruction:				
Regular programs	1,776,622	1,488,581	1,839,572	(350,991)
Special education programs	591,361	732,945	704,839	28,106
Vocational educational programs	55,884	70,955	69,884	1,071
Other instructional programs	56,056	93,563	69,624	23,939
Special programs	85,129	39,940	41,798	(1,858)
Adult education programs	7,076	7,158	6,446	712
Support services:				
Student services	395,267	412,721	380,464	32,257
Instructional staff support	186,785	178,421	168,181	10,240
General administration	443,453	560,068	548,115	11,953
School administration	283,423	300,225	295,504	4,721
Business administration	300,726	317,579	328,339	(10,760)
Plant services	513,877	650,578	581,170	69,408
Student transportation services	508,386	531,305	502,400	28,905
Central services	26,328	27,000	24,691	2,309
Food services	-	1,000	-	1,000
Total expenditures	5,230,373	5,412,039	5,561,027	(148,988)
Excess (deficiency) of revenues over expenditures	32,167	(138,116)	(184,758)	(46,642)
Other financing sources (uses)				
Transfers in	90,424	90,424	130,402	39,978
Transfers out	(58,368)	(72,059)	(72,059)	-
Total other financing sources (uses)	32,056	18,365	58,343	39,978
Net change in fund balance	64,223	(119,751)	(126,415)	(6,664)
Fund balance - beginning of year	2,187,182	2,187,182	2,187,182	-
Fund balance - end of year	\$ 2,251,405	\$ 2,067,431	\$ 2,060,767	\$ (6,664)

See accompanying notes to the required supplementary information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Exhibit 2

Budgetary (GAAP Basis) Comparison Schedule
Food Service Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Interest earnings	\$ 3,461	\$ 4,403	\$ 5,165	\$ 762
Food services	5,810	3,146	3,615	469
Other	-	-	192	192
State sources:				
Equalization	6,828	6,646	6,646	-
Federal sources	401,292	387,886	419,475	31,589
Total revenues	417,391	402,081	435,093	33,012
Expenditures:				
Current:				
Support services:				
Plant services	-	-	13,667	(13,667)
Food services	416,340	396,542	369,859	26,683
Total expenditures	416,340	396,542	383,526	13,016
Excess (deficiency) of revenues over expenditures	1,051	5,539	51,567	46,028
Fund balance - beginning of year	381,751	381,751	381,751	-
Fund balance - end of year	\$ 382,802	\$ 387,290	\$ 433,318	\$ 46,028

See accompanying notes to the required supplementary information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Exhibit 3

Budgetary (GAAP Basis) Comparison Schedule
Sales Tax Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Sales and use taxes	\$ 668,843	\$ 721,294	\$ 743,696	\$ 22,402
Interest earnings	497	3,624	3,499	(125)
Total revenues	<u>669,340</u>	<u>724,918</u>	<u>747,195</u>	<u>22,277</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	232,635	249,994	304,196	(54,202)
Special education programs	95,126	113,187	138,223	(25,036)
Vocational educational programs	9,525	10,106	12,195	(2,089)
Special programs	-	22,707	29,746	(7,039)
Support services:				
Student services	62,416	66,000	75,422	(9,422)
Instructional staff support	14,557	36,856	42,530	(5,674)
General administration	36,512	27,148	36,813	(9,665)
School administration	50,141	60,270	64,688	(4,418)
Business administration	27,461	34,475	37,909	(3,434)
Plant services	34,142	39,993	49,531	(9,538)
Student transportation services	38,242	25,755	30,030	(4,275)
Food services	-	25,564	30,241	(4,677)
Total expenditures	<u>600,757</u>	<u>712,055</u>	<u>851,524</u>	<u>(139,469)</u>
Excess (deficiency) of revenues over expenditures	68,583	12,863	(104,329)	(117,192)
Fund balance - beginning of year	<u>136,102</u>	<u>136,102</u>	<u>136,102</u>	<u>-</u>
Fund balance - end of year	<u>\$ 204,685</u>	<u>\$ 148,965</u>	<u>\$ 31,773</u>	<u>\$ (117,192)</u>

See accompanying notes to the required supplementary information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Exhibit 4

Budgetary (GAAP Basis) Comparison Schedule
Title I Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Federal sources	\$ 715,434	\$ 643,371	\$ 643,371	\$ -
Total revenues	<u>715,434</u>	<u>643,371</u>	<u>643,371</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	17,031	1,314	1,314	-
Vocational educational programs	-	1,595	1,595	-
Other instructional programs	36,325	49,879	49,879	-
Special programs	392,475	288,989	288,989	-
Support services:				
Student services	-	1,556	1,556	-
Instructional staff support	211,292	245,792	245,792	-
Total expenditures	<u>657,123</u>	<u>589,125</u>	<u>589,125</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>58,311</u>	<u>54,246</u>	<u>54,246</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	(58,311)	(54,246)	(54,246)	-
Total other financing sources (uses)	<u>(58,311)</u>	<u>(54,246)</u>	<u>(54,246)</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the required supplementary information.

**Budgetary (GAAP Basis) Comparison Schedule
 Education Excellence Fund
 For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
State sources:				
Other	\$ 27,141	\$ 9,724	\$ 9,724	\$ -
Total revenues	27,141	9,724	9,724	-
Expenditures:				
Current:				
Instruction:				
Regular programs	27,141	9,724	9,724	-
Total expenditures	27,141	9,724	9,724	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the required supplementary information.

Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 783,487	\$ 813,886
Interest on total OPEB liability	506,318	507,003
Benefit payments	<u>(484,660)</u>	<u>(492,645)</u>
Net change in OPEB liability	805,145	828,244
Total OPEB liability, beginning	<u>12,508,266</u>	<u>13,313,411</u>
Total OPEB liability, ending	<u>\$ 13,313,411</u>	<u>\$ 14,141,655</u>
Covered payroll	<u>\$ 2,595,413</u>	<u>\$ 2,595,413</u>
Total OPEB liability as a percentage of covered payroll	<u>513.0%</u>	<u>544.9%</u>
OPEB plan fiduciary net position as a percentage of total OPEB liability	<u>0.0%</u>	<u>0.0%</u>

GASB 75 requires this schedule to present information for 10 years. The School Board implemented GASB 75 in Fiscal 2018. Additional years will be presented as they become available.

See accompanying notes to the required supplementary information.

Schedule of Employer's Proportionate Share
of Net Pension Liability

Measurement Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Proportionate Share of NPL as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
TRSL:					
06/30/18	0.064930%	\$ 6,381,432	\$3,375,560	189%	68.2%
06/30/17	0.069821%	\$ 7,157,963	\$3,514,951	204%	65.6%
06/30/16	0.723700%	\$ 8,494,175	\$3,866,967	220%	59.9%
06/30/15	0.080075%	\$ 8,609,886	\$3,938,576	219%	62.5%
06/30/14	0.080820%	\$ 8,261,270	\$4,014,331	206%	63.7%
LSERS:					
06/30/18	0.14272%	\$ 953,592	\$ 411,691	232%	75.0%
06/30/17	0.14384%	\$ 920,471	\$ 385,804	239%	75.0%
06/30/16	0.13498%	\$ 1,018,225	\$ 383,394	266%	70.1%
06/30/15	0.13341%	\$ 846,014	\$ 384,100	220%	74.5%
06/30/14	0.13960%	\$ 809,506	\$ 390,814	207%	76.2%

See accompanying notes to the required supplementary information.

