

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**ANNUAL FINANCIAL REPORT**

As of and for the Year Ended June 30, 2020

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

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Farmerville, Louisiana

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Keeping you on course!

## INDEPENDENT AUDITORS' REPORT

**Board Members**  
**Union Parish School Board**  
**Farmerville, Louisiana**

### Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Union Parish School Board** (the 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 table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

We did not audit the financial statements of Downsville Community Charter, Inc., which represent 3 percent, 3 percent, and 11 percent, respectively, of the assets, net position (deficit), and revenues of the School Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Downsville Community Charter, Inc., is based solely on the report of the other auditors.



**Board Members  
Union Parish School Board  
Farmville, Louisiana**

**Basis for Disclaimed Opinion on the Financial Statements as a Whole**

Accounting records for the year ending June 30, 2020 were incomplete. We were unable to satisfy ourselves by other auditing procedures because the records provided by the School Board were not reconciled with the general ledger and contained errors and omissions of a material and pervasive nature.

**Disclaimer of Opinions**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

**Other Matters**

***Required Supplementary Information***

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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Board Members  
Union Parish School Board  
Farmville, Louisiana**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the other information listed above.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

*Woodard & Associates*

**Woodard and Associates, APAC  
Monroe, Louisiana**

**May 31, 2022**

## **BASIC FINANCIAL STATEMENTS**

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Statement of Net Position**

June 30, 2020

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Downsville Community Charter, Inc.</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,507,656	\$ 789,892
Restricted cash	-	96,596
Receivables	1,581,964	96,331
Inventory	54,335	-
Due from primary government	-	335,827
Capital assets, net of depreciation	48,205,564	579,836
Total assets	<u>53,349,519</u>	<u>1,898,482</u>
<b>Deferred outflows of resources</b>		
Deferred charge on refunding	-	-
Deferred charges on pensions	5,301,888	-
Deferred charges on OPEB	514,020	-
Total deferred outflows of resources	<u>5,815,908</u>	<u>-</u>
<b>Liabilities</b>		
Accounts payable	813,266	27,255
Salaries payable	1,387,215	271,955
Interest payable	478,571	-
Unearned revenues	23,392	-
Long-term liabilities		
Due within one year	2,010,921	23,199
Due in more than one year	89,275,374	42,547
Total liabilities	<u>93,988,739</u>	<u>364,956</u>
<b>Deferred inflows of resources</b>		
Deferred inflows on pensions	3,696,937	-
Deferred inflows on OPEB	7,703,379	-
Total deferred inflows of resources	<u>11,400,316</u>	<u>-</u>
<b>Net position (deficit)</b>		
Net investment in capital assets	6,995,564	579,836
Restricted for		
School food service	168,343	-
Debt service	639,780	-
Salaries and related benefits	284,334	-
Instructional costs	24,585	-
School activity funds	-	90,343
Unrestricted	(54,336,234)	863,347
Total net position (deficit)	<u>\$ (46,223,628)</u>	<u>\$ 1,533,526</u>

See accompanying notes to the basic financial statements.



**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Statement of Activities**  
For the year ending June 30, 2020

		Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for	Operating	Primary	Component
	Expenses	Services	Grants and Contributions	Government	Unit
<b>Functions/programs</b>					
Instructional services					
Regular programs	\$ 14,514,722	\$ -	\$ 86,445	\$ (14,428,277)	\$ -
Special education programs	1,394,184	-	411,024	(983,160)	-
Vocational programs	505,056	-	8,009	(497,047)	-
Other instructional programs	152,897	-	14,283	(138,614)	-
Special programs	1,837,794	-	2,316,393	478,599	-
Support services					
Adult / continuing education	146,948	-	-	(146,948)	-
Pupil support services	1,515,698	-	578,066	(937,632)	-
Instructional staff support services	1,255,639	-	531,721	(723,918)	-
General administration	1,270,555	-	324	(1,270,231)	-
School administration	476,973	-	33,366	(443,607)	-
Business services	423,107	-	45,127	(377,980)	-
Plant services	1,100,882	-	18,423	(1,082,459)	-
Student transportation services	2,515,721	-	34,388	(2,481,333)	-
Central services	184,091	-	-	(184,091)	-
Noninstructional services					
Food service operations	1,330,445	10,978	1,081,022	(238,445)	-
Long-term obligations					
Interest and other charges	1,499,954	-	-	(1,499,954)	-
Total Primary Government	<u>\$ 30,124,666</u>	<u>\$ 10,978</u>	<u>\$ 5,158,591</u>	<u>(24,955,097)</u>	<u>-</u>
Component Unit					
Downsville Community Charter, Inc.	<u>\$ 3,845,797</u>	<u>\$ 6,273</u>	<u>\$ 178,884</u>	<u>-</u>	<u>(3,660,640)</u>
<b>General revenues</b>					
Taxes					
Ad valorem taxes levied for					
General purposes				3,007,966	-
Debt service purposes				2,497,573	-
Sales taxes levied for					
General purposes				7,517,118	-
Grants and contributions not restricted to specific programs					
Minimum Foundation Program				13,864,446	3,944,772
State revenue sharing				70,224	-
Interest and investment earnings				34,159	1,149
School activity funds				-	13,029
Other				1,059,040	410
Total general revenues				<u>28,050,526</u>	<u>3,959,360</u>
Change in net position				3,095,429	298,720
Net position, at beginning of year				<u>(49,319,057)</u>	<u>1,234,806</u>
Net position at end of year				<u>\$ (46,223,628)</u>	<u>\$ 1,533,526</u>

See accompanying notes to the basic financial statements.



**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Balance Sheet  
Governmental Funds**

June 30, 2020

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	
	<b>GENERAL FUND</b>	<b>TITLE I FUND</b>	<b>SCHOOL FOOD SERVICE</b>	<b>DEBT SERVICE</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 2,489,798	\$ 7,988	\$ 296,547	\$ 601,504	\$ 111,815	\$ 3,507,652
Receivables	282,892	303,495	-	-	995,577	1,581,964
Interfund receivables	540,559	-	-	38,276	-	578,835
Prepaid expenses and other assets	-	-	-	-	-	-
Inventory	-	-	54,335	-	-	54,335
<b>Total assets</b>	<b>\$ 3,313,249</b>	<b>\$ 311,483</b>	<b>\$ 350,882</b>	<b>\$ 639,780</b>	<b>\$ 1,107,392</b>	<b>\$ 5,722,786</b>
<b>Liabilities and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 725,761	\$ 24,979	\$ -	\$ -	\$ 62,527	\$ 813,267
Salaries payable	930,039	97,378	126,875	-	222,627	1,376,919
Interfund payables	38,276	189,127	-	-	351,432	578,835
Other liabilities	797	-	-	-	-	797
Unearned revenue	-	-	1,326	-	22,066	23,392
<b>Total liabilities</b>	<b>1,694,862</b>	<b>311,483</b>	<b>128,204</b>	<b>-</b>	<b>658,651</b>	<b>2,793,200</b>
<b>Fund balances</b>						
Nonspendable	-	-	54,335	-	-	54,335
Restricted	-	-	168,343	639,780	104,990	913,113
Unassigned	1,618,387	-	-	-	343,751	1,962,138
<b>Total fund balances</b>	<b>1,618,387</b>	<b>-</b>	<b>222,678</b>	<b>639,780</b>	<b>448,741</b>	<b>2,929,586</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,313,249</b>	<b>\$ 311,483</b>	<b>\$ 350,882</b>	<b>\$ 639,780</b>	<b>\$ 1,107,392</b>	<b>\$ 5,722,786</b>

See accompanying notes to the basic financial statements.

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

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

<b>Total fund balances – governmental funds</b>	\$	2,929,586
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The cost of capital assets (land, buildings, furniture and equipment) and intangible assets (software) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Position includes those capital assets and intangible assets among the assets of the School Board as a whole. The cost of those capital and intangible assets is allocated over their estimated useful lives (as depreciation expense for capital assets and amortization expense for intangible assets) to the various programs reported as Governmental Activities in the Statement of Activities. Because neither depreciation nor amortization expenses affect financial resources, they are not reported in the Governmental Funds.

Cost of capital assets	\$ 60,281,899	
Accumulated depreciation	<u>(12,076,335)</u>	48,205,564

Deferred outflows are not reported in the governmental funds but are reported in the government-wide financial statements.

Pensions	5,301,888	
Other post-employment benefits	<u>514,020</u>	5,815,908

Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Position. Post-employment benefits in the Governmental Funds are recorded as expenditures when paid. The unfunded annual required contribution in the Statement of Net Position is recognized as a liability as it accrues. Balances at the end of the year are as follows:

Bonds payable	(41,994,641)	
Other post-employment benefits	(27,105,640)	
Net pension liability	(21,723,784)	
Bond premium	(306,070)	
Interest payable	(478,571)	
Compensated absences payable	<u>(902,197)</u>	(92,510,903)

Deferred inflows are not reported in the governmental funds but are reported in the government-wide financial statements.

