

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

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**



**TENSAS PARISH SCHOOL BOARD**  
**St. Joseph, Louisiana**  
**Annual Financial Report**  
**As of and for the Year Ended June 30, 2020**

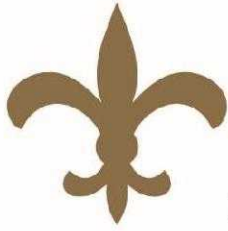
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**St. Joseph, Louisiana**  
**Annual Financial Report**  
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# J. Aaron Cooper, CPA, LLC

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P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

*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, 2020, 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, 2020, 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.

**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 March 5, 2021, 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

March 5, 2021

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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

**Statement A**

**Statement of Net Position**  
**June 30, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,312,184
Investments	-
Receivables	965,993
Inventory	20,486
Prepaid expenses	95,401
Restricted assets:	
Investments	529,074
Capital assets (net of accumulated depreciation):	
Land	309,540
Buildings and improvements	2,282,772
Furniture and equipment	170,646
	<hr/>
Total assets	6,686,096
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Retirement related deferrals	2,138,169
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	89,185
Salaries and benefits payable	603,026
Unearned revenue	533,821
Interest payable	1,790
Long-term liabilities:	
Due within one year	1,426,777
Due in more than one year	18,513,750
Total liabilities	21,168,349
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Retirement related deferrals	3,749,246
	<hr/>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	2,496,318
Restricted for:	
Debt service	3,447
Capital improvements	3
School food service	347,614
Federal programs	4,749
Unrestricted	(18,945,461)
	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ (16,093,330)</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, 2020

FUNCTIONS/PROGRAMS	Program Revenues			Governmental Activities - Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$ 2,087,708	\$ -	\$ 105,007	\$ (1,982,701)
Special education programs	830,799	-	113,413	(717,386)
Vocational programs	22,295	-	4,226	(18,069)
Other instructional programs	45,885	-	8,103	(37,782)
Special programs	634,116	-	640,135	6,019
Adult and continuing education programs	7,330	-	-	(7,330)
Support services:				
Student services	436,342	-	184,139	(252,203)
Instructional staff support	858,711	-	692,861	(165,850)
General administration	440,468	-	-	(440,468)
School administration	321,306	-	-	(321,306)
Business services	399,996	-	960	(399,036)
Plant services	634,943	-	23,327	(611,616)
Student transportation services	479,783	-	-	(479,783)
Central services	28,643	-	-	(28,643)
Food services	379,534	4,032	360,686	(14,816)
Interest on long-term debt	4,799	-	-	(4,799)
Total governmental activities	<u>\$ 7,612,658</u>	<u>\$ 4,032</u>	<u>\$ 2,132,857</u>	<u>(5,475,769)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,168,375
Sales and use taxes, levied for salaries	740,214
State revenue sharing, unrestricted	15,789

Grants and contributions not restricted to specific purposes:

Minimum Foundation Program	2,745,459
Interest and investment earnings	15,605
Indirect costs on federal programs	194,534
Miscellaneous	102,158

Special items:

Gain on disposal of assets	10,030
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Total general revenues and special items 5,992,164

Excess of expenses over revenues 516,395

Beginning net position (16,609,725)

Ending net position \$ (16,093,330)

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, 2020**

	Major Funds					ESSER
	General Fund	Special Revenue Funds				
		Food Service	Sales Tax	Title I	Education Excellence	
<b>Assets</b>						
Assets:						
Cash and cash equivalents	\$ 1,972,252	\$ 185,281	\$ 143,057	\$ -	\$ -	\$ -
Restricted investments	-	-	-	-	529,074	-
Receivables	11,174	20,092	75,237	187,138	-	297,402
Interfund receivable	1,019,989	249,182	383	-	-	-
Inventory	-	20,486	-	-	-	-
Prepaid items	95,401	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,098,816</b>	<b>\$ 475,041</b>	<b>\$ 218,677</b>	<b>\$ 187,138</b>	<b>\$ 529,074</b>	<b>\$ 297,402</b>
<b>Liabilities, deferred inflows, and fund balances</b>						
Liabilities:						
Accounts payable	\$ 37,061	\$ 115	\$ -	\$ 31,091	\$ -	\$ 20,918
Salaries and benefits payable	488,681	41,523	13,168	33,370	-	-
Interfund payable	249,566	60,810	210,000	122,677	-	276,484
Total liabilities	775,308	102,448	223,168	187,138	-	297,402
Deferred inflows of resources:						
Deferred revenue	-	4,493	-	-	529,074	-
Fund balances:						
Nonspendable items	95,401	20,486	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-
Federal programs	-	-	-	-	-	-
School food service	-	347,614	-	-	-	-
Committed for:						
Maintenance and operations	100,036	-	-	-	-	-
Unassigned	2,128,071	-	(4,491)	-	-	-
Total fund balances	2,323,508	368,100	(4,491)	-	-	-
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 3,098,816</b>	<b>\$ 475,041</b>	<b>\$ 218,677</b>	<b>\$ 187,138</b>	<b>\$ 529,074</b>	<b>\$ 297,402</b>

The accompanying notes are an integral part of this statement.

**Statement C**

Nonmajor Funds	Total
Other Governmental Funds	Governmental Funds
\$ 11,594	\$ 2,312,184
-	529,074
374,950	965,993
-	1,269,554
-	20,486
-	95,401
<u>\$ 386,544</u>	<u>\$ 5,192,692</u>
\$ -	\$ 89,185
26,284	603,026
350,017	1,269,554
<u>376,301</u>	<u>1,961,765</u>
<u>254</u>	<u>533,821</u>
-	115,887
5,237	5,237
3	3
4,749	4,749
-	347,614
-	100,036
-	2,123,580
<u>9,989</u>	<u>2,697,106</u>
<u>\$ 386,544</u>	<u>\$ 5,192,692</u>

**Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Position  
 June 30, 2020**

Total fund balances at year end - governmental funds		\$ 2,697,106
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	\$ 11,491,367	
Less - accumulated depreciation at year end	<u>(8,728,409)</u>	2,762,958
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	(132,175)	
Bonds payable	(266,640)	
Other post-employment benefits liability	(12,856,647)	
Net pension liability	(6,685,065)	
Accrued interest payable	<u>(1,790)</u>	<u>(19,942,317)</u>
Retirement related deferrals:		
Outflows	2,138,169	
Inflows	<u>(3,749,246)</u>	<u>(1,611,077)</u>
Net position at year end - governmental activities		<u>\$ (16,093,330)</u>

The accompanying notes are an integral part of this statement.