Schedule of Employer Contributions to Pension Plans

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
TRSL:					
2019	\$ 785,639	\$ 785,639	\$ -	\$ 2,942,468	26.7%
2018	\$ 897,899	\$ 897,899	\$ -	\$ 3,375,560	26.6%
2017	\$ 896,312	\$ 896,312	\$ -	\$ 3,514,951	25.5%
2016	\$ 1,013,412	\$ 1,013,412	\$ -	\$ 3,866,967	26.2%
2015	\$ 1,087,047	\$ 1,087,047	\$ -	\$ 3,938,576	27.6%
LSERS:					
2019	\$ 87,693	\$ 87,693	\$ -	\$ 317,728	27.6%
2018	\$ 113,627	\$ 113,627	\$ -	\$ 411,691	27.6%
2017	\$ 116,513	\$ 116,513	\$ -	\$ 385,804	30.2%
2016	\$ 115,785	\$ 115,785	\$ -	\$ 383,394	30.2%
2015	\$ 126,753	\$ 126,753	\$ -	\$ 384,100	33.0%

See accompanying notes to the required supplementary information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2019

1. BUDGETS

Formal budget integration is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting.

Budgets are prepared for all governmental funds of the School Board. The budgets are prepared on the modified accrual basis of accounting (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. State statutes 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 plus projected 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.

The following funds had actual expenditures over budgeted expenditures for the year ended June 30, 2019:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$5,412,039	\$5,561,027	(\$148,988)
Sales Tax Fund	712,055	851,524	(139,469)

2. PENSIONS

Changes of Benefit Terms. For TRSL, a 1.5% cost-of-living adjustment was approved effective July 1, 2017. For LSERS, there were no changes in benefit terms for the year ended June 30, 2018.

Changes of Assumptions. For TRSL, the investment rate of return was 7.70% for 2017, down from 7.75% in 2016. The discount rate was reduced to 7.65% in the June 30, 2018 valuation. The For LSERS, the investment rate of return was 7.125% for 2017 down from 7.25% in 2016. The discount rate was reduced to 7.0625% in the June 30, 2018 valuation.

3. OPEB PLAN

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

SUPPLEMENTAL INFORMATION SCHEDULES

Combining Balance Sheet - Nonmajor Funds by Type
 June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Totals
Assets				
Cash and cash equivalents	\$ 24,162	\$ 649	\$ 5,223	\$ 30,034
Receivables	326,763	-	-	326,763
Interfund receivable	1,629	-	-	1,629
Total assets	<u>\$ 352,554</u>	<u>\$ 649</u>	<u>\$ 5,223</u>	<u>\$ 358,426</u>
Liabilities, deferred inflows, and fund balances				
Liabilities:				
Accounts payable	\$ 40,204	\$ -	\$ -	\$ 40,204
Salaries and benefits payable	65,932	-	-	65,932
Interfund payable	222,159	647	-	222,806
Total liabilities	<u>328,295</u>	<u>647</u>	<u>-</u>	<u>328,942</u>
Deferred inflows of resources:				
Deferred revenue	24,259	-	-	24,259
Fund equity:				
Fund balances:				
Restricted	-	2	5,223	5,225
Total liabilities, deferred inflows, and fund balances	<u>\$ 352,554</u>	<u>\$ 649</u>	<u>\$ 5,223</u>	<u>\$ 358,426</u>

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Funds by Type
For the Year Ended June 30, 2019

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Totals
Revenues:				
Interest earnings	\$ -	\$ 1	\$ 9	\$ 10
Local sources	20,761	-	-	20,761
State sources	77,106	-	-	77,106
Federal sources	969,960	-	-	969,960
Total revenues	<u>1,067,827</u>	<u>1</u>	<u>9</u>	<u>1,067,837</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	107,824	-	-	107,824
Special education programs	104,715	-	-	104,715
Vocational educational programs	7,806	-	-	7,806
Other instructional programs	13,078	-	-	13,078
Special programs	84,862	-	-	84,862
Adult education programs	-	-	-	-
Support services:				
Student services	170,435	-	-	170,435
Instructional staff support	473,312	-	-	473,312
General administration	-	-	-	-
School administration	320	-	-	320
Business services	8,396	-	-	8,396
Plant services	20,791	-	-	20,791
Student transportation services	132	-	-	132
Debt service	-	-	72,059	72,059
Total expenditures	<u>991,671</u>	<u>-</u>	<u>72,059</u>	<u>1,063,730</u>
Excess (deficiency) of revenues over expenditures	<u>76,156</u>	<u>1</u>	<u>(72,050)</u>	<u>4,107</u>
Other financing sources (uses):				
Transfers in	-	-	72,059	72,059
Transfers out	(76,156)	-	-	(76,156)
Total other financing sources (uses)	<u>(76,156)</u>	<u>-</u>	<u>72,059</u>	<u>(4,097)</u>
Net change in fund balances	<u>-</u>	<u>1</u>	<u>9</u>	<u>10</u>
Beginning fund balances	<u>-</u>	<u>1</u>	<u>5,214</u>	<u>5,215</u>
Ending fund balances	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 5,223</u>	<u>\$ 5,225</u>

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2019

	IDEA	Preschool	Title II	LA 4 TANF	8(g)	Teacher Incentive Fund	Carl Perkins	Title IV	Title V	Core Grant	Direct Student Services	School Redesign/ SRCL	Totals
Assets													
Cash and cash equivalents	\$ -	\$ -	\$ 157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,005	\$ -	\$ -	\$ 24,162
Receivables	36,302	2,830	16,760	35,534	44,357	45,411	7,709	18,592	617	-	8,276	110,375	326,763
Interfund receivable	-	-	-	1,629	-	-	-	-	-	-	-	-	1,629
Total assets	\$ 36,302	\$ 2,830	\$ 16,917	\$ 37,163	\$ 44,357	\$ 45,411	\$ 7,709	\$ 18,592	\$ 617	\$ 24,005	\$ 8,276	\$ 110,375	\$ 352,554
Liabilities, deferred inflows, and fund equity													
Liabilities:													
Accounts payable	\$ 6,111	\$ -	\$ 5,782	\$ 2,669	\$ -	\$ 3,806	\$ 3,849	\$ 4,604	\$ -	\$ -	\$ -	\$ 13,383	\$ 40,204
Salaries and benefits payable	18,335	2,157	2,570	2,576	10,486	26,826	-	-	-	-	-	2,982	65,932
Interfund payable	11,856	419	8,565	31,918	33,871	14,779	3,860	13,988	617	-	8,276	94,010	222,159
Total liabilities	36,302	2,576	16,917	37,163	44,357	45,411	7,709	18,592	617	-	8,276	110,375	328,295
Deferred inflows of resources:													
Deferred revenue	-	254	-	-	-	-	-	-	-	24,005	-	-	24,259
Fund equity:													
Fund balances:													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities, deferred inflows, and fund equity	\$ 36,302	\$ 2,830	\$ 16,917	\$ 37,163	\$ 44,357	\$ 45,411	\$ 7,709	\$ 18,592	\$ 617	\$ 24,005	\$ 8,276	\$ 110,375	\$ 352,554

**TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana**

**Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2019**

	IDEA	Preschool	Title II	LA 4 TANF	8(g)	Teacher Incentive Fund	Carl Perkins	Title IV	Title V	Core Grant	Direct Student Services	School Redesign/ SRCL	Totals
Revenues:													
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,761	\$ 20,761
State sources	-	-	-	32,749	44,357	-	-	-	-	-	-	-	77,106
Federal sources	245,041	12,059	50,417	29,008	-	137,640	7,806	50,419	14,109	995	16,128	406,338	969,960
Total revenues	245,041	12,059	50,417	61,757	44,357	137,640	7,806	50,419	14,109	995	16,128	427,099	1,067,827
Expenditures:													
Current:													
Instruction:													
Regular programs	-	-	5,799	-	44,357	14,717	-	22,140	12,816	995	-	7,000	107,824
Special education programs	93,594	11,121	-	-	-	-	-	-	-	-	-	-	104,715
Vocational educational programs	-	-	-	-	-	-	7,806	-	-	-	-	-	7,806
Other instructional program:	12,692	-	-	-	-	-	-	-	-	-	386	-	13,078
Special programs	-	-	-	46,998	-	-	-	-	-	-	14,264	23,600	84,862
Support services:													
Student services	74,560	-	-	12,100	-	83,775	-	-	-	-	-	-	170,435
Instructional staff support	40,308	-	41,217	-	-	29,053	-	3,455	-	-	-	359,279	473,312
School administration	-	-	-	-	-	320	-	-	-	-	-	-	320
Business services	1,296	-	-	-	-	7,100	-	-	-	-	-	-	8,396
Plant services	-	-	-	-	-	-	-	20,791	-	-	-	-	20,791
Student transportation services	132	-	-	-	-	-	-	-	-	-	-	-	132
Total expenditures	222,582	11,121	47,016	59,098	44,357	134,965	7,806	46,386	12,816	995	14,650	389,879	991,671
Excess (deficiency) of revenues over expenditures	22,459	938	3,401	2,659	-	2,675	-	4,033	1,293	-	1,478	37,220	76,156
Other financing sources (uses):													
Transfers out	(22,459)	(938)	(3,401)	(2,659)	-	(2,675)	-	(4,033)	(1,293)	-	(1,478)	(37,220)	(76,156)
Total other financing sources (uses)	(22,459)	(938)	(3,401)	(2,659)	-	(2,675)	-	(4,033)	(1,293)	-	(1,478)	(37,220)	(76,156)
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning fund balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending fund balances	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Agency Fund

Agency funds account for assets held in a fiduciary capacity by the School Board.

School Activity Fund

The School Activity Funds account for monies generated by the individual schools and school organizations within the parish. While these accounts are under the supervision of the School Board, they belong to the individual schools, related organizations, or student bodies and are not available for use by the School Board.

Schedule of Changes in Assets and Liabilities - Agency Fund
 June 30, 2019

	STUDENT ACTIVITY FUND			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 86,899	\$ 105,937	\$ (135,107)	\$ 57,729
Total assets	<u>\$ 86,899</u>	<u>\$ 105,937</u>	<u>\$ (135,107)</u>	<u>\$ 57,729</u>
Liabilities				
Deposits due others	\$ 86,899	\$ 105,937	\$ (135,107)	\$ 57,729
Total liabilities	<u>\$ 86,899</u>	<u>\$ 105,937</u>	<u>\$ (135,107)</u>	<u>\$ 57,729</u>

Schedule of Changes in Deposits Due Others -
 School Activity Agency Fund
 For the Year Ended June 30, 2019

<u>School</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
Tensas Parish High School	\$ 47,551	\$ 78,783	\$ (99,476)	\$ 26,858
Tensas Parish Elementary School	26,707	27,154	(35,291)	18,570
Newellton Elementary School	12,641	-	(340)	12,301
	<u>\$ 86,899</u>	<u>\$ 105,937</u>	<u>\$ (135,107)</u>	<u>\$ 57,729</u>

**TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana**

Schedule 7

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

<u>MEMBERS</u>	<u>AMOUNT</u>
Jennifer Burnside	\$ 3,900
Morgan Carter*	1,950
James Kelly	1,950
Pat Joffrion*	-
Oscar S. McLemore	1,950
Annice Miller	3,900
Esaw Turner	3,900
Mary Nell Rushing*	1,950
Steve Vinson	1,950
John Turner	<u>3,900</u>
	<u>\$ 25,350</u>

* Denotes newly-elected board members.

Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2019

Agency Head Name: Dr. Paul Nelson

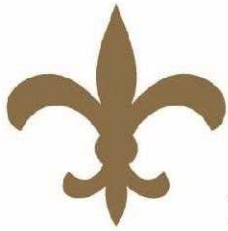
<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 105,338
Benefits-insurance	2,390
Benefits-retirement	28,125
Benefits-other	-
Car allowance	6,088
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	3,983
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other-dues	-
	<hr/>
	\$ 145,924

**REPORTS AND ADDITIONAL
INFORMATION REQUIRED BY
*GOVERNMENT AUDITING
STANDARDS AND
SINGLE AUDIT ACT
AMENDMENTS OF 1996***

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2019

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J. Aaron Cooper, CPA, LLC

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Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

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

Tensas Parish School Board
St. Joseph, Louisiana

I have audited, 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, the financial statements of governmental activities, the major funds, and the aggregate remaining fund information of the Tensas Parish School Board as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated April 6, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my 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, I do not express an opinion on the effectiveness of the School Board's internal control.

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

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs (Findings 2019-1(IC) through 2019-5(IC)) that I consider to be significant deficiencies.

Compliance and Other Matters

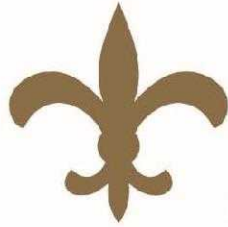
As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and described in the accompanying schedule of findings and questioned costs (Findings 2019-1(C) and 2019-2(C))

Purpose of this Report

This report is intended solely for the information and use of the Tensas Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

St. Joseph, Louisiana
April 6, 2020



J. Aaron Cooper, CPA, LLC

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

Tensas Parish School Board
St. Joseph, Louisiana

Report on Compliance for Each Major Program

I have audited the compliance of the Tensas Parish School Board with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on the compliance for each of the School Board's major programs based on my audit of the types of compliance requirement referred to above. I conducted my 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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major program. However, my audit does not provide a legal determination on the School Board's compliance with those requirements.