Pensions	(3,696,937)	
Other post-employment benefits	<u>(7,703,379)</u>	<u>(11,400,316)</u>

<b>Total Governmental Activities-Net Position</b>	\$	<u><u>(46,223,628)</u></u>
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The accompanying notes are an integral part of the financial statements.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Governmental Funds**

Fiscal Year Ended June 30, 2020

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	
	<b>GENERAL FUND</b>	<b>TITLE I FUND</b>	<b>SCHOOL FOOD SERVICE</b>	<b>DEBT SERVICE</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>Total</b>
<b>REVENUES</b>						
Local sources						
Taxes						
Ad valorem taxes	\$ 3,007,966	\$ -	\$ -	\$ 2,497,573	\$ -	\$ 5,505,539
Sales and use taxes	2,505,706	-	-	-	5,011,412	7,517,118
Interest earnings	27,455	-	5,534	1,170	-	34,159
Food services	-	-	10,978	-	-	10,978
Other	1,009,042	-	49,998	-	-	1,059,040
State sources						
Equalization	13,864,446	-	-	-	-	13,864,446
Other	32,385	-	-	-	510,603	542,988
Federal sources	19,187	1,712,300	1,081,022	-	1,394,921	4,207,430
Total revenues	<u>20,466,187</u>	<u>1,712,300</u>	<u>1,147,532</u>	<u>2,498,743</u>	<u>6,916,936</u>	<u>32,741,698</u>
<b>EXPENDITURES</b>						
Current						
Instructional services						
Regular programs	12,841,841	-	-	-	647,865	13,489,706
Special education programs	1,022,266	-	-	-	533,292	1,555,558
Vocational programs	447,398	-	-	-	58,456	505,854
Other instructional programs	132,590	5,353	-	-	15,117	153,060
Special programs	1,378	1,125,469	-	-	707,855	1,834,702
Support services						
Adult / continuing education	129,148	-	-	-	17,838	146,986
Pupil support services	866,478	44,292	-	-	606,042	1,516,812
Instructional staff support services	714,199	334,135	-	-	208,588	1,256,922
General administration	1,132,553	-	-	74,555	63,893	1,271,001
School administration	360,751	30,773	-	-	86,624	478,148
Business services	359,591	39,198	-	1,200	23,760	423,749
Plant services	1,035,495	-	-	-	51,846	1,087,341
Student transportation services	1,993,605	-	-	-	230,942	2,224,547
Central services	170,423	-	-	-	13,735	184,158
Noninstructional services						
Food service operations	126,815	-	1,083,947	-	116,575	1,327,337
Debt service						
Principal	155,000	-	-	1,290,000	-	1,445,000
Interest	127,025	-	-	1,251,038	-	1,378,063
Other service costs	2	-	-	-	-	2
Total expenditures	<u>21,616,558</u>	<u>1,579,216</u>	<u>1,083,947</u>	<u>2,616,793</u>	<u>3,382,425</u>	<u>30,278,939</u>
Excess (deficiency) of revenues over expenditures	(1,150,371)	133,084	63,585	(118,050)	3,534,511	2,462,759
Other financing sources (uses)						
Transfers in	4,817,791	-	-	-	102,397	4,920,188
Transfers out	(1,497,614)	(133,085)	(144,933)	-	(3,144,556)	(4,920,188)
Total other financing sources (uses)	<u>3,320,177</u>	<u>(133,085)</u>	<u>(144,933)</u>	<u>-</u>	<u>(3,042,159)</u>	<u>-</u>
Net change in fund balances	2,169,806	(1)	(81,348)	(118,050)	492,352	2,462,759
Fund balances at beginning of year	(551,419)	1	304,026	757,830	(43,611)	466,827
Fund balances at end of year	<u>\$ 1,618,387</u>	<u>\$ -</u>	<u>\$ 222,678</u>	<u>\$ 639,780</u>	<u>\$ 448,741</u>	<u>\$ 2,929,586</u>

See accompanying notes to the basic financial statements.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Reconciliation of the Governmental Funds'**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**to the Statement of Activities**  
Fiscal Year Ended June 30, 2020

<b>Total net change in fund balances – Governmental Funds</b>	<b>\$</b>	<b>2,929,586</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays and intangible assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense for the capital assets and amortization expense for the intangible assets. This is the amount by which capital outlays exceed depreciation and amortization in the period:

Capital Outlays	\$ 12,000	
Depreciation	<u>(1,350,742)</u>	(1,338,742)

Repayment of debt is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bonds		1,445,000
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the Governmental Funds when it is due, which requires the use of current financial resources. In the Statement of Activities, however, interest expenses are recognized as the interest accrues, regardless of when it is due. Interest expense payable at year end decreased from the previous year as follows:

Interest expense payable at June 30, 2019	(460,687)	
Interest expense payable at June 30, 2020	<u>478,571</u>	17,884

The deferred amount on refunding of bonded debt is shown as a reduction of long-term debt; however, the amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.

Current year amortization		38,604
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In the Statement of Activities, certain operating expenses (compensated absences for accrued vacation and sick leave, claims) are measured by the amounts earned during the year. However, in the Governmental Funds expenditures for these items are measured by the amount of financial resources used (what was actually paid during the year). This year, vacation and sick leave earned exceeded the amount used.

Compensated absences		3,809
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The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.

		2,541,303
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Other post-employment benefits are reported in the Governmental Funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.

		(2,542,015)
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>3,095,429</u></b>
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The accompanying notes are an integral part of the financial statements.

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Fiduciary Fund - Agency Funds**

**Combining Statement of Fiduciary Assets and Liabilities**

June 30, 2020

	<b>School Activity Funds</b>	<b>Total</b>
<b>Assets</b>		
Cash and cash equivalents	\$ <u>239,546</u>	\$ <u>239,546</u>
<b>Liabilities</b>		
Deposits due student groups	\$ <u>239,546</u>	\$ <u>239,546</u>

See accompanying notes to the basic financial statements.



# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

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# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

### **Note 1-Summary of Significant Accounting Policies**

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

#### **A. Reporting Entity**

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

The School Board operates five schools within the parish with a total enrollment of approximately 2,000 students, including Pre-K. In conjunction with the regular educational programs, some of these schools offer special and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

Downsville Community Charter, Inc. is included in the reporting entity, because it is fiscally dependent on the school system for the majority of its revenue. The School Board has the authority to revoke the charter and exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Downsville Community Charter, Inc. is established as a 501(c)3 not-for-profit corporation to operate Downsville Community Charter School. As such, it follows the guidance of Financial Standards Accounting Board (FASB) Accounting Standards Codification (ASC) 958-205, Financial Statements of Not-for-Profit Organizations.

## UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

### Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

Throughout the year, Union Parish School Board paid for expenses related to Downsville Community Charter, Inc. As a result, there were transactions throughout the year between the School Board and the discretely presented component unit.

Below is a summary of amounts reimbursed to the Union Parish School Board from the discretely presented component unit for the 2019-2020 school year:

	Downsville Community Charter, Inc.
JPAMS	\$11,640
Internet / Telephone	6,000
Special Education oversight	15,144
Erate consultant	1,500
Lease of property	1,200
Technology services	40,692
	<u>\$76,176</u>

Copies of the audit report for Downsville Community Charter, Inc. may be obtained from the School Board.

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

#### **B. Basis of Accounting and Measurement Focus**

##### ***Government-wide Financial Statements (GWFS)***

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

The Statement of Net Position and the Statement of Activities were prepared using the economic resources Non-exchange transactions are recognized when the School Board has an enforceable legal claim to the revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows.

##### **General Revenues**

General revenues included in the Statement of Activities derive directly from local property and sales taxes, interest and investment earning, unrestricted state and local grants, and

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

other miscellaneous revenues. General revenues finance the remaining balance of a function not covered by program revenues.

#### **Program Revenues**

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

#### **Allocation of indirect expenses**

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

#### ***Fund Financial Statements (FFS)***

##### **Governmental Funds**

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

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Such revenue items are ad valorem, sales and use taxes, and federal and state entitlements. Ad valorem taxes are considered measurable and are recognized in the

# UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

## Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

calendar year of the tax levy. Sales and use taxes are considered measurable and available when collected by the vendors. Revenue from state and federal grants are recorded when the reimbursable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year. Other post-employment benefits (OPEB) are recorded in the Government-wide Financial Statements as expenditures and as a liability when incurred.

### C. Fund Accounting

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

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

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

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

**General Fund** – The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in another fund and is always a major fund.

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



# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

**Title 1** - accounts for Title 1 of the Elementary and Secondary Education Act (ESEA) is a federally financed program which provides for the needs of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

**School Food Service** – is designed to assist in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

The School Board has seven nonmajor Special Revenue Funds.

**Debt Service Fund** - accounts for the servicing of debt payments including principal and interest. The bonds were issued to renovate, construct, and improve school buildings, equipment, and furnishings. The bond issuances are financed by ad valorem tax on property within the legal boundaries of the district.

The School Board has one major Debt Service Fund.