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

**June 30, 2020**

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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, 2020**

	Major Funds					
	General Fund	Special Revenue Funds				
		Food Service	Sales Tax	Title I	Education Excellence	ESSER
<b>Revenues:</b>						
Local sources:						
Ad valorem taxes	\$ 2,168,375	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	740,214	-	-	-
Interest earnings	10,468	3,356	1,765	-	-	-
Food services	-	4,032	-	-	-	-
Other	102,099	64	-	-	-	-
State sources:						
Equalization	2,740,688	4,771	-	-	-	-
Other	23,135	-	-	20,908	-	-
Federal sources						
	-	360,686	-	633,569	-	297,402
<b>Total revenues</b>	<b>5,044,765</b>	<b>372,909</b>	<b>741,979</b>	<b>633,569</b>	<b>20,908</b>	<b>297,402</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular programs	1,712,944	-	274,637	5,727	-	-
Special education programs	622,977	-	131,668	-	-	-
Vocational educational programs	17,575	-	-	-	-	-
Other instructional programs	41,489	-	-	8,103	-	-
Special programs	17,529	-	24,033	317,575	-	219,746
Adult education programs	7,330	-	-	-	-	-
Support services:						
Student services	229,335	-	58,555	-	20,908	-
Instructional staff support	163,021	-	33,027	247,745	-	25,299
General administration	418,523	-	41,002	-	-	-
School administration	284,742	-	69,571	-	-	-
Business services	380,231	-	40,739	-	-	-
Plant services	559,107	-	43,198	-	-	-
Student transportation services	418,400	-	38,174	-	-	-
Central services	26,528	-	-	-	-	-
Food services	4,568	437,157	23,639	-	-	-
Debt service	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,904,299</b>	<b>437,157</b>	<b>778,243</b>	<b>579,150</b>	<b>20,908</b>	<b>245,045</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>140,466</b>	<b>(64,248)</b>	<b>(36,264)</b>	<b>54,419</b>	<b>-</b>	<b>52,357</b>
<b>Other financing sources (uses):</b>						
Proceeds from sale of assets	10,030	-	-	-	-	-
Transfers in	189,293	-	-	-	-	-
Transfers out	(77,048)	(970)	-	(54,419)	-	(52,357)
<b>Total other financing sources (uses)</b>	<b>122,275</b>	<b>(970)</b>	<b>-</b>	<b>(54,419)</b>	<b>-</b>	<b>(52,357)</b>
<b>Net change in fund balances</b>	<b>262,741</b>	<b>(65,218)</b>	<b>(36,264)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beginning fund balances</b>	<b>2,060,767</b>	<b>433,318</b>	<b>31,773</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending fund balances</b>	<b>\$ 2,323,508</b>	<b>\$ 368,100</b>	<b>\$ (4,491)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.



**Statement E**

Nonmajor Funds		Total
Other	Governmental	Governmental
Funds	Funds	Funds
\$ -	\$ -	\$ 2,168,375
-	-	740,214
16	-	15,605
-	-	4,032
-	-	102,163
-	-	2,745,459
110,390	-	154,433
<u>897,086</u>	<u>-</u>	<u>2,188,743</u>
<u>1,007,492</u>	<u>-</u>	<u>8,119,024</u>
99,280	-	2,092,588
113,413	-	868,058
4,226	-	21,801
-	-	49,592
102,814	-	681,697
-	-	7,330
163,231	-	472,029
419,817	-	888,909
-	-	459,525
-	-	354,313
960	-	421,930
23,327	-	625,632
-	-	456,574
-	-	26,528
-	-	465,364
<u>71,161</u>	<u>-</u>	<u>71,161</u>
<u>998,229</u>	<u>-</u>	<u>7,963,031</u>
9,263	-	155,993
-	-	10,030
77,048	-	266,341
<u>(81,547)</u>	<u>-</u>	<u>(266,341)</u>
<u>(4,499)</u>	<u>-</u>	<u>10,030</u>
4,764	-	166,023
<u>5,225</u>	<u>-</u>	<u>2,531,083</u>
<u>\$ 9,989</u>	<u>\$ -</u>	<u>\$ 2,697,106</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, 2020**

Total net change in fund balances - governmental funds	\$	166,023
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	\$	(143,102)
Capital outlays	<u>123,103</u>	(19,999)
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		(5,546)
Change in other post-employment benefits and related deferrals		(146,177)
Change in net pension liability and related deferrals		455,732
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>(298)</u>
Change in net position of governmental activities	<u>\$</u>	<u>516,395</u>

The accompanying notes are an integral part of this statement.

Statement of Assets and Liabilities - Agency Fund  
June 30, 2020

	<u>School Activity Fund</u>
<b>Assets</b>	
Cash and cash equivalents	<u>\$ 40,234</u>
Total assets	<u><u>\$ 40,234</u></u>
<b>Liabilities</b>	
Deposits due others	<u>\$ 40,234</u>
Total liabilities	<u><u>\$ 40,234</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.

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**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.

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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, the ESSER 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 Elementary and Secondary School Emergency Relief Fund ("ESSER") is a Federal program to address the impact of COVID-19 on school districts. 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 15<sup>th</sup> of each year, and become delinquent on December 31<sup>st</sup>. 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.



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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, 2020, was published August 26, 2019. The budget was available for viewing from that date until the date of the public hearing September 10, 2019. The budget was formally adopted on September 10, 2019, by the School Board. The budget must be adopted no later than September 15<sup>th</sup> and submitted to the Louisiana Department of Education no later than September 30<sup>th</sup> each year for approval.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. Budgets are prepared on a GAAP basis for all funds.

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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 CASH EQUIVALENTS**

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.

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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

**L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has two types of items that qualify for reporting in this category. The School Board had deferred outflows related to pensions; see Note 7 for additional information. Additionally, the School Board had deferred outflows related to OPEB; see Note 15 for additional information. Additionally,

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has two items that qualify for reporting in this category. It has deferred inflows of resources related to the net pension liability; see Note 7 for additional information on deferred inflows of resources related to defined benefit pension plans. The School Board also has deferred inflows of resources related to total other post-employment benefit liability; see Note 15 for additional information on deferred inflows of resources related to the total post-employment benefit liability.

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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.

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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.

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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 \$61,453,654 in calendar year 2019. 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 \$5,243,764 of the assessed value in calendar year 2019 resulting in net taxable property of \$56,209,890.