Opinion on Each Major Program

In my opinion the Tensas Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

The management of the Tensas Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on 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, I 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 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. I consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2019-1(FIC) to be a significant deficiency.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the entity's internal control over compliance that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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

This report is intended solely for the information and use of the Tensas Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J. Aaron Cozart, CPA, LLC

St. Joseph, Louisiana
April 6, 2020

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:*			
Cash Assistance:			
National School Lunch Program	10.555	LEA No. 054	\$ 232,943
School Breakfast Program	10.553	LEA No. 054	134,745
Total Child Nutrition Cluster			<u>367,688</u>
Healthy Hunger-Free Kids	10.592	LEA No. 054	4,197
Fresh Fruit and Vegetable Program	10.582	LEA No. 054	16,271
Non-cash Assistance:			
Commodity Supplemental Food Program	10.565	LEA No. 054	31,319
Total United States Department of Agriculture			<u>419,475</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Special Education Cluster:*			
Individuals with Disabilities Education Act	84.027	28-19-B1-54	245,041
Preschool Grants	84.173	28-19-P1-06	12,059
Total Special Education Cluster			<u>257,100</u>
Title I:*			
Grants to Local Educational Agencies	84.010	28-19-TI-54	643,371
Direct Student Services	84.010	28-19-DSS-54	16,128
School Redesign Grant	84.010	28-18-RD18-54	147,597
Total Title I			<u>807,096</u>
Striving Readers Comprehensive Literacy:			
SRCL Birth - Age 5	84.371	28-18-SR01-54	50,259
SRCL K - Grade 5	84.371	28-18-SR02-54	60,464
SRCL K - Grade 2	84.371	28-18-SR05-54	65,427
SRCL Grades 3-5	84.371	28-18-SR06-54	77,419
SRCL Redesign	84.371	N/A	5,172
Total SRCL			<u>258,741</u>
Teacher Incentive Funds	84.374	28-19-TP-54	96,316
PBCS Teacher Incentive Funds	84.374	28-19-PBCS	41,324
Total Teacher Incentive Funds			<u>137,640</u>
Vocational Education - Basic Grants to States	84.048	28-19-02-54	7,806
Title II - Teacher & Principal Training and Recruiting	84.367A	28-19-50-54	50,417
Title IV - Student Support & Academic Enrichment	84.424	28-19-71-54	50,419
Investing in Innovation Fund	84.411	N/A	995
Rural Education Assistance Program	84.358	28-19-RE-54	14,109
Total United States Department of Education			<u>1,584,323</u>
United States Department of Health and Human Services			
Passed through Louisiana Department of Education:			
LA 4 TANF	93.558	28-19-36-54	29,008
Total United States Department of Health and Human Services			<u>29,008</u>
Total Expenditures of Federal Awards			<u>\$ 2,032,806</u>

* Denotes major Federal program

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Tensas Parish School Board, St. Joseph, Louisiana. The Tensas Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

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

Food Service Fund	\$ 419,475
Title I Fund	643,371
Non-major funds	<u>969,960</u>
	<u>\$ 2,032,806</u>

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

5. MATCHING REVENUES

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

6. NONCASH PROGRAMS

The commodities received from the food distribution program, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. Commodities valued at \$31,319 were received by the School Board and is included in National School Lunch Program.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I - Summary of Audit Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
• Title I Grants to Local Education Agencies	
• Special Education Cluster	
• Child Nutrition Cluster	
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No
Utilized de minimis indirect cost rate?	No

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control

Finding 2019-1(IC) – Segregation of Duties

Finding. The School Board does not have adequate segregation of functions within the accounting system.

Criteria. Good internal control requires that incompatible functions within the accounting system be performed by separate persons.

Effect. Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause. The cause of the deficiency is due to the small staff size.

Recommendation. All incompatible functions should be performed by a separate person.

Finding 2019-2(IC) – Disbursements approval process

Finding. During testing of disbursements, it was noted that some purchases and disbursements lacked evidence of proper approvals such as a signed purchase order or signature/initials on the invoice. It should be noted that there were no such exceptions noted during testing of the Federal programs.

Criteria. Proper internal controls require that approvals of purchases and disbursements be documented.

Effect. Unauthorized purchases and disbursements could be made if invoices are paid without requiring evidence that the purchase was approved. Additionally, without the monitoring of purchases, budgets could be exceeded.

Cause. Policy was not followed consistently.

Recommendation. The School Board should ensure that personnel are properly trained on the purchasing process and that the process is adhered to.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2019

Internal Control (continued)

Finding 2019-3(IC) – Reconciliation of payroll-related assets and liabilities

Finding. During testing of payroll-related assets and liabilities, it was noted that the various accounts had not been reconciled for the last several years. Because of the state of the records on these accounts, it took weeks to reconcile the various accounts. Additionally, as a result of this reconciliation process, a prior period adjustment was necessary to correct beginning balances.

Criteria. All significant balance sheet accounts should be reconciled during the month-end close process.

Effect. Misstatements could occur which would not be discovered and corrected on a timely basis.

Cause. Because no monthly reconciliations were being performed, errors were occurring slowly over time that were not being corrected.

Recommendation. The School Board should ensure that reconciliations of these accounts are performed on a monthly basis.

Finding 2019-4(IC) – Written procedures

Finding. The School Board written policies and procedures were lacking in many areas and do not address many of the areas recommended by the Louisiana Legislative Auditor.

Criteria. Good internal control requires that policies and procedures are written and cover all relevant financial areas/processes (see recommended policies as noted in the statewide agreed-upon procedures).

Effect. Written policies and procedures communicate the approved policies and procedures of the School Board and instructs the employees what rules to follow and how procedures are to be performed. Without adequate policies or procedures, procedures relating to internal control may not be consistently followed.

Cause. I was unable to determine a cause for this finding.

Recommendation. The School Board should develop written policies and procedures for all areas of the accounting system, to include at a minimum the relevant areas outlined by the Legislative Auditor in the statewide agreed-upon procedures.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2019

Internal Control (continued)

Finding 2019-5(IC) – Stale-Dated Checks

Finding. There were 44 checks over five months old totaling \$47,816 at June 30, 2019. During the course of the audit, it was determined that \$31,245 should have been voided.

Criteria. Good internal control requires that older reconciling items on a bank reconciliation be investigated to ensure they are proper.

Effect. Without following up on old outstanding reconciling items, it is possible that these items are not valid, causing a misstatement of cash.

Cause. I was unable to determine a cause for this finding.

Recommendation. I recommend that the bank reconciliation process include a procedure to address outstanding items that do not clear the bank within three months of issuance.

Compliance

Finding 2019-1(C) – Audit not filed timely

Finding. The School Board did not submit its audit by the deadline required by state law.

Criteria. State law requires audits of local governments be submitted within six months of fiscal year end.

Effect. Finding causes the School Board to not be in compliance with state law.

Cause. The delay was primarily due to the additional time taken to reconcile the payroll-related assets and liabilities.

Recommendation. The School Board should ensure that all accounts are properly reconciled and adjusted prior to the beginning of the audit.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Findings and Questioned Costs (concluded)
For the Year Ended June 30, 2019

Compliance (continued)

Finding 2019-2(C) – Budget Law

Finding. The actual expenditures in the Sales Tax Fund exceeded budgeted expenditures by more than 5%.

Criteria. State law requires local governments to amend their budgets when budget variances for revenues and expenditures exceed 5%.

Effect. Finding causes the School Board to not be in compliance with state law.

Cause. Although the budget was amended, it did not fully account for the expenditures in the fund.

Recommendation. Projecting expenditures in the Sales Tax Fund should be fairly straight-forward since it is only salaries and benefits. The School Board should utilize the contracted CPA firm during the budget revision process to help ensure more accurate projections.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Special Education Cluster (No questioned costs)

Finding 2019-1(FIC) – Review and approval of time logs submitted by outside professional services

Finding. During testing of disbursements charged to the IDEA Special Education Program, it was noted that most service provider time logs were not signed as approved by School Board management.

Criteria. On order to ensure that amounts paid to outside professional service providers were proper, time logs should be reviewed and approved by School Board management.

Effect. Without oversight, service providers could potentially charge the School Board for hours not worked.

Cause. Policy was not followed consistently.