**Capital Projects Funds** – account for and report financial resources that are restricted, committed, or assigned to expenditures for capital expenditures, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The School Board has 4 nonmajor Capital Projects Funds.

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

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

**School Activity Funds** - represents funds generated by schools in the district specifically for student activity uses.

**Component Unit** – The discretely presented component unit of the School Board is Downsville Community Charter, Inc., which is accounted for as a separate not-for-profit organization.

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

#### **D. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in interest-bearing and non-interest-bearing demand deposits and bank certificates of deposit as well as short-term investments with a maturity date within three months of the date acquired. Bank certificates of deposit are considered cash equivalents regardless of time to maturity and are stated at cost, which approximates fair value. Short-term investments are stated at cost, which approximates fair value. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

#### **E. Short-Term Interfund Receivables and Payables**

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

#### **F. Eliminations and Reclassifications**

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

#### **G. Inventory and Prepaid Items**

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

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

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

### **H. Capital Assets**

Capital assets, which include land, buildings and improvements, furniture and equipment, intangibles, and construction-in-progress are reported as governmental funds in the Government-wide Financial Statements. The School Board considers assets, other than intangibles, with an initial individual cost of more than \$5,000 and an estimated useful life of more than 1 year as a capital asset. Intangibles, such as software, with an initial individual cost of \$100,000 or more and an estimated useful life of 1 year or more are considered a capital asset.

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

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

Buildings and improvements	10-50 years
Furniture and equipment	3-10 years
Intangibles	3-10 years

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

### **I. Unearned Revenue**

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

### **J. Interfund Activity**

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation to the Government-wide Financial Statements. Reimbursements occur

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

between funds when one fund incurs a cost that benefits another fund, and the benefiting fund reimburses the fund incurring the cost for the benefit received.

All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

#### **K. Compensated Absences**

Twelve-month full-time employees earn ten days or more of cumulative leave each year, based upon years of service. For the purpose of calculating and apportioning annual leave, the "leave year" shall run from July 1<sup>st</sup> to June 30<sup>th</sup>. No more than 15 days of vacation leave may be accumulated as of June 30<sup>th</sup>. Upon termination, resignation, or retirement, any unused annual leave shall be paid at the employee's rate of pay. The maximum number of days the system shall pay an employee for is 25 days.

All 12 month employees earn from 12 to 18 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 25 days is paid to the employee or the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid leave is used in the retirement benefit computation as earned service.

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

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

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

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

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

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave. The School Board makes the assumption that employees who have a minimum experience of 10 years will become eligible in the future to receive their accrued sick leave.

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.

#### **L. Long-Term Liabilities**

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

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

The current cost of other post-employment benefits is recognized in the fund financial statements in the year earned. However due to the implementation of Governmental Accounting Standards Board Statement No. 75 - *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, the School Board has recognized the full liability in the Government-wide Financial Statements.

The School Board's proportionate share of state multi-employer, defined-benefit retirement plan net pension liabilities is included in reported long-term liabilities. The reported net pension liability is determined on the accrual basis which is the same as reported by the state retirement plans. 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.



## UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

### Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

#### M. Deferred Outflows/Inflows of Resources

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

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

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

#### N. Equity Classifications

##### *Government-wide Financial Statements*

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

- **Net investment in capital assets** – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced generally by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted Net Position** – Consists of net position with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

## UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

### Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

The following net positions are considered restricted:

- Debt service resources from sales and use taxes and ad valorem taxes levied specifically to meet the principal and interest payments of various general obligation and revenue bond issues via an approved public referendum in accordance with state law and bond covenants with investors.
- Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of supplemental salaries and benefits to employees.
- **Unrestricted Net Position** – All other net positions that do not meet the definition of “restricted” or “net investments in capital assets”.

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

#### ***Fund Financial Statements***

In the fund financial statements, equity is classified as “fund balance”. Fund balance is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources.

Fund balance is classified according to its useful purpose or function of restriction at year-end in one or more of the following categories:

- Nonspendable fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory.
- Restricted fund balance represent resources restricted by enabling legislation, state or federal laws, tax ordinances or by local, state or Federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.
- Committed fund balance indicates the School Board’s plans for the use of financial resources in a future period for specific purposes determined by the School Board, the highest level of the government’s decision-making authority. Fund balance commitments are made by formal actions of the School Board in the form of a resolution, ordinance, or action approved by the majority vote of the School Board in an open meeting prior to the end of the fiscal year. Once adopted, the limitation

## UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

### Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

imposed by the instrument remains in place until a similar action is taken to remove or revise the limitation.

- Assigned fund balances are those determined by the Board of the Finance Committee, under authority given under a resolution of the Board, as needed for the payment of future commitments.
- Unassigned fund balance is the remaining fund balance in the General Fund after all classifications have been made in the previously described fund balance categories. Unassigned fund balance is only reported in the General Fund.
- However, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

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

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

#### **O. Sales and Use Taxes**

On May 19, 1979, the voters of Union Parish approved a one percent sales and use tax to be collected within Union Parish. The sales and use tax is collected by the Lincoln Parish Sales Tax Commission and remitted to the Union Parish School Board. The funds are then deposited in the sales tax special revenue fund.

On January 20, 2001, the voters of Union Parish approved a one percent sales and use tax to be collected within Union Parish. The tax is for an indefinite period of time. Eighty-five percent of the proceeds from the tax are dedicated for salaries and benefits of teachers and other school employees. The remaining fifteen percent is dedicated for constructing, improving, maintaining, and operating public schools. The School Board has the authority to fund a portion of the sales tax into bonds.

On May 3, 2014, the voters of Union Parish approved a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are to be used for the purpose of operating and maintaining schools and school related facilities, including paying salaries and benefits of teachers and other school personnel.

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

### **P. Encumbrances**

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

### **Q. Levied Taxes**

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

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

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

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

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

All property taxes are recorded in the general, special revenue maintenance fund and the sinking fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on 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.

### **R. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

# UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

## Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### S. New Accounting Pronouncements

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020 to provide temporary relief to entities because of the COVID-19 pandemic. This statement extended implementation of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, Leases, and Implementation Guide No. 2019-3, Leases, were postponed eighteen months.

### Note 2- Cash and Cash Equivalents

*Custodial credit risk - deposits.* The School Board's cash and cash equivalents consist of deposits with financial institutions. The following is a schedule of the School Board's cash and cash equivalents at June 30, 2020. Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	School Board Balance	Bank Balance
Cash		
Governmental Funds		
Demand deposits-checking	\$ 3,507,655	\$ 3,811,031
Agency Funds		
Demand deposits-checking	239,546	240,407
Total Cash	3,747,201	4,051,438
Cash Equivalents		
Agency Funds		
Investments	22,812	22,812
Total cash equivalents	22,812	22,812
Total cash and cash equivalents	\$ 3,770,013	\$ 4,074,250

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance	\$ 250,000
Pledged Securities	4,000,000
Total collateralized deposits	\$ 4,250,000

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

Louisiana Revised Statute 39:1225 requires the School Board to insure its bank balances from loss against custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the School Board's deposits may not be returned. The School Board had total cash bank balances of \$4,051,438, of which \$250,000 were insured by Federal Depository Insurance (FDIC) and remaining \$4,000,000 was covered by securities held as collateral by the trust department of agents of custodial banks in the name of the School Board at year-end.

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

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

**Note 3-Receivables**

The receivables of \$1,581,964 at June 30, 2020, as reported in the Fund Financial Statements, are as follows:

	<b>Sales and Use Taxes</b>	<b>Grantor Agencies</b>	<b>Other</b>	<b>Total</b>
<b>Major Funds</b>				
General Fund	\$ 243,559	\$ -	\$ 39,333	\$ 282,892
Special Revenue Funds				
Title I	-	303,495	-	303,495
School Food Service	-	-	-	-
Total major funds	<u>243,559</u>	<u>303,495</u>	<u>39,333</u>	<u>586,387</u>
<b>Non-Major Funds</b>				
Special Revenue Funds				
1979 Sales Tax	243,476	-	-	243,476
2001 Sales Tax	243,476	-	-	243,476
Special education	-	165,229	-	165,229
TANF	-	635	-	635
Carl Perkins	-	3,055	-	3,055
21 <sup>st</sup> Century	-	200,297	-	200,297
Other miscellaneous	-	139,409	-	139,409
Total non-major funds	<u>486,952</u>	<u>508,625</u>	<u>-</u>	<u>995,577</u>
Total government funds	\$ <u>730,511</u>	\$ <u>812,120</u>	\$ <u>39,333</u>	\$ <u>1,581,964</u>

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



**UNION PARISH SCHOOL BOARD**

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**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

**Note 4-Capital Assets**

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

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 377,071	\$ -	\$ -	\$ 377,071
Land Improvements	-	-	-	-
Total capital assets, not being depreciated	377,071	-	-	377,071
Capital assets being depreciated				
Buildings	53,037,943	-	-	53,037,943
Furniture and equipment	6,570,443	12,000	(284,442)	6,298,001
Total capital assets being depreciated	59,608,386	12,000	(284,442)	59,335,944
Less accumulated depreciation				
Buildings	5,875,219	1,033,548	-	6,908,767
Furniture and equipment	4,565,932	317,194	(284,442)	4,597,684
Total accumulated depreciation	10,441,151	1,350,742	(284,442)	12,076,335
Total capital assets being depreciated, net	49,167,235	(1,338,742)	-	47,828,493
Capital assets, net	\$ 49,544,306	\$ (1,338,742)	\$ -	\$ 48,205,564

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Instructional services	
Regular programs	\$ 1,033,548
Special education programs	1,262
Special programs	4,287
Support services	
Plant services	14,145
Student transportation services	293,071
Non-instructional services	
Food service operations	4,429
Total depreciation expense	\$ 1,350,742

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

### **Note 5- Pension Plans**

#### ***General Information about the Pension Plans***

##### **Plan Descriptions**

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

##### **Benefits Provided**

###### **TRSL**

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information. Regular Plan -Members whose first employment makes them eligible for membership in a Louisiana state retirement system 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. 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

## **UNION PARISH SCHOOL BOARD**

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### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount.