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, 2019. 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 2019 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	Levied	Expiration
	<u>Millage</u>	<u>Millage</u>	<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	2029
District 3, Parish-wide	12.09	12.09	2035

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**3. DEPOSITS**

At June 30, 2020, 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	<u>\$ 2,312,184</u>	<u>\$ 40,234</u>	<u>\$ 2,352,418</u>
Total	<u>\$ 2,312,184</u>	<u>\$ 40,234</u>	<u>\$ 2,352,418</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, 2020, the School Board has \$2,751,733 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$723,266 of federal deposit insurance and \$2,028,467 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.



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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 \$529,074.

**5. RECEIVABLES**

The receivables of \$965,993 at June 30 2020, are as follows:

Class of Receivable	General	Food Service	Sales Tax	Title I	Non-Major		Total
	Fund	Fund	Fund	Fund	ESSER	Funds	
Taxes:							
Sales	\$ -	\$ -	\$ 75,237	\$ -	\$ -	\$ -	\$ 75,237
Ad valorem	7,625	-	-	-	-	-	7,625
Intergovernmental:							
Federal	-	20,092	-	187,138	297,402	344,108	848,740
State	2,001	-	-	-	-	30,842	32,843
Other	1,548	-	-	-	-	-	1,548
<b>Total</b>	<b>\$ 11,174</b>	<b>\$ 20,092</b>	<b>\$ 75,237</b>	<b>\$187,138</b>	<b>\$297,402</b>	<b>\$374,950</b>	<b>\$965,993</b>

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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	-	(736,892)	-	10,304,013
Furniture and equipment	754,711	123,103	-	-	877,814
	<u>11,795,616</u>	<u>123,103</u>	<u>(736,892)</u>	<u>-</u>	<u>11,181,827</u>
Less accumulated depreciation:					
Buildings and improvements	(8,631,740)	(126,393)	736,892	-	(8,021,241)
Furniture and equipment	(690,459)	(16,709)	-	-	(707,168)
	<u>(9,322,199)</u>	<u>(143,102)</u>	<u>736,892</u>	<u>-</u>	<u>(8,728,409)</u>
Total capital assets being depreciated, net	<u>2,473,417</u>	<u>(19,999)</u>	<u>-</u>	<u>-</u>	<u>2,453,418</u>
Governmental activities capital assets, net	<u>\$2,782,957</u>	<u>\$ (19,999)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,762,958</u>

Depreciation expense of \$143,102 for the year ended June 30, 2020, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 115,741
Special Education	7,766
Other instructional	952
Support Services:	
Student Transportation Services	6,002
Central Services	2,115
School Food Services	10,526
Total	<u>\$ 143,102</u>

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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](http://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 (PR SAC), 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, 2020, are as follows:

TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.0%
Higher Ed Regular Plan	8.0%	25.3%
Plan A	9.1%	26.0%
Plan B	5.0%	26.0%

The School Board’s contractually required composite contribution rate for the year ended June 30, 2020, was 26.0% 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, 2020, 2019, and 2018, were \$686,165, \$785,639, and \$897,899, 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](http://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.

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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 29.4% 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, 2020, 2019, and 2018, were \$84,727, \$87,693, and \$113,627, 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, 2020, the School Board reported liability of \$6,685,065 (\$5,769,993 and \$915,072, 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, 2019 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, 2019, the School Board's proportion was .05814% for TRSL and 0.130713% for LSERS, which represented a decrease of .00679 percentage points for TRSL and a decrease of .012011 percentage points for LSERS from its proportions measured as of June 30, 2018.

For the year ended June 30, 2020, the School Board recognized pension expense of \$315,161 (\$188,976 and \$126,185, respectively, for TRSL and LSERS).

At June 30, 2020, 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	\$ -	\$ 203,122
Changes of assumptions	436,729	-
Net difference between projected and actual earnings on pension plan investments	35,203	213,553
Changes in proportion	373,622	1,379,663
Contributions subsequent to the measurement date	770,892	-
 Total	 \$ 1,616,446	 \$ 1,796,338

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	\$ 1,467,351	\$ 1,703,412
School Employees' Retirement System	149,095	92,926
 Total	 \$ 1,616,446	 \$ 1,796,338

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The School Board reported \$770,892 as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date of June 30, 2019, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 686,165
School Employees' Retirement System	<u>84,727</u>
Total	<u>\$ 770,892</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>
2021	\$ (364,693)	\$ (8,306)	\$ (372,999)
2022	(345,638)	(48,283)	(393,921)
2023	(152,669)	16,046	(136,623)
2024	<u>(59,225)</u>	<u>11,985</u>	<u>(47,241)</u>
	<u>\$ (922,226)</u>	<u>\$ (28,558)</u>	<u>\$ (950,784)</u>

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**Actuarial Assumptions**

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

<b>System</b>	<b>TRSL</b>	<b>LSERS</b>
<b>Actuarial cost method</b>	Entry Age Normal	Entry Age Normal
<b>Amortization approach</b>	Closed	Closed
<b>Actuarial assumptions:</b>	The actuarial assumptions used in the June 30, 2019 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2017.
<b>Expected Remaining Service Lives</b>	5 years	3 years
<b>Investment rate of return</b>	7.55% net of investment expenses.	7.00% net of investment expenses.
<b>Inflation rate</b>	2.5% per annum	2.5% per annum
<b>Projected salary increases</b>	3.3% - 4.8% varies depending on duration of service	3.25%
<b>Cost-of-living adjustments</b>	None	None
<b>Mortality</b>	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.

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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, 2019 valuation date, are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Equity	46.0%	39.0%	5.04%	2.93%
Fixed income	18.5%	26.0%	1.81%	1.07%
Alternatives	25.5%	23.0%	8.67%	2.03%
Real assets	10.0%	12.0%	3.65%	.073%

**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 7.55% and 7.00%, respectively, for the year ended June 30, 2019.

The TRSL discount rate used in the June 30, 2019 net pension liability valuation was decreased from the 7.65% used in the June 30, 2018 valuation to 7.55%. 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, 2019 net pension liability valuation was decreased from the 7.0625% used in the June 30, 2018 valuation to 7.00%.

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**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	7.55%	7.00%	\$ 5,769,993	\$ 915,072
One percentage point decrease	6.55%	6.00%	\$ 7,680,686	\$ 1,240,106
One percentage point increase	8.55%	8.00%	\$ 4,159,570	\$ 637,213

**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, 2020, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$23,749 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, 2020, 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, 2020, \$129,975 and \$10,713 were payable to TRSL and LSERS, respectively.