Recommendation. The School Board should ensure that personnel are properly trained on the approval process and that the process is adhered to.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Corrective Action Plan
For the Year Ended June 30, 2019

Internal Control

Finding 2019-1(IC) – Segregation of Duties

Name of contact person. Eryn Arrington

Corrective Action. The School Board has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. The School Board does segregate as many duties as possible. The School Board has also contracted a CPA firm to help with some of the accounting and review functions. No corrective action is considered necessary.

Proposed completion date. Not applicable.

Finding 2019-2(IC) – Disbursements approval process

Name of contact person. Eryn Arrington

Corrective Action. The School Board will ensure that personnel are properly trained and procedures are followed to ensure disbursements are properly approved.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2019-3(IC) – Reconciliation of payroll-related assets and liabilities

Name of contact person. Eryn Arrington

Corrective Action. The School Board will ensure that personnel are properly trained and procedures are followed to ensure payroll-related assets and liabilities are properly reconciled.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2019-4(IC) – Written procedures

Name of contact person. Eryn Arrington

Corrective Action. The School Board will develop new written policies and procedures.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2019-5(IC) – Stale-Dated Checks

Name of contact person. Eryn Arrington

Corrective Action. The School Board will implement procedures to investigate old reconciling items.

Proposed completion date. The School Board will implement the above corrective action immediately.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Corrective Action Plan (concluded)
For the Year Ended June 30, 2019

Compliance

Finding 2019-1(C) – Audit not filed timely

Name of contact person. Eryn Arrington

Corrective Action. The School Board will ensure that all accounts are properly reconciled and adjusted prior to the beginning of the audit.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2019-2(C) – Budget Law

Name of contact person. Eryn Arrington

Corrective Action. The School Board will review the process it uses to project salary and benefit expenditures and will consider involving the contracted CPA to assist in the budget revision process.

Proposed completion date. The School Board will implement the above corrective action immediately.

Federal Awards Internal Control

Finding 2019-1(FIC) – Review and approval of time logs submitted by outside professional services

Name of contact person. Eryn Arrington

Corrective Action. The School Board will ensure that personnel are properly trained and procedures are followed with regard to approving service provider time logs.

Proposed completion date. The School Board will implement the above corrective action immediately.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2018-001 – Weaknesses in Internal Controls

Finding

Internal controls over cash - The School Board's bank reconciliations were not being performed in a timely manner for most of fiscal 2018. Once reconciled, there was no evidence that the reconciliations were reviewed and approved by management. With respect to long-outstanding checks, we noted 41 checks totaling \$7,637 dating as far back as 2004 that were outstanding beyond the time required for forwarding to the State's Unclaimed Property Division (Unclaimed Property). We also noted that 92 checks totaling \$33,752 were outstanding for more than a year and showed no evidence of having been researched or reviewed. Of this amount, nine of the checks totaling \$12,845 should have been voided and not shown as outstanding. Another four checks totaling \$4,587 had cleared and should no longer have been shown as outstanding. Of the outstanding checks that were issued in the current year, seven checks totaling \$14,530 had been voided but were still shown as outstanding.

Additionally, there were discrepancies identified during the contracted CPA's review of school activity funds. From a sample of 25 receipts for Tensas High School, fourteen deposits tested could not be traced to the underlying receipts due to a lack of proper documentation, fourteen receipts were not deposited for several days after being received, and twelve instances were noted where receipts were not properly recorded in the general ledger.

Internal controls over non-payroll disbursements - 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/modify vendors in the system. She processes payments by printing the checks on blank check stock with a printed signature and also mails the checks. Internal controls in place include the Business Manager approving invoices prior to payment, and our work supported that this was being completed. However, the mitigating control to ensure that payments made were legitimate and accurate was that the Business Manager review the transactions during the course of balancing the bank statements. Since the bank statements were not reconciled timely, there was no mitigating control to ensure that all payments made were accurate or that inaccuracies were identified in a timely manner.

Further, in our test of eighty-five non-payroll disbursements, we noted that six of the disbursements did not have a purchase requisition and/or purchase order associated with the expenditure, which is not in accordance with the School Board's \$500 threshold for non-payroll disbursements (excluding travel).

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

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

Our test of eighty-nine payroll disbursements revealed overpayments for the year to three employees in the amounts of \$769, \$1,767, and \$169, respectively. One employee was placed on the wrong salary schedule, while another employee did not have a salary schedule for the corresponding position. Timesheets for three employees could not be located for the corresponding payroll tested, and seven employees' timesheets reviewed showed no evidence of having been approved by an appropriate supervisor. Additionally, a personnel file for one of the employees in our sample could not be located, while two employees did not have required tax documentation on file. Further, we noted that the School Board does not retain documentation showing that payrolls have been approved prior to disbursement of funds; however, management informed us that preliminary payroll registers are reviewed prior to running each payroll even though the documentation is not retained.

Written policies and procedures and risk assessments - Internal controls were not designed and operating 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.

Fiscal years 2018 and 2017 experienced many changes in personnel including a reassignment of key employees within the business office. On July 1, 2016, the Accounts Payable clerk was promoted to the Business Manager position without an adequate training period with the retiring Business Manager. This resulted in a Business Manager who was not properly trained or prepared for the position. 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, which are necessary for the successful operation of internal controls, were not sufficient to assist in the transition of existing employees to new positions within Central Office. Additionally, management did not perform risk assessments and other evaluations to ensure internal controls were designed and operating appropriately and take appropriate action in cases where they were not.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

Criteria.

According to the Committee of Sponsoring Organizations of the Treadway Commission Report (COSO), internal controls should be designed and operating 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 require safeguards over cash, adequate segregation of duties over accounting functions, restricted system access to add or modify the vendor list, and proper authorization and accurate payment of non-payroll and payroll disbursements. Written policies and procedures are necessary for the successful operation of internal controls. Additionally, management should perform risk assessments and other evaluations to ensure internal controls are designed and operating effectively and take appropriate action in cases where they are not.

Effect

Internal controls over cash - Failure to perform and review bank reconciliations in a timely manner slows down the flow of information necessary for management to make decisions in a timely manner and could lead to material misstatements not being detected and corrected in a timely manner. Further, not forwarding certain long-outstanding checks to Unclaimed Property could result in interest owed to the State of Louisiana and noncompliance with state law. Additionally, at the school level, the lack of policies and procedures over student activity funds hinders the School Board's ability to track receipts and properly protect assets.

Internal controls over non-payroll disbursements - Misstatements could occur without being prevented or detected and corrected on a timely basis, and disbursements could be made for services/products not received.

Internal controls over payroll disbursements - Payroll checks were issued for incorrect amounts, and hours worked as reported on employee timesheets cannot be deemed accurate due to lack of review by management.

Written policies and procedures and risk assessments - Accounts were not appropriately reviewed and reconciled with supporting documentation resulting in accurate, timely financial information not being available. Management was not presented with financial information in a timely manner in order to make sound decisions. The School Board was not presented with monthly budget to actual comparisons in order to judge the School Board's operations and financial position.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

Cause

Internal controls over cash - The Business Manager in place for most of the year was not trained or prepared for the position. Additionally, the School Board maintains fifteen separate bank accounts. The amount far exceeds the amount necessary for a school board of this size making it difficult for management to protect, control, and properly account for the School Board's assets in a timely manner. With respect to student activity funds, the School Board has no policies and procedures to properly track amounts received.