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

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum, or an additional annuity based on the account balance.

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

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

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

the 2.5% accrual rate for all creditable service.

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

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers.

These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

#### **LSERS**

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

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

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 Plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

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

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

Effective January 1, 1996, the state legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not



# **UNION PARISH SCHOOL BOARD**

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## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with LA R.S. 11:1152(F)(3).

### **Contributions**

#### **TRSL**

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2020 are as follows:

<b>TRSL Sub Plan</b>	<b>Contribution Rates</b>	
	<b>School Board</b>	<b>Employees</b>
K-12 Regular Plan	26.70%	8.00%
Lunch Plan A	26.70%	9.10%
Lunch Plan B	26.70%	5.00%

The School Board's contractually required composite contribution rate for the year ended June 30, 2020 was 25.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$2,045,804 for the year ended June 30, 2020.

#### **LSERS**

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2020 was 28.0%. The actual employer rate for the year ended June 30, 2020 was 29.4%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$388,783 for the year ended June 30, 2020.

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



**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

The net pension liabilities were measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2020 and the change compared to the June 30, 2019 proportion.

	Net Pension Liability at June 20, 2020	Proportion at June 30, 2020	Increase (Decrease) to June 30, 2019 Proportion
TRSL	\$18,054,228	18.191000%	(0.963500)%
LSERS	3,669,556	52.417600%	3.118300%
	<u>\$21,723,784</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2020.

	<b>Pension Expense</b>	<b>Amortization</b>	<b>Total</b>
<b>TRSL</b>	\$1,820,739	\$(390,368)	\$1,430,371
<b>LSERS</b>	500,574	26,169	526,743
	<u>\$2,321,313</u>	<u>\$(364,199)</u>	<u>\$1,957,114</u>

At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# UNION PARISH SCHOOL BOARD

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## Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

<b>TRSL</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (564,201)
Changes in assumptions	1,283,511	
Net difference between projected and actual earnings on pension plan investments	-	(668,206)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,145,752	(2,281,104)
Employer contributions subsequent to the measurement date	2,045,804	-
<b>Total TRSL</b>	<b>\$ 4,475,067</b>	<b>\$ (3,513,511)</b>
<b>LSERS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (91,463)
Changes in assumptions	103,383	-
Net difference between projected and actual earnings on pension plan investments	141,170	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	190,485	(91,963)
Employer contributions subsequent to the measurement date	388,783	-
<b>Total LSERS</b>	<b>\$ 826,821</b>	<b>\$ (183,426)</b>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>TRSL</b>	\$4,4475,067	\$(3,513,511)
<b>LSERS</b>	826,821	(183,426)
	<b>\$5,301,888</b>	<b>\$(3,696,937)</b>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2020. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

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**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

<b>Subsequent Contributions</b>	
<b>TRSL</b>	\$2,045,804
<b>LSERS</b>	388,783
	<u>\$2,434,587</u>

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

Year ending June 30:	TRSL	LSERS	Total
2021	\$(311,813)	\$110,826	\$(200,987)
2022	(656,104)	31,377	(624,727)
2023	(273,657)	64,348	(209,309)
2024	157,326	48,061	205,387
	<u>\$(1,048,248)</u>	<u>\$254,612</u>	<u>\$(829,636)</u>

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

	<b>TRSL</b>	<b>LSERS</b>
Valuation Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach		
Actuarial Assumptions:	Closed	
Expected Remaining Service Lives	5 years	3 years
Investment Rate of Return	7.65% net of investment expenses	7.0625% net of investment expenses
Inflation Rate	2.50% per annum.	2.50%
Salary Increases	3.3% - 4.8% varies depending on duration of service	3.25%, based on an experience study 2012-2017 experience study of the System's members.
Cost of Living Adjustments	None	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present value and accrued liabilities include one future COLA, though not yet authorized by the legislature by including the recognition of the existing balance in the Experience Account together

# UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

## Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

with the present value of future contributions to the Account up to the maximum permissible value of the Account based upon current amount limitations.

### Mortality

Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/ inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.366 for males and by 1.189 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

RP-2014 Healthy Annuitant Tables  
RP-2014 Sex Distinct Employee Tables  
RP-2014 Sex Distinct Disabled Tables

### Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 – June 30, 2017) experience study of the System's members.

Termination, disability, and retirement assumptions were projected based on a five-year (2008-2012) experience study of the System's members.

\* The investment rate of return used in the actuarial valuation for funding purposes was 8.2%, recognizing an additional 40 basis points for gain sharing. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.

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

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**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

**TRSL****LSERS**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/ diversification.

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

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2019:

Asset Class	Target Allocation		Long-Term Expected Portfolio Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic equity	27.00%	39.00%	4.01%	7.11%
International equity	19.00%	-	4.90%	-
Domestic fixed income	13.00%	26.00%	1.36%	2.97%
International fixed income	5.50%	-	2.35%	-
Alternative investments	25.50%	29.00%	8.39%	6.37%
Other Private Assets	10.00%	-	3.57%	-
Real assets	-	6.00%	-	7.50%
Total	100.00%	100.00%	n/a	5.76%
Expected inflation				2.00%
Expected Arithmetic Nominal Return				7.76%

**Discount Rate**

The discount rates used to measure the total pension liability for TRSL and LSERS were 7.65% and 7.0625%, respectively, for the year ended June 30, 2020.

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

# UNION PARISH SCHOOL BOARD

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## Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.55%	7.55%	8.55%
Share of NPL	\$24,032,761	\$18,054,228	\$13,015,238
LSERS			
Discount rate	6.00%	7.00%	8.00%
Share of NPL	\$4,972,983	\$3,669,556	\$2,555,308

### **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 \$74,312 for its participation in TRSL. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2020.

### **Pension Plans Fiduciary Net Position**

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

### **Payables to the Pension Plan**

As of June 30, 2020, the School Board had payables due to the pension plans, which consist of the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:



**UNION PARISH SCHOOL BOARD**

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**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

	<u>Payables</u>
TRSL	\$ -
LSERS	254,612
<b>Total</b>	<u>\$ 254,612</u>

**Note 6- Other Post-Employment Benefits**

**General Information about the OPEB Plan**

*Plan description* – The School Board participates in fully insured health insurance and life insurance program administered by the Louisiana Office of Group Benefits (OGB) and provides certain continuing health care and life insurance benefits for its retired employees. The Union Parish School Board's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the School Board. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

*Benefits Provided* – Medical and life insurance benefits are provided to employees upon actual retirement. The Plan provides medical benefits through the OGB, which involves several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at [www.groupbenefits.org](http://www.groupbenefits.org) - "Quick Links" - "Health Plans". The OGB plan is a fully insured, multiple-employer arrangement. Medical benefits are provided to employees upon actual retirement. The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who became members of the system on or after January 1, 2011 must be at least age 60 to be eligible for retirement (D.R.O.P. entry) with an unreduced benefit.

Life insurance coverage under the OGB program is available to retirees by election and the employer pays 50% of the cost of the retiree life insurance based on the blended active/retired OGB rates.

*Employees covered by benefit terms* – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	175
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>213</u>
<b>Total</b>	<u><b>388</b></u>

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

***Total OPEB Liability***

The School Board's total OPEB liability of \$27,105,640 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

***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:

<b>Inflation rate</b>	2.50%
<b>Salary increase</b>	4.0%, including inflation.
<b>Discount rate</b>	3.88% annually (beginning of year to determine ADC)
	3.50% annually (as of end of year measurement date)
<b>Healthcare cost trend rates</b>	Flat 5.5% annually.

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 20, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

The plan has not had a formal actuarial experience study performed.