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**8. INTERFUND ACTIVITIES**

The following is a summary of interfund receivables and payables at June 30, 2020:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major funds	\$ 349,370
General Fund	Food Service Fund	60,811
General Fund	Sales Tax Fund	210,000
General Fund	Title I Fund	122,677
General Fund	ESSER	276,484
Food Service Fund	General Fund	249,182
Sales Tax Fund	General Fund	383
Non-major capital projects fund	General Fund	647
		<u>\$ 1,269,554</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, 2020:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Title I Fund	\$ 54,419
General Fund	Food Service	970
General Fund	ESSER	52,357
General Fund	Non-major funds	81,547
Non-major funds	General Fund	77,048
		<u>\$ 266,341</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, 2020:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonded debt	\$ 333,300	\$ -	\$ (66,660)	\$ 266,640	\$ 66,660
Compensated absences	126,629	181,237	(175,691)	132,175	132,175
OPEB	14,141,655	2,192,111	(3,477,119)	12,856,647	457,048
Net pension liability	7,335,024	223,373	(873,332)	6,685,065	770,892
Total	<u>\$21,936,608</u>	<u>\$ 2,596,721</u>	<u>\$ (4,592,802)</u>	<u>\$19,940,527</u>	<u>\$ 1,426,775</u>

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**Revenue Bonds**

Revenue bonds outstanding at June 30, 2020, are as follows:

Bond Issue	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Current Portion
Series 2009, Taxable QSCB	\$ 1,000,000	1.35%	2024	\$ 9,000	\$ 266,640	\$ 66,660
	<u>\$ 1,000,000</u>			<u>\$ 9,000</u>	<u>\$ 266,640</u>	<u>\$ 66,660</u>

The Series 2009 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, 2020, the School Board has accumulated \$5,237 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>
2021	\$ 66,660	\$ 3,600	\$ 70,260
2022	66,660	2,700	69,360
2023	66,660	1,800	68,460
2024	66,660	900	67,560
Total	<u>\$ 266,640</u>	<u>\$ 9,000</u>	<u>\$ 275,640</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, 2020, 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.

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, 2020 was \$157,714. The schedule by year of future minimum lease payments as of June 30, 2020 is as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2021	\$ 137,782
2022	138,324
2023	81,924
2024	<u>74,037</u>
Total	<u>\$ 432,067</u>



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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, workers compensation, 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.

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**15. OTHER POST-EMPLOYMENT BENEFITS**

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 \$457,048 for 55 active employees and 79 retirees and \$492,645 for 67 active employees and 78 retirees during the years ended June 30, 2020 and 2019, respectively.

**Total OPEB Liability**

The School Board's total OPEB liability of \$12,856,647 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 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	2.21%
Health care cost trend rates	4.5%

The discount rate used to calculate total OPEB liability was 2.21%, which was based on the Bond Pay GO-20 bond index. For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018.

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Changes in total OPEB liability are as follows:

Total OPEB liability at beginning of year	\$ 14,141,655
Changes during year:	
Service cost	813,886
Interest on the total OPEB liability	571,408
Annual OPEB cost	<u>1,385,294</u>
Adjustments:	
Changes in assumptions	(3,020,071)
Experience	806,817
Current year premiums paid	<u>(457,048)</u>
Net change in total OPEB liability	<u>(1,285,008)</u>
Total OPEB liability at end of year	<u>\$ 12,856,647</u>

Total OPEB expense was \$603,225 for the year ended June 30, 2020.

Summary totals of deferred outflows of resources and deferred inflows of resources for OPEB plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 521,723	\$ -
Differences between expected and actual experience	<u>-</u>	<u>(1,952,908)</u>
Total	<u>\$ 521,723</u>	<u>\$ (1,952,908)</u>

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

<u>Year</u>	
2021	\$ (782,069)
2022	<u>(649,116)</u>
	<u>\$ (1,431,185)</u>

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

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 or one percentage point higher than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	\$ 14,949,429	\$ 12,856,647	\$ 11,187,369

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	Assumed Rate	1% Increase
Total OPEB liability	\$ 11,227,619	\$ 12,856,647	\$ 14,909,844

**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 2019 the Tax Collector paid the Teacher's Retirement System of Louisiana \$70,443. These amounts are reflected in the financial statements for the General Fund.

**17. RISKS AND UNCERTAINTIES**

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 2020. Management believes that such coverage is sufficient to preclude any significant uninsured losses to the School Board.

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

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.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Tensas Parish School Board. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**18. DEFICIT FUND BALANCES**

At June 30, 2020, the Sales Tax Fund had a fund balance deficit of \$4,491.

**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 \$2,745,459 to the school board, which represents approximately 34% 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 \$235,000 compared to prior year. Additional decreases in student count could have a significant impact on state funding.

Federal revenues accounts for \$2,188,742 (27%) of total revenues.

**20. SUBSEQUENT EVENTS**

The School Board evaluated its June 30, 2020 financial statements for subsequent events through March 5, 2021, 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. NEW ACCOUNTING STANDARDS**

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, 2019. The School Board will include the requirements of this standard, as applicable, in its June 30, 2021 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 June 15, 2021. The School Board will include the requirements of this standard, as applicable, in its June 30, 2022 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, 2020**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Ad valorem taxes	\$ 2,166,963	\$ 2,178,838	\$ 2,168,375	\$ (10,463)
Interest earnings	11,241	10,468	10,468	-
Other	196,532	99,707	102,099	2,392
State sources:				
Equalization	2,685,000	2,743,993	2,740,688	(3,305)
Other	10,500	23,035	23,135	100
<b>Total revenues</b>	<b>5,070,236</b>	<b>5,056,041</b>	<b>5,044,765</b>	<b>(11,276)</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular programs	1,826,981	1,674,400	1,712,944	(38,544)
Special education programs	582,487	593,614	622,977	(29,363)
Vocational educational programs	35,626	17,252	17,575	(323)
Other instructional programs	69,599	41,489	41,489	-
Special programs	36,876	13,331	17,529	(4,198)
Adult education programs	6,688	6,733	7,330	(597)
Support services:				
Student services	241,267	224,309	229,335	(5,026)
Instructional staff support	162,203	151,054	163,021	(11,967)
General administration	481,560	414,826	418,523	(3,697)
School administration	294,954	280,346	284,742	(4,396)
Business administration	281,460	353,180	380,231	(27,051)
Plant services	545,307	548,587	559,107	(10,520)
Student transportation services	540,934	449,678	418,400	31,278
Central services	29,080	26,528	26,528	-
Food services	-	198	4,568	(4,370)
Facilities acquisition and construction	-	11,959	-	11,959
<b>Total expenditures</b>	<b>5,135,022</b>	<b>4,807,484</b>	<b>4,904,299</b>	<b>(96,815)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(64,786)</b>	<b>248,557</b>	<b>140,466</b>	<b>(108,091)</b>
<b>Other financing sources (uses)</b>				
Proceeds of sale of capital assets	-	10,030	10,030	-
Transfers in	90,000	120,000	189,293	69,293
Transfers out	(72,059)	(71,160)	(77,048)	(5,888)
<b>Total other financing sources (uses)</b>	<b>17,941</b>	<b>58,870</b>	<b>122,275</b>	<b>63,405</b>
<b>Net change in fund balance</b>	<b>(46,845)</b>	<b>307,427</b>	<b>262,741</b>	<b>(44,686)</b>
<b>Fund balance - beginning of year</b>	<b>2,060,767</b>	<b>2,060,767</b>	<b>2,060,767</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ 2,013,922</b>	<b>\$ 2,368,194</b>	<b>\$ 2,323,508</b>	<b>\$ (44,686)</b>