Internal controls over non-payroll disbursements - Controls over significant accounts and processes were not properly designed, documentation of the components of internal control was not sufficient, monitoring controls used to assess the design and operating effectiveness of the entity's internal control over time were not properly designed, and an internal process to report deficiencies in internal control to management on a timely basis was not present.

Internal controls over payroll disbursements - Deficiencies in internal control were mostly attributable to employees not possessing the training required to fulfill their assigned functions. We were unable to determine a cause as to the variances regarding individual employee payroll file information and failure to maintain preliminary payroll registers used prior to running payroll.

Written policies and procedures and risk assessments - We were unable to determine a cause as to why policies and procedures were insufficient and risk assessments were not properly performed.

Corrective Action Taken.

Internal controls over cash – See Finding 2019-1(IC) and Finding 2019-4(IC).

Internal controls over non-payroll disbursements - Management feels that improvements have been made in this area and controls are appropriate when taking into account the size of the Finance Department's staff and cost-benefit considerations. See Finding 2019-1(IC) and Finding 2019-2(C).

Internal controls over payroll disbursements - Management feels that improvements have been made in this area and controls are appropriate when taking into account the size of the Finance Department's staff and cost-benefit considerations. See Finding 2019-1(IC).

Written policies and procedures and risk assessments – No changes from prior year.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

Finding 2018-002 – Louisiana Budget Act

Finding. The Food Service fund had expenditures and other financing uses totaling \$463,889 which were budgeted for \$392,951, resulting in a \$70,938 (18.1%) negative variance.

Criteria. 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.

Effect. The School Board did not receive \$86,392 in reimbursements to which it was entitled.

Cause. Although a budget amendment was made, it did not fully account for the expenditures of the fund.

Recommendation. 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.

Corrective Action Taken. See Finding 2019-2(C).

Finding 2018-003 – Late Filing

Finding. The School Board's audited financial statements for the year ending June 30, 2018 were not completed within the six-month deadline as per Revised Statute 24:513.

Criteria. Louisiana Revised Statute 24:513 requires that the School Board 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.

Effect. The School Board's report was not able to be submitted within the six-month deadline as required by RS 24:513.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

Cause. The School Board’s actuary did not release the Other Postemployment Benefits (OPEB) actuarial valuation report until January 10, 2019 (ten (10) days past the deadline for submission of the audit report to the Louisiana Legislative Auditor). Additionally, due to the current year implementation of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the School Board’s auditor required additional time to evaluate the reasonableness of actuarial assumptions and other factors associated with the valuation of the School Board’s Other Post-Employment benefits.

Recommendation. For the June 30, 2019 audit, we recommend the School Board request that the actuary complete the actuarial valuation report well in advance of the six-month audit report submission deadline to allow the auditor sufficient time to review the valuation.

Corrective Action Taken. See Finding 2019-1(C).

SECTION III – FEDERAL AWARDS FINDINGS

Finding 2018-004 – Child Nutrition Cluster

Finding. The School Board did not demonstrate adherence to certain program compliance requirements by ensuring that effective internal controls were maintained to provide reasonable assurance that the School Board managed Federal awards in compliance with statutes, regulations, and the terms and conditions of the Federal awards.

The employee responsible for non-payroll disbursements had access to add vendors, print checks with signatures printed on them and mail the checks. While invoices were required to be approved prior to disbursement, no specific procedure prevented disbursements of federal funds for items without invoices. The mitigating control that all transactions were to be reviewed during the bank reconciliation process by someone knowledgeable about federal compliance requirements was ineffective as the bank accounts were not reconciled frequently enough to detect and correct misstatements in a timely manner (Finding 2018-001). Documentation that payroll registers were reviewed was not maintained. Revenues were not posted on a fund level when received so that accurate financial reports could be sent timely to the program director for reconciliation and review. The Food Service fund budget was noncompliant with the Louisiana Local Government Budget Act (refer to Finding 2018-002). Monitoring of spending by management would have identified and corrected this situation in a timely manner.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARDS FINDINGS (continued)

Internal controls were not sufficient to ensure that only allowed activities / allowed costs were charged to Federal programs or, if an unallowed activity / unallowed cost occurred, to detect and correct it in a timely manner. Internal controls appeared to be working on the department level, but there were no compensating controls to ensure that the activities being recorded in the accounting system were allowable. During the year, the individual responsible for the accounting system lacked adequate training as to what activities / costs were allowed or unallowed for each program. Staff did not identify key compliance objectives and risk tolerances with respect to activities allowed or unallowed demonstrated by the fact that accounting records for the Federal funds were not maintained on a timely basis and bank accounts were not reconciled timely. Reports were not provided timely to federal program director for review and appropriate action to ensure activities were allowable. Ongoing monitoring through supervisory review and management review of reports to ensure activities were allowable was not being completed. The School Board was not provided budget to actual financials monthly to ensure Federal programs were being managed appropriately and in compliance with activities allowed or unallowed. Management did not prohibit intervention or overriding of established controls and procedures were not in place to implement significant changes in program objectives and procedures or changes in statutes, regulations, and the terms and conditions affecting Federal awards.

Internal controls were not sufficient to ensure that cash was managed in accordance with compliance requirements demonstrated by the fact that there was insufficient segregation of duties over disbursements and bank reconciliations were not performed in a timely manner. The individual responsible for the accounting system was not knowledgeable in compliance requirements and was not posting all program transactions to the program funds in a timely manner as required. Reports were not provided timely to Federal Program Directors for review and appropriate action to ensure compliance with cash management requirements. Ongoing monitoring through supervisory review and management review of reports and reconciliations to ensure compliance with cash management requirements was not being completed. The School Board was not provided budget to actual financials monthly to ensure Federal programs were being managed appropriately and in compliance with cash management requirements. Management did not prohibit intervention or overriding of established controls and procedures are not in place to implement significant changes in program objectives and procedures or changes in statutes, regulations, and the terms and conditions affecting Federal awards. The School Board has written policies and procedures but did not make updates to implement the OMB's uniform guidance.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARDS FINDINGS (continued)

Internal controls were not sufficient to ensure that procurement activities were charged to Federal programs in compliance with federal requirements. Staff did not understand and identify key compliance objectives and risk tolerances demonstrated by the management of purchase orders described in finding 2018-001. Procedures were not in place to implement significant changes in program objectives and procedures or changes in statutes, regulations, and the terms and conditions affecting Federal awards. The School Board has written policies and procedures but did not make updates to implement the OMB's uniform guidance.

Internal controls were not sufficient to ensure that reports were submitted in compliance with requirements due to the issues identified in the activities allowed or unallowed and allowable costs/cost principles sections. In addition, the client was unable to demonstrate compliance with reporting compliance requirements by providing the NSLP: Income & Expenses Form submitted to Louisiana DOE CNP.

Client failed to comply with school food accounts compliance requirements. Payments were not promptly credited to the school food service accounts: The amount of time between being deposited via EFT and being posted to the fund was twenty-eight days for August 2017, thirty-four days for September 2017, seventy-eight days for October and fifty-four days for December. The remainder of deposits could not be traced directly to the Child Nutrition Fund general ledger transaction history, but it appears that none of the remaining deposits were recorded prior to 3/30/2018.