**Changes in the Total OPEB Liability:**

Balance at June 30, 2019	\$ 29,490,423
Changes for the year:	
Service cost	488,352
Interest	1,014,288
Effect of economic/demographic gains and losses	(6,735,877)
Effect of assumption changes or inputs	3,870,006
Benefit payments	(1,021,552)
Net changes	(2,384,783)
Balance at June 30, 2020	\$ 27,105,640

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*** – The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) and one percentage point higher (4.50%) than the current discount rate (3.50%).

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability	\$ 31,117,418	\$ 27,105,640	\$ 23,859,820

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

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

	1% Decrease 4.50%	Current Trend Rate 5.50%	1% Increase 6.50%
Total OPEB liability	\$ 25,885,886	\$ 68,064,146	\$ 28,867,507

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the School Board recognized OPEB expense of \$1,021,552. At June 30, 2020, the School Board reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (6,735,877)
Changes of assumptions	3,870,006	-
Total	\$ 3,870,006	\$ (6,735,877)

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

Year Ended June 30,	Amount
2021	\$ (358,234)
2022	\$ (358,234)
2023	\$ (358,234)
2024	\$ (358,234)
2025	\$ (358,234)

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

**Note 7-General Long-Term Obligations**

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

Original Issue	Issue Date	Original Borrowing	Interest Rates to Maturity	Interest to Maturity	Final Maturity	Outstanding June 30, 2020
<b>General Obligation Bonds</b>						
Series 2014	3/1/2034	9,800,00	2-4%	\$ 246,544		\$ 7,660,000
Series 2015	3/1/2035	15,000,000	2.25-5%	\$ 466,362		\$ 13,150,000
Series 2016	3/1/2036	17,700,000	3-4%	\$ 537,631		\$ 17,250,000
<b>Limited Tax Revenue Bonds</b>						
Series 2017	3/1/2036	3,600,000	3-4.25%	\$ 127,026		\$ 3,150,000
<b>Total general obligation bonds</b>				<b>\$ 1,377,563</b>		<b>\$ 41,210,000</b>

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

Year Ended June 30,	Principal Payments	Interest Payments	Total
2021	\$ 1,485,000	\$ 1,323,412	\$ 2,808,412
2022	1,585,000	1,266,712	2,851,712
2023	1,680,000	1,206,060	2,886,060
2024	1,785,000	1,160,224	2,945,224
2025	2,040,000	1,103,524	3,143,524
2026-2030	14,205,000	4,374,772	18,579,772
2031-2036	18,430,000	2,019,090	20,449,090
Total	\$ 41,210,000	\$ 12,453,794	\$ 53,663,794

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 \$639,780 in the Debt Service Fund for future debt service requirements.

**General Obligation Bonds**

The School Board issued \$9,800,000 of General Obligation bonds. Series 2014 on July 24, 2014, which was the first part of a \$42,500,000 bond issue. The principal and interest are to be paid March 1, 2015 through March 1, 2034. The School Board issued a second portion of the \$42,500,000 bond issue in the amount of \$15,000,000 on March 26, 2015. The interest is to be paid September 1, 2015 through March 1, 2035. Principal is to be paid March 1, 2018 through March 1, 2035. The School Board issued the third and last portion

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

of the \$42,500,000 bond issue in the amount of \$17,700,000 on March 22, 2016. The interest is to be paid September 1, 2016 through March 1, 2036. Principal is to be paid March 1, 2019 through March 1, 2036. The proceeds, as stated in the official bond issue, are to be used by the School Board "for the purpose of (i) acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent within and for the District, and acquiring the necessary equipment and furnishings therefor, and specifically for those facilities, technology and security initiatives set forth in the Capital Improvement Plan approved by the School Board on January 13, 2014, and (ii) paying the costs of issuance of the bonds". 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.

**Pledged Revenue**

In January 2017 the School Board issued \$3,600,000 in Limited Tax Revenue Bonds for the purpose of acquiring, constructing, improving, equipping and furnishing school buildings and other school related facilities, including school buses and vehicles, and paying the costs incurred in connection with the issuance, thereof. The School Board has pledged, as security for both bonds, a portion of the 3.55 mills Constitutional ad valorem tax. The bonds are payable solely from the constitutional tax collected and are payable through fiscal year end 2036. Total principal and interest to be paid on the bond is \$3,600,000 and \$1,569,950, respectively. For the year ended June 30, 2020 the School Board received \$531,668 from the collection of the tax and paid \$155,000 and \$127,026 in debt service principal and interest, respectively. The annual required principal and interest payments are estimated to be 48% of the tax revenue over the next 17 years.

The following is a summary of governmental activities long-term obligation transactions for the year ending June 30, 2020:

Long-term Obligations	Balance June 30, 2019	Additions	Deduction	Balance June 30, 2020	Amounts Due Within One Year
G. O. Bonds	\$ 39,350,000	\$ -	\$ (1,298,000)	\$ 38,060,000	\$ 1,168,412
Limited tax revenue bond	3,350,000	-	(155,000)	3,150,000	155,000
Net pension liability	22,119,049	-	(395,265)	21,723,784	-
OPEB liability	29,490,432	-	(2,384,783)	27,105,640	-
Compensated absences	906,006	452,976	(456,786)	902,197	342,835
Bond premium	325,372	19,302	-	344,674	344,674
<b>Total</b>	<b>\$ 95,495,850</b>	<b>\$ 472,278</b>	<b>\$ (4,681,834)</b>	<b>\$ 91,286,295</b>	<b>\$ 2,010,921</b>

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

**Note 8-Deferred Outflows of Resources and Deferred Inflows of Resources**

The balances of deferred outflows and inflows of resources as of June 30, 2020 consist of

	<b>Deferred Outflows</b>		<b>Deferred Inflows</b>
Net Pension Liabilities	\$ 5,301,888	\$	3,696,937
Other Post-employment Benefits	514,020		7,703,379
Total	<u>\$ 5,815,908</u>	\$	<u>11,400,316</u>

**Note 9-Interfund Assets/Liabilities (FFS level only)**

Individual balances due to/from other funds at June 30, 2020 were as follows:

	<u><b>Due To</b></u>	<u><b>Due From</b></u>
<b><i>Major Funds</i></b>		
General Fund	\$38,276	\$540,559
Special Revenue Funds		
Title I	189,127	-
School Food Service	-	-
Debt Service Fund	-	38,276
Total Major Funds	<u>227,403</u>	<u>578,835</u>
<b><i>Nonmajor Funds</i></b>		
<b>Special Revenue Funds</b>		
2001 Sales Tax	39,482	-
Special Education IDEA B	86,302	-
Carl Perkins	3,055	-
21st Century	140,841	-
Other Miscellaneous	81,752	-
Total Nonmajor Special Revenue Funds	<u>351,432</u>	<u>-</u>
Total Interfund Transactions	<u><u>\$578,835</u></u>	<u><u>\$578,835</u></u>

The balances due for cash deficits are due to timing differences in receiving reimbursements from grantors for expenditure reimbursement grants after the fiscal year ended and a limited number of temporary transfers during the year. The General Fund pays the obligations of expenditure reimbursement grants until a claim is filed, and payment is received. Indirect cost balances represent the outstanding indirect cost payments due to the General Fund for the expenditures on outstanding grant reimbursement claims filed but not yet received from grantors by year end. Other amounts relate to temporary transfers between funds. All interfund transactions will be completed during the 2020-21 fiscal year.



**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

**Note 10-Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)**

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

<b>NONSPENDABLE</b>	<b>PURPOSE</b>	<b>June 30, 2020</b>
Nonmajor Funds		
Special Revenue Funds		
School Food Service	Food inventory	\$ 54,335
<b>Total Nonspendable Fund Balance</b>		<b>\$ 54,335</b>
<b>RESTRICTED</b>	<b>PURPOSE</b>	<b>June 30, 2020</b>
Major Funds		
General Fund	Scholarship	\$ 9,000
School Food Service	School food service	168,343
Debt Service	Debt service	639,780
<b>Total Major Funds</b>		<b>\$ 817,123</b>
Nonmajor Funds		
Special Revenue Funds		
2001 Sales Tax	Salaries and benefits	\$ 80,405
Total Nonmajor Funds		<b>80,405</b>
<b>Total Restricted Fund Balance</b>		<b>\$ 897,528</b>

**Note 11-Litigation and Contingencies**

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the School Board purchases commercial insurance.

The legal counsel for the School Board has identified no lawsuits in which the School Board is a defendant and which would materially affect the financial statements.

As with the majority of all other school boards within the state, the Union 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.

Under the Tax Reform Act of 1986, interest earned on debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service. Management believes that there is no tax arbitrage rebate liability at year end.

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

#### **Note 12-Risk Management**

The School Board is at risk for property damage, liability, and theft which are covered by commercial insurance policies. Settled claims resulting from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **Note 13-On-Behalf Payments**

On-behalf payments for fringe benefits and salaries are direct payments 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 that employer governments recognize revenue and expenditures or expenses for these on-behalf payments.