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, 2020**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Interest earnings	\$ 5,165	\$ 3,356	\$ 3,356	\$ -
Food services	3,807	4,032	4,032	-
Other	-	64	64	-
State sources:				
Equalization	4,500	-	4,771	4,771
Federal sources	372,686	306,165	360,686	54,521
<b>Total revenues</b>	<b>386,158</b>	<b>313,617</b>	<b>372,909</b>	<b>59,292</b>
<b>Expenditures:</b>				
Current:				
Support services:				
Food services	438,197	490,935	437,157	53,778
Total expenditures	438,197	490,935	437,157	53,778
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(52,039)</b>	<b>(177,318)</b>	<b>(64,248)</b>	<b>113,070</b>
<b>Other financing sources (uses)</b>				
Operating transfers out		-	(970)	(970)
Total other financing sources (uses)	-	-	(970)	(970)
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	<b>(52,039)</b>	<b>(177,318)</b>	<b>(65,218)</b>	<b>112,100</b>
<b>Fund balance - beginning of year</b>	<b>433,318</b>	<b>433,318</b>	<b>433,318</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ 381,279</b>	<b>\$ 256,000</b>	<b>\$ 368,100</b>	<b>\$ 112,100</b>

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, 2020**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Sales and use taxes	\$ 690,430	\$ 717,779	\$ 740,214	\$ 22,435
Interest earnings	3,499	1,936	1,765	(171)
<b>Total revenues</b>	<b>693,929</b>	<b>719,715</b>	<b>741,979</b>	<b>22,264</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular programs	304,195	274,637	274,637	-
Special education programs	138,223	131,668	131,668	-
Vocational educational programs	12,195	-	-	-
Special programs	29,746	24,033	24,033	-
Support services:				
Student services	75,422	38,032	58,555	(20,523)
Instructional staff support	42,530	33,027	33,027	-
General administration	36,813	41,002	41,002	-
School administration	64,688	69,571	69,571	-
Business administration	37,909	40,739	40,739	-
Plant services	49,531	43,198	43,198	-
Student transportation services	30,030	38,174	38,174	-
Food services	30,241	-	23,639	(23,639)
<b>Total expenditures</b>	<b>851,523</b>	<b>734,081</b>	<b>778,243</b>	<b>(44,162)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(157,594)</b>	<b>(14,366)</b>	<b>(36,264)</b>	<b>(21,898)</b>
<b>Fund balance - beginning of year</b>	<b>31,773</b>	<b>31,773</b>	<b>31,773</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ (125,821)</b>	<b>\$ 17,407</b>	<b>\$ (4,491)</b>	<b>\$ (21,898)</b>

See accompanying notes to the required supplementary information.

**Budgetary (GAAP Basis) Comparison Schedule**  
**Title I Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>Revenues:</b>				
Federal sources	\$ 509,054	\$ 906,414	\$ 633,569	\$ 272,845
Total revenues	509,054	906,414	633,569	272,845
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular programs	-	-	5,727	(5,727)
Other instructional programs	-	-	8,103	(8,103)
Special programs	253,127	494,595	317,575	177,020
Support services:				
Student services	-	-	-	-
Instructional staff support	209,649	329,874	247,745	82,129
Total expenditures	462,776	824,469	579,150	245,319
<b>Excess (deficiency) of revenues over expenditures</b>	46,278	81,945	54,419	518,164
<b>Other financing sources (uses)</b>				
Transfers out	(46,278)	(81,945)	(54,419)	27,526
Total other financing sources (uses)	(46,278)	(81,945)	(54,419)	27,526
<b>Net change in fund balance</b>	-	-	-	545,690
<b>Fund balance - beginning of year</b>	-	-	-	-
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ -	\$ 545,690

See accompanying notes to the required supplementary information.

**Budgetary (GAAP Basis) Comparison Schedule  
 Elementary and Secondary School Emergency Relief Fund (ESSER)  
 For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>Revenues:</b>				
Federal sources	\$ 565,696	\$ 565,696	\$ 297,402	\$ (268,294)
Total revenues	565,696	565,696	297,402	(268,294)
<b>Expenditures:</b>				
Current:				
Instruction:				
Special programs	444,744	444,744	219,746	224,998
Support services:				
Instructional staff support	31,175	31,175	25,299	5,876
Total expenditures	475,919	475,919	245,045	230,874
<b>Excess (deficiency) of revenues over expenditures</b>	89,777	89,777	52,357	(37,420)
<b>Other financing sources (uses)</b>				
Operating transfers out	(89,777)	(89,777)	(52,357)	37,420
Total other financing sources (uses)	(89,777)	(89,777)	(52,357)	37,420
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	-	-	-	-
<b>Fund balance - beginning of year</b>	-	-	-	-
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the required supplementary information.

**Budgetary (GAAP Basis) Comparison Schedule  
 Education Excellence Fund  
 For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>Revenues:</b>				
State sources:				
Other	\$ 20,556	\$ 20,908	\$ -	\$ (20,908)
Total revenues	20,556	20,908	-	(20,908)
<b>Expenditures:</b>				
Current:				
Support services:				
Student services	20,556	20,908	-	20,908
Total expenditures	20,556	20,908	245,045	(224,137)
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	(245,045)	(245,045)
<b>Fund balance - beginning of year</b>	-	-	-	-
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ (297,402)	\$ (297,402)

See accompanying notes to the required supplementary information.

Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 783,487	\$ 813,886	\$ 813,886
Interest on total OPEB liability	506,318	507,003	571,408
Effect of assumptions changes or inputs	-	-	(2,213,254)
Benefit payments	<u>(484,660)</u>	<u>(492,645)</u>	<u>(457,048)</u>
Net change in OPEB liability	805,145	828,244	(1,285,008)
Total OPEB liability, beginning	<u>12,508,266</u>	<u>13,313,411</u>	<u>14,141,655</u>
Total OPEB liability, ending	<u>\$ 13,313,411</u>	<u>\$ 14,141,655</u>	<u>\$ 12,856,647</u>
Covered payroll	<u>\$ 2,595,413</u>	<u>\$ 2,595,413</u>	<u>\$ 1,786,596</u>
Total OPEB liability as a percentage of covered payroll	<u>513.0%</u>	<u>544.9%</u>	<u>719.6%</u>
OPEB plan fiduciary net position as a percentage of total OPEB liability	<u>0.0%</u>	<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
<b>TRSL:</b>					
06/30/19	0.058140%	\$ 5,769,993	\$ 2,639,096	219%	68.6%
06/30/18	0.064930%	\$ 6,381,432	\$ 2,942,468	217%	68.2%
06/30/17	0.069821%	\$ 7,157,963	\$ 3,375,560	212%	65.6%
06/30/16	0.723700%	\$ 8,494,175	\$ 3,514,951	242%	59.9%
06/30/15	0.080075%	\$ 8,609,886	\$ 3,866,967	223%	62.5%
06/30/14	0.080820%	\$ 8,261,270	\$ 3,938,576	210%	63.7%
<b>LSERS:</b>					
06/30/19	0.13071%	\$ 915,072	\$ 288,187	318%	73.4%
06/30/18	0.14272%	\$ 953,592	\$ 317,728	300%	75.0%
06/30/17	0.14384%	\$ 920,471	\$ 411,691	224%	75.0%
06/30/16	0.13498%	\$ 1,018,225	\$ 385,804	264%	70.1%
06/30/15	0.13341%	\$ 846,014	\$ 383,394	221%	74.5%
06/30/14	0.13960%	\$ 809,506	\$ 384,100	211%	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
<b>TRSL:</b>					
2020	\$ 686,165	\$ 686,165	\$ -	\$ 2,639,096	26.0%
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%
<b>LSERS:</b>					
2020	\$ 84,727	\$ 84,727	\$ -	\$ 288,187	29.4%
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, 2020**

**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, 2020:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$4,807,484	\$4,904,299	(\$96,815)
Sales Tax Fund	734,081	778,243	(44,162)
Title I Fund	490,162	579,150	(88,988)

**2. PENSION PLANS**

Changes of Benefit Terms. There were no changes in benefit terms for the year ended June 30, 2019, for either plan.

Changes of Assumptions. For TRSL, the discount rate/investment rate of return was 7.55% for 2019, down from 7.65% in 2018. The For LSERS, the discount rate/investment rate of return was 7.00% for 2019, down from 7.0625% in 2018.

**3. OPEB PLAN**

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

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

**June 30, 2020**

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# **SUPPLEMENTAL INFORMATION SCHEDULES**

Combining Balance Sheet - Nonmajor Funds by Type  
 June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 5,707	\$ 650	\$ 5,237	\$ 11,594
Receivables	374,950	-	-	374,950
<b>Total assets</b>	<b>\$ 380,657</b>	<b>\$ 650</b>	<b>\$ 5,237</b>	<b>\$ 386,544</b>
<b>Liabilities, deferred inflows, and fund balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	26,284	-	-	26,284
Interfund payable	349,370	647	-	350,017
Total liabilities	375,654	647	-	376,301
Deferred inflows of resources:				
Deferred revenue	254	-	-	254
Fund equity:				
Fund balances:				
Restricted	4,749	3	5,237	9,989
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 380,657</b>	<b>\$ 650</b>	<b>\$ 5,237</b>	<b>\$ 386,544</b>

**Combining Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Nonmajor Funds by Type  
 For the Year Ended June 30, 2020**

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Totals
<b>Revenues:</b>				
Interest earnings	\$ -	\$ 1	\$ 15	\$ 16
Local sources	-	-	-	-
State sources	110,390	-	-	110,390
Federal sources	897,086	-	-	897,086
Total revenues	<u>1,007,476</u>	<u>1</u>	<u>15</u>	<u>1,007,492</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular programs	99,280	-	-	99,280
Special education programs	113,413	-	-	113,413
Vocational educational programs	4,226	-	-	4,226
Other instructional programs	-	-	-	-
Special programs	102,814	-	-	102,814
Adult education programs	-	-	-	-
Support services:				
Student services	163,231	-	-	163,231
Instructional staff support	419,817	-	-	419,817
General administration	-	-	-	-
School administration	-	-	-	-
Business services	960	-	-	960
Plant services	23,327	-	-	23,327
Student transportation services	-	-	-	-
Central services	-	-	-	-
Capital Outlay	-	-	-	-
Debt service	-	-	71,161	71,161
Total expenditures	<u>927,068</u>	<u>-</u>	<u>71,161</u>	<u>998,229</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>80,408</u>	<u>1</u>	<u>(71,146)</u>	<u>9,263</u>
<b>Other financing sources (uses):</b>				
Transfers in	5,888	-	71,160	77,048
Transfers out	(81,547)	-	-	(81,547)
Total other financing sources (uses)	<u>(75,659)</u>	<u>-</u>	<u>71,160</u>	<u>(4,499)</u>
<b>Net change in fund balances</b>	<u>4,749</u>	<u>1</u>	<u>14</u>	<u>4,764</u>
<b>Beginning fund balances</b>	<u>-</u>	<u>2</u>	<u>5,223</u>	<u>5,225</u>
<b>Ending fund balances</b>	<u>\$ 4,749</u>	<u>\$ 3</u>	<u>\$ 5,237</u>	<u>\$ 9,989</u>