Criteria. 2 CFR 200.303 requires that the entity establish and maintain effective internal controls 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. Nonfederal entities are required to have certain written policies and procedures surrounding the management of their federal award funding. The cost principles in 2 CFR Part 200, subpart E prescribe the cost accounting requirements associated with the administration of Federal awards by local governments, including the requirements for allowable costs/cost principles, and state that the entity is responsible for oversight of the operations of the Federal award supported activities. Federal reimbursement payments are to be promptly credited to the school food service account, 7 CFR Part 200.

Effect. Internal control weaknesses increase the risk that unauthorized or erroneous transactions could occur. Out-of-date written policies and procedures reduces the effectiveness of an organization's internal controls and increases the likelihood of funds being misused. Noncompliance could result in reductions in funding.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARDS FINDINGS (continued)

Cause. Deficiencies in the design and operation of internal control over federal compliance requirements included inadequate design and operation of controls over significant accounts and processes, inadequate documentation of the components of internal control, inadequate design of monitoring controls and risk assessment 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. Management did not formally update the policies and procedures to reflect the uniform guidance requirements. Internal control weaknesses were a systemic problem.

Recommendation. Internal control design and operation should be reviewed and modified to comply with federal regulations. Records should be maintained on a funding source level, in an understandable format and reconciled with the appropriate departments monthly. Someone trained on federal compliance requirements 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.

Corrective Action Taken. Management feels that improvements have been made in this area and controls are appropriate when taking into account the size of the Finance Department's staff and cost-benefit considerations. Current auditor concurs.

Finding 2018-005 – Title I

Finding. The School Board did not demonstrate adherence to certain program compliance requirements by ensuring that effective internal controls were maintained to provide reasonable assurance that the School Board managed Federal awards in compliance with statutes, regulations, and the terms and conditions of the Federal Awards. Management attempted to follow up on irregularities and deficiencies identified in audits, reviews and monitoring, but actions were not effective and timely enough for the School Board to be in compliance during the fiscal year ended June 30, 2018.

The employee responsible for non-payroll disbursements had access to add vendors, print checks with signatures printed on them and mail the checks. While invoices were to be approved prior to disbursement, nothing prevented disbursements of federal funds for items without invoices. The mitigating control that all transactions were to be reviewed during the bank reconciliation process by someone knowledgeable about federal compliance requirements was ineffective as the bank accounts were not reconciled frequently enough to detect and correct misstatements in a timely manner (Finding 2018-001).

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARDS FINDINGS (continued)

Timely information was not available for request of Title I funds resulting in 2016/17 monies being requested under the grant 2017/18 fiscal year and 2017/18 monies being requested under the 2018/19 grant fiscal year. Timeliness of information in conjunction with reimbursement requests being combined and overlapped, made it difficult to tie expenditures to reports and monies received. A random sample of thirty-five payroll disbursements identified one employee personnel file that could not be located, one employee without required tax documentation on file, three timesheets that could not be located, and one timesheet not properly approved. Documentation that payroll registers were reviewed was not maintained.

Activities Allowed or Unallowed –
See Activities Allowed or Unallowed on Finding 2018-004

Allowable Costs / Cost Principles –
See Allowable Costs / Cost Principles on Finding 2018-004

Cash Management –
See Cash Management on Finding 2018-004

Procurement and Suspension and Debarment –
See Procurement and Suspension and Debarment on Finding 2018-004

Reporting –
Internal controls were not sufficient to ensure that reports were submitted in compliance with requirements due to the issues identified in the activities allowed or unallowed and allowable costs/cost principles sections. Timely information was not available for request of Title I funds resulting in 2016/17 monies being requested under the grant 2017/18 fiscal year and 2017/18 monies being requested under the 2018/19 grant fiscal year. This issue along with reimbursement requests being combined and overlapped, made it difficult to determine which year expenditures applied to and to tie expenditures to reports and monies received.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARDS FINDINGS (continued)

Criteria. 2 CFR 200.303 requires that the entity establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the entity is managing the Federal award in compliance with statutes, regulations, and the terms and conditions of the Federal award. Nonfederal entities are required to have certain written policies and procedures surrounding the management of their federal award funding. The cost principles in 2 CFR Part 200, subpart E prescribe the cost accounting requirements associated with the administration of Federal awards by local governments including the requirements for allowable costs/cost principles and states that the entity is responsible for oversight of the operations of the Federal award supported activities.

Effect. See Effect on Finding 2018-004

Cause. See Cause on Finding 2018-004

Recommendation. See Recommendations on Finding 2018-004.

Corrective Action Taken. Management feels that improvements have been made in this area and controls are appropriate when taking into account the size of the Finance Department's staff and cost-benefit considerations. Current auditor concurs.

Finding 2018-006 – Special Education Cluster

Finding. The School Board did not demonstrate adherence to certain program compliance requirements by ensuring that effective internal controls were maintained to provide reasonable assurance that the School Board managed Federal awards in compliance with statutes, regulations, and the terms and conditions of the Federal Awards. Management attempted to follow up on irregularities and deficiencies identified in audits, reviews and monitoring but actions were not effective and timely enough for the School Board to be in compliance during the fiscal year ended June 30, 2018. The employee responsible for non-payroll disbursements had access to add vendors, print checks with signatures printed on them and mail the checks. While invoices were to be approved prior to disbursement, nothing prevented disbursements of federal funds for items without invoices. The mitigating control that all transactions were to be reviewed during the bank reconciliation process by someone knowledgeable about federal compliance requirements was ineffective as the bank accounts were not reconciled frequently enough to detect and correct misstatements in a timely manner (Finding 2018-001).

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARDS FINDINGS (continued)

Timely information was not available for request of IDEA B funds resulting in 2016/17 monies being requested under the grant 2017/18 fiscal year and 2017/18 monies being requested under the 2018/19 grant fiscal year. This issue along with reimbursement requests being combined and overlapped, made it difficult to tie expenditures to reports and monies received. Twenty-five random payroll disbursements identified one employee without required tax documentation on file and six timesheets that could not be located. Documentation that payroll registers were reviewed was not maintained.

Activities Allowed or Unallowed –
See Activities Allowed or Unallowed on Finding 2018-004

Allowable Costs / Cost Principles –
See Allowable Costs / Cost Principles on Finding 2018-004

Cash Management –
See Cash Management on Finding 2018-004

Procurement and Suspension and Debarment –
See Procurement and Suspension and Debarment on Finding 2018-004

Reporting - Internal controls were not sufficient to ensure that reports were submitted in compliance with requirements due to the issues identified in the activities allowed or unallowed and allowable costs/cost principles sections. Timely information was not available for request of IDEA B funds resulting in 2016/17 monies being requested under the grant 2017/18 fiscal year and 2017/18 monies being requested under the 2018/19 grant fiscal year. This issue along with reimbursement requests being combined and overlapped, made it difficult to determine which year expenditures applied to and to tie expenditures to reports and monies received.

Criteria. 2 CFR 200.303 requires that the entity establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the entity is managing the Federal award in compliance with statutes, regulations, and the terms and conditions of the Federal award. Nonfederal entities are required to have certain written policies and procedures surrounding the management of their federal award funding. The cost principles in 2 CFR Part 200, subpart E prescribe the cost accounting requirements associated with the administration of Federal awards by local governments including the requirements for allowable costs/cost principles and states that the entity is responsible for oversight of the operations of the Federal award supported activities.