The Parish Tax Collector makes pension contributions to the Teachers' Retirement System of Louisiana on behalf of the School Board. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teachers' retirement. The basis for recognizing the revenues and expenditures is the actual contributions made by the Tax Collector's office. For the 2020 fiscal year, the Tax Collector paid the Teachers' Retirement System of Louisiana \$122,494 on behalf of the School Board. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contributions.

#### **Note 14-Economic Dependency**

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Minimum Foundation Funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$13,864,446 to the school board, which represents approximately 36.7% of the School Board's total revenue for the year. Federal revenues also accounts for \$4,374,924 (11.6%) of total revenues.

The Parish Tax Collector makes pension contributions to the Teachers' Retirement System of Louisiana on behalf of the School Board. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teachers' retirement. The basis for recognizing the revenues and expenditures is the actual contributions made by the Tax Collector's office. For the 2019 fiscal year, the Tax Collector paid the Teachers' Retirement System of Louisiana \$121,115 on behalf of the School Board. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contributions.

#### **Note 15-Concentrations and Uncertainties**

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. Even though the outbreak

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2020

occurred during the audit year, the effects of the virus are still taking place. On April 15, 2020, Governor John Bel Edwards signed a proclamation closing K-12 public schools in Louisiana for the school year due to the pandemic. The School Board was required to introduced remote learning for students from that point and into the next fiscal year. On March 25, 2020, Congress passed the CARES Act to help with the effects of the pandemic and allowing the School Board funding options in the next fiscal year. Management did not consider it necessary to make any adjustment to 2020 financial information and foresees no going concern issues relating to this event.

#### **Note 16-Subsequent Events**

Management has evaluated subsequent events through May 31, 2022, the date the financial statements were available to be issued and determined that the following events occurred subsequent to the reporting period that are required to be disclosed.

The School Board has enlisted the assistance of accounting consultants to assist with accounting functions to include the review and reconciliation of account transactions and balances for the years ended June 30, 2021 and 2022 while incorporating processes to improve accounting accuracy moving forward.

The 15 Mill Tax Renewal failed to pass on November 13, 2021 by 30 votes. This tax accounted for approximately \$2.8 million in revenue for the year ended June 30, 2020. Union Parish School Board is currently working with Foley & Judell to return this renewal proposition to the voters on November 8, 2022. The Board and our team, along with Administration from D'Arbonne Woods Community and Downsville Community Charter Schools are confident that we can produce the voters to change the end results of this election. We've already started discussing changes in our campaign techniques for the upcoming election. Management did not consider it necessary to make any adjustment to 2020 financial information and foresees no going concern issues relating to this event.

**REQUIRED SUPPLEMENTARY INFORMATION (PART B)**

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**General Fund**

**Budgetary Comparison Schedule (GAAP Basis) (Unaudited)**

Fiscal Year Ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary fund balance at beginning of year</b>	\$ -	\$ -	\$ (551,419)	\$ (551,419)
<b>Resources (inflows)</b>				
Local sources				
Ad valorem taxes	2,846,208	2,846,208	3,007,966	161,758
Sales and use tax	4,340,000	4,340,000	2,505,706	(1,834,294)
Interest earnings	3,500	3,500	27,455	23,955
Other	922,659	922,659	1,009,042	86,383
State sources				
Equalization	13,875,000	13,875,000	13,864,446	(10,554)
Other	101,353	101,353	32,385	(68,968)
Federal sources	214,848	214,848	19,187	(195,661)
Transfers in	-	-	4,817,791	4,817,791
Amounts available for appropriations	22,303,568	22,303,568	24,732,559	2,428,991
<b>Charges to appropriations (outflows)</b>				
Instruction				
Regular programs	4,273,147	4,273,147	12,841,841	8,568,694
Special programs	1,006,806	1,006,806	861,666	(145,140)
Vocational programs	343,088	343,088	447,398	104,310
Other instructional programs	164,297	164,297	132,590	(31,707)
Student services	60,000	60,000	1,378	(58,622)
Support services				
Adult / continuing education	144,272	144,272	129,148	(15,124)
Pupil support services	860,249	860,249	866,478	6,229
Instructional staff support services	705,331	705,331	714,199	8,868
General administration	893,019	893,019	1,132,553	239,534
School administration	828,854	828,854	360,751	(468,103)
Business services	473,162	473,162	359,591	(113,571)
Plant services	1,046,230	1,046,230	1,035,495	(10,735)
Student transportation services	2,324,394	2,324,394	1,993,605	(330,789)
Central services	125,366	125,366	170,423	45,057
Noninstructional services				
Food service operations	63,967	63,967	126,815	62,848
Community service	16,500	16,500	-	(16,500)
Capital Outlay	6,600	6,600	-	(6,600)
Debt service				
Principal retirement	200,000	200,000	155,000	(45,000)
Interest	131,525	131,525	127,025	(4,500)
Other uses				
Transfers out	8,588,370	8,588,370	1,497,614	(7,090,756)
Total charges to appropriations	22,255,177	22,255,177	22,953,570	698,393
<b>Budgetary fund balance at end of year</b>	\$ 48,391	\$ 48,391	\$ 1,778,989	\$ 1,730,598

See accompanying notes to the budgetary comparison schedules.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Title I**  
**Budgetary Comparison Schedule (GAAP Basis) (Unaudited)**  
Fiscal Year Ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary fund balance at beginning of year</b>	\$ -	\$ -	\$ 1	\$ 1
<b>Resources (inflows)</b>				
Federal sources	2,188,635	2,188,635	1,712,300	(476,335)
Amounts available for appropriations	2,188,635	2,188,635	1,712,301	(476,334)
<b>Charges to appropriations (outflows)</b>				
Instruction				
Special programs	1,410,190	1,410,190	1,125,469	(284,721)
Other instructional programs	-	-	5,353	5,353
Support services				
Pupil support services	-	-	44,292	44,292
Instructional staff support services	414,345	414,345	334,135	(80,210)
School administration	-	-	30,773	30,773
Business services	85,756	85,756	39,198	(46,558)
Central services	139,085	139,085	-	(139,085)
Transfers out	-	-	133,085	133,085
Total charges to appropriations	2,049,376	2,049,376	1,712,301	(337,075)
<b>Budgetary fund balance at end of year</b>	\$ 139,259	\$ 139,259	\$ -	\$ (139,259)

See accompanying notes to the budgetary comparison schedules.



**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**School Food Service Fund**

**Budgetary Comparison Schedule (GAAP Basis) (Unaudited)**

Fiscal Year Ended June 30, 2020

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Budgetary fund balance at beginning of year</b>	\$ 304,026	\$ 304,026	\$ 304,026	\$ -
<b>Resources (inflows)</b>				
Interest earnings	3,000	3,000	5,534	2,534
Food services	24,000	24,000	10,978	(13,022)
Other	-	-	49,998	49,998
State sources				
Equalization	25,000	25,000	-	(25,000)
Federal sources	1,281,000	1,281,000	1,081,022	(199,978)
Amounts available for appropriations	1,637,026	1,637,026	1,451,558	(185,468)
<b>Charges to appropriations (outflows)</b>				
Noninstructional services				
Food service operations	1,364,350	1,364,350	1,083,947	(280,403)
Transfer out	-	-	144,933	144,933
Total charges to appropriations	1,364,350	1,364,350	1,228,880	(135,470)
<b>Budgetary fund balance at end of year</b>	\$ 272,676	\$ 272,676	\$ 222,678	\$ (49,998)

See accompanying notes to the budgetary comparison schedules.

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Debt Service Fund**

**Budgetary Comparison Schedule (GAAP Basis) (Unaudited)**

Fiscal Year Ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary fund balance at beginning of year</b>	\$ -	\$ -	\$ (118,050)	\$ (118,050)
<b>Resources (inflows)</b>				
Local sources				
Sales taxes	2,661,173	2,661,173	2,497,573	(163,600)
Interest earnings	1,100	1,100	1,170	70
Amounts available for appropriations	<u>2,662,273</u>	<u>2,662,273</u>	<u>2,380,693</u>	<u>(281,580)</u>
<b>Charges to appropriations (outflows)</b>				
General administration	73,585	73,585	74,555	970
Business services	1,200	1,200	1,200	-
Debt service				
Principal retirement	1,290,000	1,290,000	1,290,000	-
Interest	1,297,488	1,297,488	1,251,038	(46,450)
Total charges to appropriations	<u>2,662,273</u>	<u>2,662,273</u>	<u>2,616,793</u>	<u>(45,480)</u>
<b>Budgetary fund balance at end of year</b>	\$ -	\$ -	\$ (236,100)	\$ (236,100)

See accompanying notes to the budgetary comparison schedules.