Combining Balance Sheet - Nonmajor Special Revenue Funds  
June 30, 2020

	IDEA	Preschool	Title II	LA 4	8(g)	TIF	Carl Perkins	Title IV	Title V	Core Grant	SRCL	Totals
<b>Assets</b>												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,707
Receivables	62,373	16,296	1,457	-	30,842	45,282	-	6,411	-	-	212,289	374,950
<b>Total assets</b>	<b>\$ 62,373</b>	<b>\$ 16,296</b>	<b>\$ 1,457</b>	<b>\$ 5,707</b>	<b>\$ 30,842</b>	<b>\$ 45,282</b>	<b>\$ -</b>	<b>\$ 6,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 212,289</b>	<b>\$ 380,657</b>
<b>Liabilities, deferred inflows, and fund equity</b>												
Liabilities:												
Salaries and benefits payable	\$ 11,622	\$ 4,358	\$ 256	\$ 958	\$ 6,136	\$ 2,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,284
Interfund payable	50,751	11,684	1,201	-	24,706	42,328	-	6,411	-	-	212,289	349,370
<b>Total liabilities</b>	<b>62,373</b>	<b>16,042</b>	<b>1,457</b>	<b>958</b>	<b>30,842</b>	<b>45,282</b>	<b>-</b>	<b>6,411</b>	<b>-</b>	<b>-</b>	<b>212,289</b>	<b>375,654</b>
Deferred inflows of resources:												
Deferred revenue	-	254	-	-	-	-	-	-	-	-	-	254
Fund equity:												
Fund balances:												
Restricted	-	-	-	4,749	-	-	-	-	-	-	-	4,749
<b>Total liabilities, deferred inflows, and fund equity</b>	<b>\$ 62,373</b>	<b>\$ 16,296</b>	<b>\$ 1,457</b>	<b>\$ 5,707</b>	<b>\$ 30,842</b>	<b>\$ 45,282</b>	<b>\$ -</b>	<b>\$ 6,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 212,289</b>	<b>\$ 380,657</b>

TENSAS PARISH SCHOOL BOARD  
St. Joseph, Louisiana

Schedule 4

Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2020

	IDEA	Preschool	Title II	LA 4	8(g)	TIF	Carl Perkins	Title IV	Title V	Core Grant	SRCL	Totals
<b>Revenues:</b>												
State sources	\$ -	\$ -	\$ -	\$ 56,792	\$ 53,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,390
Federal sources	209,562	22,930	36,235	-	-	116,030	4,443	41,281	9,254	24,005	433,346	897,086
Total revenues	209,562	22,930	36,235	56,792	53,598	116,030	4,443	41,281	9,254	24,005	433,346	1,007,476
<b>Expenditures:</b>												
Current:												
Instruction:												
Regular programs	-	-	-	-	53,598	15,230	-	14,233	8,413	2,306	5,500	99,280
Special education programs	91,104	22,309	-	-	-	-	-	-	-	-	-	113,413
Vocational educational programs	-	-	-	-	-	-	4,226	-	-	-	-	4,226
Special programs	-	-	-	33,226	-	-	-	-	-	25,958	43,630	102,814
Support services:												
Student services	63,759	-	-	13,138	-	86,334	-	-	-	-	-	163,231
Instructional staff support	34,842	-	33,224	-	-	6,246	-	700	-	-	344,805	419,817
Business services	960	-	-	-	-	-	-	-	-	-	-	960
Plant services	-	-	-	-	-	-	-	23,327	-	-	-	23,327
Total expenditures	190,665	22,309	33,224	46,364	53,598	107,810	4,226	38,260	8,413	28,264	393,935	927,068
<b>Excess (deficiency) of revenues over expenditures</b>	18,897	621	3,011	10,428	-	8,220	217	3,021	841	(4,259)	39,411	80,408
<b>Other financing sources (uses):</b>												
Transfers in	-	1,629	-	-	-	-	-	-	-	4,259	-	5,888
Transfers out	(18,897)	(2,250)	(3,011)	(5,679)	-	(8,220)	(217)	(3,021)	(841)	-	(39,411)	(81,547)
Total other financing sources (uses)	(18,897)	(621)	(3,011)	(5,679)	-	(8,220)	(217)	(3,021)	(841)	4,259	(39,411)	(75,659)
<b>Net change in fund balances</b>	-	-	-	4,749	-	-	-	-	-	-	-	4,749
<b>Beginning fund balances</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending fund balances</b>	-	\$ -	\$ -	\$ 4,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,749

**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, 2020

	STUDENT ACTIVITY FUND			
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Assets</b>				
Cash and cash equivalents	\$ 57,729	\$ 7,705	\$ (25,200)	\$ 40,234
Total assets	<u>\$ 57,729</u>	<u>\$ 7,705</u>	<u>\$ (25,200)</u>	<u>\$ 40,234</u>
<b>Liabilities</b>				
Deposits due others	\$ 57,729	\$ 7,705	\$ (25,200)	\$ 40,234
Total liabilities	<u>\$ 57,729</u>	<u>\$ 7,705</u>	<u>\$ (25,200)</u>	<u>\$ 40,234</u>

Schedule of Changes in Deposits Due Others -  
 School Activity Agency Fund  
 For the Year Ended June 30, 2020

<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	\$ 26,858	\$ -	\$ (12,899)	\$ 13,959
Tensas Parish Elementary School	18,570	7,705	-	26,275
Newellton Elementary School	12,301	-	(12,301)	-
	<u>\$ 57,729</u>	<u>\$ 7,705</u>	<u>\$ (25,200)</u>	<u>\$ 40,234</u>

TENSAS PARISH SCHOOL BOARD  
St. Joseph, Louisiana

Schedule 7

Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2020

<u>MEMBERS</u>	<u>DISTRICT</u>	<u>AMOUNT</u>
Jennifer Burnside	1	\$ 3,900
Morgan Carter	2	3,900
Pat Joffrion	3	-
Annice Miller	4	3,900
Esaw Turner	5	3,900
Mary Nell Rushing	6	3,900
John Turner	7	<u>3,900</u>
		<u>\$ 23,400</u>

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

**Schedule 8**

**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2020**

Agency Head Name: Dr. Paul Nelson

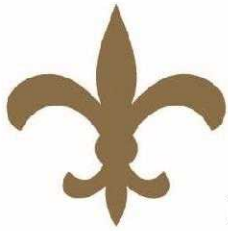
	<u>PURPOSE</u>	<u>AMOUNT</u>
Salary		\$ 104,699
Benefits-insurance		2,252
Benefits-retirement		27,317
Benefits-other		-
Car allowance		9,741
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		3,896
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-
Other-dues		-
		<hr/>
		\$ 147,905

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

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

**June 30, 2020**

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# J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

*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, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated March 5, 2021.

### 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 2020-1(IC) through 2020-4(IC) and 2020-1(FIC)) 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 an instance 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 (Finding 2020-1(C))

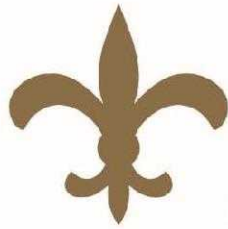
Purpose of this Report

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  
March 5, 2021





# J. Aaron Cooper, CPA, LLC

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P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

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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, 2020. 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, 2020.