Effect. See Effect on Finding 2018-004

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Prior Year Findings (concluded)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARDS FINDINGS (concluded)

Cause. See Cause on Finding 2018-004

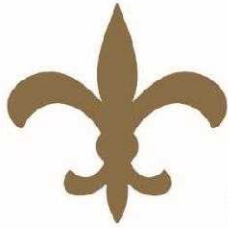
Recommendation. See Recommendations on Finding 2018-004.

Corrective Action Taken. Management feels that improvements have been made in this area and controls are appropriate when taking into account the size of the Finance Department's staff and cost-benefit considerations. Current auditor concurs.

TENSAS PARISH SCHOOL BOARD

PERFORMANCE MEASURES SCHEDULES

**For the Year Ended June 30, 2019
With Independent Accountant's Report
on Applying Agreed-Upon Procedures**



J. Aaron Cooper, CPA, LLC

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Recipient of Advanced Single Audit Certificate

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Tensas Parish School Board
St. Joseph, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Tensas Parish School Board, the Louisiana Department of Education, and the Legislative Auditor, State of Louisiana (the specified parties), on the performance and statistical data for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I Management of the Tensas Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I 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. I 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, and
 - Nonpublic Transportation Revenue.

No exceptions were noted during the performance of these procedures.

Class Size Characteristics (Schedule 2)

2. I obtained a list of classes by school, school type, and class size as reported on the schedule. I then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

There was no roll book for one of the classes selected as the teacher was an inclusion teacher. No other exceptions were noted during the performance of these procedures.

Education Levels/Experience of Public School Staff

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

No exceptions were noted during the performance of these procedures.

Public School Staff Data: Average Salaries

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

No exceptions were noted during the performance of these 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 (City or Parish School Board or Charter School), as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



April 6, 2020

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,009,810	
Other Instructional Staff Activities	175,355	
Employee Benefits	909,125	
Purchased Professional and Technical Services	207,367	
Instructional Materials and Supplies	88,063	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 2,389,720

Other Instructional Activities 51,803

Pupil Support Activities 380,464

Less: Equipment for Pupil Support Activities -

Net Pupil Support Activities 380,464

Instructional Staff Services 168,181

Less: Equipment for Instructional Staff Services -

168,181

School Administration 548,115

Less: Equipment for School Administrative Services -

548,115

Total General Fund Instructional Expenditures \$ 3,538,283

Total General Fund Equipment Expenditures \$ 15,965

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes \$ 361,197

Renewable Ad Valorem Taxes 1,743,848

Debt Service Ad Valorem Taxes -

Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes 69,225

Sales and Use Taxes 743,696

Total Local Taxation Revenue \$ 2,917,966

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property \$ 23,547

Earnings from Other Real Property -

Total Local Earnings on Investments in Real Property \$ 23,547

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax \$ 7,281

Revenue Sharing - Other Taxes 9,162

Revenue Sharing - Excess Portion -

Other Revenue in Lieu of Taxes -

Total State Revenue in Lieu of Taxes 16,443

Nonpublic Textbook Revenue 3,230

Nonpublic Transportation Revenue \$ -

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Class Size Characteristics
As of October 1, 2018

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	43.26%	61.00	30.56%	11.00	0.00%	-	#DIV/0!	-
Elementary Activity Classes	4.96%	7.00	5.56%	2.00	0.00%	-	#DIV/0!	-
Middle/Jr. High	0.00%	-	0.00%	-	0.00%	-	#DIV/0!	-
Middle/Jr. High Activity Classes	0.00%	-	0.00%	-	0.00%	-	#DIV/0!	-
High	44.68%	63.00	58.33%	21.00	85.71%	6.00	#DIV/0!	-
High Activity Classes	7.09%	10.00	5.56%	2.00	14.29%	1.00	#DIV/0!	-
Combination	0.00%	-	0.00%	-	0.00%	-	#DIV/0!	-
Combination Activity Classes	0.00%	-	0.00%	-	0.00%	-	#DIV/0!	-
Other	0.00%	-	0.00%	-	0.00%	-	#DIV/0!	-
Total	100.00%	141.00	100.00%	36.00	100.00%	7.00	#DIV/0!	-

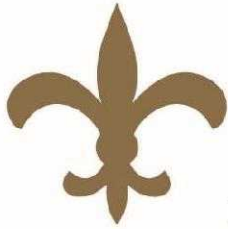
Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education,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

Note 2: Percentage columns may not total exactly due to rounding

TENSAS PARISH SCHOOL BOARD

**STATEWIDE AGREED-UPON
PROCEDURES REPORT**

For the Year Ended June 30, 2019



J. Aaron Cooper, CPA, LLC

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Recipient of Advanced Single Audit Certificate*

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Tensas Parish School Board
St. Joseph, Louisiana

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

- a) *Budgeting - The budgeting policy does not address how often budgets are monitored.*
- b) *Purchasing - The purchasing policy does not address how vendors are added to the vendor list, controls to ensure compliance with public bid law, and 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, preparing deposits, and management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.*
- e) *Payroll/Personnel - There were no written policies or procedures discussing payroll processing and reviewing and approving time and attendance records.*
- f) *Contracting - There were no written policies or procedures discussing types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process.*
- g) *Credit Cards - There were no written policies and procedures discussing how cards are to be controlled, allowable business uses, documentation requirements, required approvers, and monitoring card usage.*
- h) *Travel - The travel policy does not address allowable expenses, dollar thresholds by category of expense, and required approvers.*
- i) *Ethics - The ethics policy does not address a system to monitor possible ethics violations and the requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.*

Management is aware of the exceptions and will consider implementing missing policies.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements.
 - a) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The School Board and the Finance Committee meet monthly. No meetings without a quorum were noted. The minutes of the meetings mentioned presentation and receipt of monthly financial statements but discussion of budget-to-actual was not mentioned. There were numerous references to non-budgetary financial information in the minutes during the year. The School Board did not have negative unassigned fund balance in the general fund at the beginning of the year.

Management is aware of the exception and will consider implementing additional procedures.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts. Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

All bank reconciliations, including the student activity fund accounts, were tested. The reconciliations were all prepared and properly approved within two months of the reconciliation date. There were instances of stale-dated checks that had not been investigated.

Management is aware of the exception and will consider implementing additional procedures.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

There were no exceptions noted in performing the preceding procedures on collections.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

In performing the foregoing procedures related to non-payroll disbursements, I noted the following exceptions:

- *Due to the small accounting staff, the School Board is not able to implement the segregation of duties discussed in Procedure No. 9 above.*
- *During testing of non-payroll disbursements, all were agreed to the vendor invoice without exception.*

Management has determined that the benefit of segregating all of the above duties does not justify the cost. As many duties as possible have been segregated.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

There were no exceptions noted in the performance of the foregoing procedures related to credit cards.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no exceptions noted in the performance of the foregoing procedures related to travel reimbursements.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

There were no exceptions noted in the performance of the foregoing procedures related to contracts.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

There were no exceptions noted in the performance of the foregoing procedures related to payroll and personnel.

Ethics

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

There were no exceptions noted in the previous year in the performance of the foregoing procedures related to ethics, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

There were no exceptions noted in the previous year in the performance of the foregoing procedures related to debt service, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

There were no exceptions noted in the previous year during testing of this section, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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

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

J. Aaron Cozart, CPA, LLC

April 6, 2020