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to Budgetary Comparison Schedules (unaudited)**

For the Year Ended June 30, 2020

**A. BUDGETS**

**General Budget Practices**

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

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

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

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

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

**Encumbrances**

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

**Budget Basis of Accounting**

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

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to Budgetary Comparison Schedules (unaudited)**

For the Year Ended June 30, 2020

**B. Budget to GAAP Reconciliation**

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>General Fund</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 24,732,559
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	551,419
Other financing sources including proceeds from sale of assets, proceeds from issuance of debt and transfers in of indirect costs from other funds	<u>(4,817,791)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u><u>20,466,187</u></u>
Charges to appropriations	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 22,953,570
Other financing uses including transfers out to other funds	<u>(1,497,614)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u><u>21,455,956</u></u>
	<u>Title I</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,712,301
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(1)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u><u>1,712,300</u></u>
Charges to appropriations	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,712,301
Other financing uses including transfers out to other funds	<u>(133,085)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u><u>1,579,216</u></u>

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Notes to Budgetary Comparison Schedules (unaudited)**

For the Year Ended June 30, 2020

	<u>School Food Service Fund</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,451,558
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(304,026)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u>1,147,532</u>
Charges to appropriations	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,228,880
Other financing uses including transfers out to other funds	<u>(144,933)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u>1,083,947</u>
	<u>Debt Service Fund</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 3,256,573
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(757,830)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u>2,498,743</u>
Charges to appropriations	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 2,616,793
Other financing uses including transfers out to other funds	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u>2,616,793</u>

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)**

Fiscal Year Ended June 30, 2020

	<u>2020</u>		<u>2019</u>		<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 488,352	\$	568,857	\$	1,095,780
Interest	1,014,288		1,311,336		1,317,630
Changes of benefit terms	-		-		-
Differences between expected and actual experience	(6,735,877)		(2,870,829)		-
Changes of assumptions or other inputs	3,870,006		(2,754,934)		-
Benefit payments	<u>(1,021,552)</u>		<u>(1,297,338)</u>		<u>(1,487,674)</u>
<b>Net change in total OPEB liability</b>	<u>(2,384,783)</u>		<u>(5,042,908)</u>		<u>925,736</u>
 <b>Total OPEB liability - beginning</b>	 <u>29,490,423</u>		 <u>34,533,331</u>		 <u>33,607,595</u>
 <b>Total OPEB liability - ending</b>	 <u><u>\$ 27,105,640</u></u>	\$	 <u><u>29,490,423</u></u>	\$	 <u><u>34,533,331</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.00%		 0.00%		 0.00%
 Covered-employee payroll	 \$ 6,537,332	\$	 8,735,894	\$	 7,495,423
 Total OPEB liability as a percentage of covered-employee payroll	 414.63%		 337.58%		 460.73%

### **Notes to Schedule:**

*Discount Rate:* 2.21% 3.50% 3.87%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Changes of benefit terms.* There were no changes of benefits terms for the year ended June 30, 2020.

*Changes of assumption.* There were no changes of assumptions for the year ended June 30, 2020.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



# UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

## Schedule of Employer's Proportionate Share of Net Pension Liability (Unaudited)

Fiscal Year Ended June 30, 2020

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Teachers' Retirement System of Louisiana					
2020	0.181913%	\$ 18,054,228	\$ 11,203,721	161%	68.60%
2019	0.191546%	\$ (18,825,179)	\$ 9,783,582	-192%	68.20%
2018	0.212655%	\$ 21,801,129	\$ 9,971,918	219%	65.60%
2017	0.209970%	\$ 24,644,621	\$ 9,822,997	251%	59.90%
2016	0.213490%	\$ 22,954,607	\$ 9,618,647	239%	62.50%
2015	0.214720%	\$ 21,947,361	\$ 9,431,930	233%	63.70%
Louisiana School Employees' Retirement System					
2020	0.524176%	\$ 3,669,556	\$ 1,838,325	200%	73.49%
2019	0.492993%	\$ 3,293,870	\$ 1,423,448	231%	74.44%
2018	0.534283%	\$ 3,419,021	\$ 1,527,078	224%	75.03%
2017	0.550718%	\$ 4,154,326	\$ 1,556,008	267%	70.09%
2016	0.599898%	\$ 3,804,115	\$ 1,631,239	233%	74.49%
2015	0.539100%	\$ 3,125,205	\$ 1,512,152	207%	76.18%

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

*This schedule is intended to show information for 10 years.*

# UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

## Schedule of Employer's Contributions to Pension Plans (Unaudited)

Fiscal Year Ended June 30, 2020

Fiscal Year	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
<b>Teachers' Retirement System of Louisiana</b>					
2020	\$ 2,045,804	\$ 2,045,804	\$ -	\$ 7,868,476	26.0%
2019	\$ 2,991,394	\$ 2,991,394	\$ -	\$ 11,203,721	26.7%
2018	\$ 2,600,954	\$ 2,600,954	\$ -	\$ 9,783,582	26.6%
2017	\$ 2,661,271	\$ 2,661,271	\$ -	\$ 9,971,918	26.7%
2016	\$ 2,711,221	\$ 2,711,221	\$ -	\$ 9,822,997	27.6%
2015	\$ 2,498,570	\$ 2,498,570	\$ -	\$ 9,618,647	26.0%
2014	\$ 2,616,687	\$ 2,616,687	\$ -	\$ 9,431,930	27.7%
<b>Louisiana School Employees' Retirement System</b>					
2020	\$ 388,783	\$ 388,783	\$ -	\$ 1,322,390	29.4%
2019	\$ 514,731	\$ 514,731	\$ -	\$ 1,838,325	28.0%
2018	\$ 392,872	\$ 392,872	\$ -	\$ 1,423,448	27.6%
2017	\$ 417,602	\$ 417,602	\$ -	\$ 1,527,078	27.3%
2016	\$ 469,914	\$ 469,914	\$ -	\$ 1,556,008	30.2%
2015	\$ 531,017	\$ 531,017	\$ -	\$ 1,631,239	32.6%
2014	\$ 488,423	\$ 488,423	\$ -	\$ 1,512,152	32.3%

**Notes:**

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

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

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Notes to the Required Supplemental Information for Pensions (Unaudited)**

Fiscal Year Ended June 30, 2020

#### ***Changes of Benefit Terms***

##### **Teachers' Retirement System of Louisiana**

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2020 and 2019.

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

##### **Louisiana School Employees' Retirement System**

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2020 and 2019.

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

#### ***Changes of Assumptions***

##### **Teachers' Retirement System of Louisiana**

For the actuarial valuation for the year ended June 30, 2019, the investment rate of return decreased from 7.65% to 7.55%.

For the actuarial valuation for the year ended June 30, 2018, the investment rate of return decreased from 7.70% to 7.65%, and projected salary increases decreased from 3.5%-10.0% to 3.3%-4.8%.

For the actuarial valuation for the year ended June 30, 2017, the investment rate of return decreased from 7.75% to 7.70%.

##### **Louisiana School Employees' Retirement System**

For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.0625% to 7.0000%.

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.125% to 7.0625%, the inflation rate was decreased from 2.625% to 2.50% and salary increases were decreased from a range of 3.075% to 5.375% to 3.25%.

There were no changes of assumptions for the actuarial valuation for the year ended June 30, 2017.

For the actuarial valuation for the year ended June 30, 2016, the discount rate was increased from 7.000% to 7.125%, the inflation rate was decreased from 2.75% to 2.625% and salary increases were decreased from a range of 3.2% to 5.5% to a range of 3.075% to 5.375%.

## **OTHER SUPPLEMENTARY INFORMATION**

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
**Combining Balance Sheet**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Governmental Activities**  
For the Year Ended June 30, 2020

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 111,815	\$ -	\$ 111,815
Receivables	995,577	-	995,577
<b>Total assets</b>	<b>\$ 1,107,392</b>	<b>\$ -</b>	<b>\$ 1,107,392</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 62,527	\$ -	\$ 62,527
Salaries payable	222,627	-	222,627
Interfund payables	351,432	-	351,432
Unearned revenues	22,066	-	22,066
<b>Total liabilities</b>	<b>658,651</b>	<b>-</b>	<b>658,651</b>
<b>Fund balances</b>			
Nonspendable	-	-	-
Restricted	104,990	-	104,990
Unassigned	343,751	-	343,751
<b>Total fund balances</b>	<b>448,741</b>	<b>-</b>	<b>448,741</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,107,392</b>	<b>\$ -</b>	<b>\$ 1,107,392</b>

# UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Local sources			
Taxes			
Sales and use taxes	\$ 5,011,412	\$ -	\$ 5,011,412
Other	510,603	-	510,603
Federal sources	1,394,921	-	1,394,921
Total revenues	<u>6,916,936</u>	<u>-</u>	<u>6,916,936</u>
<b>EXPENDITURES</b>			
Current			
Instructional services			
Regular programs	647,865	-	647,865
Special education programs	533,292	-	533,292
Vocational programs	58,456	-	58,456
Other instructional programs	15,117	-	15,117
Special programs	707,855	-	707,855
Support services			
Adult / continuing education	17,838	-	17,838
Pupil support services	606,042	-	606,042
Instructional staff support services	208,588	-	208,588
General administration	63,893	-	63,893
School administration	86,624	-	86,624
Business services	23,760	-	23,760
Plant services	51,846	-	51,846
Student transportation services	230,942	-	230,942
Central services	13,735	-	13,735
Noninstructional services			
Food service operations	116,575	-	116,575
Total expenditures	<u>3,382,425</u>	<u>-</u>	<u>3,382,425</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,534,511</u>	<u>-</u>	<u>3,534,511</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	102,397	102,397
Transfers out	(3,144,556)	-	(3,144,556)
Total other financing sources (uses)	<u>(3,144,556)</u>	<u>102,397</u>	<u>(3,042,159)</u>
Net change in fund balances	389,955	102,397	492,352
<b>Fund balances at beginning of year</b>	58,786	(102,397)	(43,611)
<b>Fund balances at end of year</b>	<u>\$ 448,741</u>	<u>\$ -</u>	<u>\$ 448,741</u>