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 2020-1(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  
March 5, 2021

**TENSAS PARISH SCHOOL BOARD**  
**St. Joseph, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

<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>
<b>United States Department of Agriculture</b>			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash Assistance:			
National School Lunch Program	10.555	LEA No. 054	\$ 199,364
School Breakfast Program	10.553	LEA No. 054	<u>121,104</u>
Total Child Nutrition Cluster			<u>320,468</u>
Healthy Hunger-Free Kids	10.592	LEA No. 054	4,178
Fresh Fruit and Vegetable Program	10.582	LEA No. 054	8,689
Non-cash Assistance:			
Commodity Supplemental Food Program	10.565	LEA No. 054	<u>27,351</u>
Total United States Department of Agriculture			<u>360,686</u>
<b>United States Department of Education</b>			
Passed through Louisiana Department of Education:			
Special Education Cluster:*			
Individuals with Disabilities Education Act	84.027	28-20-B1-54	209,562
Preschool Grants	84.173	28-20-P1-06	<u>22,930</u>
Total Special Education Cluster			<u>232,492</u>
Title I:			
Grants to Local Educational Agencies	84.010	28-50-TI-54	539,183
Direct Student Services	84.010	28-20-DSS-54	16,082
School Redesign Grant	84.010	28-20-RD18-54	<u>78,304</u>
Total Title I			<u>633,569</u>
Striving Readers Comprehensive Literacy:*			
SRCL Birth - Age 5	84.371	28-18-SR01-54	72,753
SRCL K - Grade 5	84.371	28-18-SR02-54	88,640
SRCL K - Grade 2	84.371	28-18-SR05-54	126,406
SRCL Grades 3-5	84.371	28-18-SR06-54	<u>145,547</u>
Total SRCL			<u>433,346</u>
Teacher Incentive Funds	84.374	28-20-TP-54	95,579
PBCS Teacher Incentive Funds	84.374	28-20-PBCS	<u>20,451</u>
Total Teacher Incentive Funds			<u>116,030</u>
Vocational Education - Basic Grants to States	84.048	28-20-02-54	4,443
Title II - Teacher & Principal Training and Recruiting	84.367A	28-20-50-54	36,235
Title IV - Student Support & Academic Enrichment	84.424	28-20-71-54	41,281
Investing in Innovation Fund	84.411	N/A	24,005
Elementary and Secondary School Emergency Relief Fund*	84.425D	28-19-RE-54	297,401
Rural Education Assistance Program	84.358B	28-19-RE-54	<u>9,254</u>
Total United States Department of Education			<u>1,828,056</u>
Total Expenditures of Federal Awards			<u>\$ 2,188,742</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, 2020**

**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	\$ 360,686
Title I Fund	633,569
Non-major funds	<u>1,194,487</u>
	<u>\$ 2,188,742</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 \$27,351 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, 2020**

**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:	
• Special Education Cluster	
• Striving Readers Comprehensive Literacy	
• Elementary and Secondary School Emergency Relief Fund	
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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control

*Finding 2020-1(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 2020-2(IC) – Reconciliation of payroll liabilities*

Finding. During the course of the audit, it was determined that payroll liabilities had not been reconciled and were significantly misstated.

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 that were not being corrected.

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

**TENSAS PARISH SCHOOL BOARD**  
**St. Joseph, Louisiana**  
**Schedule of Findings and Questioned Costs (continued)**  
**For the Year Ended June 30, 2020**

**Internal Control (continued)**

*Finding 2020-3(IC) – Written procedures*

Finding. The School Board’s 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.

*Finding 2020-4(IC) – Stale-Dated Checks*

Finding. There were a number of stale-dated check being carried on the bank reconciliation. At June 30, 2020, there were 40 checks totaling \$16,571 that were over one year old.

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.



**TENSAS PARISH SCHOOL BOARD**  
**St. Joseph, Louisiana**  
**Schedule of Findings and Questioned Costs (continued)**  
**For the Year Ended June 30, 2020**

**Compliance**

*Finding 2020-1(C) – Budget Law*

Finding. The actual expenditures in the Sales Tax 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. It appears that teachers' accrued salaries were not included in the revised budgets.

Recommendation. It appears that teachers' accrued salaries were not included in the revised budget. 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 2020-1(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. In 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, 2020**

**Internal Control**

*Finding 2020-1(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 2020-2(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 2020-3(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 2020-4(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**  
**For the Year Ended June 30, 2020**

**Compliance**

*Finding 2020-1(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**

*Finding 2020-1(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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control

*Finding 2019-1(IC) – Segregation of Duties*

See Finding 2020-1(IC)

*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.

Corrective Action Taken. The School Board implemented the recommendation. No exceptions were noted during testing of disbursements.

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

See Finding 2020-2(IC)

*Finding 2019-4(IC) – Written procedures*

See Finding 2020-3(IC)

**TENSAS PARISH SCHOOL BOARD**  
**St. Joseph, Louisiana**  
**Schedule of Prior Year Findings (continued)**  
**For the Year Ended June 30, 2020**

**SECTION II – FINANCIAL STATEMENT FINDINGS (continued)**

**Internal Control (continued)**

See Finding 2020-4(IC)

**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.

Corrective Action Taken. The School Board implemented the recommendation. The audit for the year ended June 30, 2020 was filed timely.

*Finding 2019-2(C) – Budget Law*

See Finding 2020-1(C)

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Special Education Cluster (No questioned costs)**

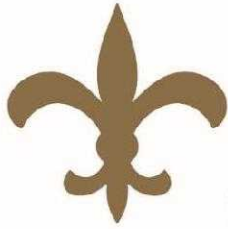
*Finding 2019-1(FIC) – Review and approval of time logs submitted by outside professional services*

See Finding 2020-1(FIC)

**TENSAS PARISH SCHOOL BOARD**

**PERFORMANCE MEASURES SCHEDULES**

**For the Year Ended June 30, 2020  
With Independent Accountant's Report  
on Applying Agreed-Upon Procedures**



# J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

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

*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, 2020; 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 were no roll books for three of the ten classes. Per management, one class was an online class, one was a gifted/talented class, and one was a special education inclusion class. 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.

During testwork performed, for one teacher the personnel file indicates 36 years' experience; however, PEP shows 25 years. No other 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.



March 5, 2021



**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	<u>                    </u>	\$ 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