**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Combining Balance Sheet  
SPECIAL REVENUE FUNDS (NONMAJOR)**

June 30, 2020

	<b>1979 Sales Tax</b>	<b>2001 Sales Tax</b>	<b>Special Education</b>	<b>TANF</b>	<b>Carl Perkins</b>	<b>21st Century</b>	<b>Other miscellaneous</b>	<b>Total</b>
<b>Assets</b>								
Cash and cash equivalents	\$ 40,858	\$ -	\$ 87	\$ 57,335	\$ -	\$ 1,034	\$ 12,501	\$ 111,815
Investments				-	-	-	-	-
Receivables	243,476	243,476	165,229	635	3,055	200,297	139,409	995,577
<b>Total assets</b>	<u>\$ 284,334</u>	<u>\$ 243,476</u>	<u>\$ 165,316</u>	<u>\$ 57,970</u>	<u>\$ 3,055</u>	<u>\$ 201,331</u>	<u>\$ 151,910</u>	<u>\$ 1,107,392</u>
<b>Liabilities and fund balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 24,032	\$ 5,883	\$ -	\$ 3,313	\$ 29,299	\$ 62,527
Salaries payable	-	80,405	35,695	34,112	-	56,142	16,273	222,627
Interfund payables	-	39,482	86,302	-	3,055	140,841	81,752	351,432
Unearned revenue	-	-	19,287	2,779	-	-	-	22,066
Total liabilities	<u>-</u>	<u>119,884</u>	<u>165,316</u>	<u>42,774</u>	<u>3,055</u>	<u>200,297</u>	<u>127,325</u>	<u>658,651</u>
<b>Fund balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	80,405	-	-	-	-	24,585	104,990
Unassigned	284,334	43,187	-	15,196	-	1,034	-	343,751
Total fund balances	<u>284,334</u>	<u>123,592</u>	<u>-</u>	<u>15,196</u>	<u>-</u>	<u>1,034</u>	<u>24,585</u>	<u>448,741</u>
<b>Total liabilities and fund balances</b>	<u>\$ 284,334</u>	<u>\$ 243,476</u>	<u>\$ 165,316</u>	<u>\$ 57,970</u>	<u>\$ 3,055</u>	<u>\$ 201,331</u>	<u>\$ 151,910</u>	<u>\$ 1,107,392</u>

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**SPECIAL REVENUE FUNDS (NONMAJOR)**  
For the Year Ended June 30, 2020

	1979 Sales Tax	2001 Sales Tax	Special Education	TANF	Carl Perkins	21st Century	Other miscellaneous	Total
<b>REVENUES</b>								
Local sources								
Taxes								
Sales and use taxes	\$ 2,505,706	\$ 2,505,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,011,412
Other	-	-	-	347,164	-	-	163,439	510,603
Federal sources	-	-	676,543	-	8,392	408,173	301,813	1,394,921
Total revenues	<u>2,505,706</u>	<u>2,505,706</u>	<u>676,543</u>	<u>347,164</u>	<u>8,392</u>	<u>408,173</u>	<u>465,252</u>	<u>6,916,936</u>
<b>EXPENDITURES</b>								
Current								
Instructional services								
Regular programs	296,701	340,153	-	-	-	-	11,011	647,865
Special education programs	64,289	73,883	395,120	-	-	-	-	533,292
Vocational programs	24,598	25,849	-	-	8,009	-	-	58,456
Other instructional programs	3,367	3,599	8,151	-	-	-	-	15,117
Special programs	-	-	-	331,968	-	-	375,887	707,855
Support services								
Adult / continuing education	8,252	9,586	-	-	-	-	-	17,838
Pupil support services	52,518	59,602	138,353	-	-	355,569	-	606,042
Instructional staff support services	21,911	26,709	108,742	-	383	-	50,843	208,588
General administration	33,363	30,530	-	-	-	-	-	63,893
School administration	40,764	45,860	-	-	-	-	-	86,624
Business services	10,667	12,849	-	-	-	-	244	23,760
Plant services	21,871	23,663	-	-	-	6,312	-	51,846
Student transportation services	102,926	114,018	-	-	-	13,998	-	230,942
Central services	6,691	7,044	-	-	-	-	-	13,735
Noninstructional services								
Food service operations	54,641	61,934	-	-	-	-	-	116,575
Community service programs	-	-	-	-	-	-	-	-
Total expenditures	<u>742,559</u>	<u>835,279</u>	<u>650,365</u>	<u>331,968</u>	<u>8,392</u>	<u>375,877</u>	<u>437,985</u>	<u>3,382,425</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,549,493)	(1,515,973)	(26,178)	-	-	(32,296)	(20,616)	(3,144,556)
Total other financing sources (uses)	<u>(1,549,493)</u>	<u>(1,515,973)</u>	<u>(26,178)</u>	<u>-</u>	<u>-</u>	<u>(32,296)</u>	<u>(20,616)</u>	<u>(3,144,556)</u>
Net change in fund balance	213,654	154,454	-	15,196	-	-	6,651	389,955
Fund balances at beginning of year	70,680	(30,862)	-	-	-	1,034	17,934	58,786
Fund balances at end of year	<u>\$ 284,334</u>	<u>\$ 123,592</u>	<u>\$ -</u>	<u>\$ 15,196</u>	<u>\$ -</u>	<u>\$ 1,034</u>	<u>\$ 24,585</u>	<u>\$ 448,741</u>

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Combining Schedule of Changes in Fiduciary Assets and Liabilities**

**Fiduciary Fund - Agency Funds**

For the Year Ended June 30, 2020

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents				
School Activity Funds	\$ 255,650	\$ 477,879	\$ 471,359	\$ 262,170
<b>Total</b>	<u>\$ 255,650</u>	<u>\$ 477,879</u>	<u>\$ 471,359</u>	<u>\$ 262,170</u>
<b>Liabilities</b>				
Deposits due student groups				
School Activity Funds	\$ 255,650	\$ 477,879	\$ 471,359	\$ 262,170
<b>Total</b>	<u>\$ 255,650</u>	<u>\$ 477,879</u>	<u>\$ 471,359</u>	<u>\$ 262,170</u>

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Schedule of Changes in Deposits Due Others**

**School Activities Agency Fund**

For the Year Ended June 30, 2020

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
Union Parish Elementary School	\$ 56,919	\$ 74,350	\$ 72,706	\$ 58,563
Union Parish High School	<u>198,731</u>	<u>403,529</u>	<u>398,653</u>	<u>203,607</u>
	<u>\$ 255,650</u>	<u>\$ 477,879</u>	<u>\$ 471,359</u>	<u>\$ 262,170</u>

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

**Schedule of Compensation Paid Board Members**

For the year ended June 30, 2020

Board Member	District	Date	Compensation
Sharon Dixon	1	7/1/2019-6/30/2020	\$ 6,600
Roger Reeves, Jr.	2	7/1/2019-6/30/2020	6,600
Tommy Bennett	3	7/1/2019-6/30/2020	6,600
Judy Mabry	4	5/1/2020-6/30/2020	6,600
Shannon Barkley, President	5	7/1/2019-6/30/2020	7,200
Donna Cranford	6	7/1/2019-2/28/2020	6,600
Sharon Stewart	7	7/1/2019-6/30/2020	6,600
Challana Ray Dean	8	3/1/2020-6/30/2020	6,600
Clyde Hays, Vice President	9	7/1/2019-4/30/2020	6,600
Total Compensation			\$ 60,000

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

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

For the year ended June 30, 2020

**Chief Executive Officer: Ted Reeves**

Purpose		Ted Reeves
Salary	\$	149,234
Benefits-medicare		2,171
Benefits-retirement		32,375
Benefits-PIPS		1,297
Dues		375
Registration fees		195
Travel expenses		4,421
Total Compensation	\$	190,068



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



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*Keeping you on course!*

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

**Board Members  
Union Parish School Board  
Farmville, Louisiana**

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Union Parish School Board** (the 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, and have issued our report thereon dated May 31, 2022. Our audit includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component unit, as described in our report on the School Board's financial statements. The report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report disclaims an opinion on such financial statements because of inaccurate records.

***Internal Control over Financial Reporting***

In connection with our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

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

**Board Members  
Union Parish School Board  
Farmville, Louisiana**

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2020-001, 2020-002, 2020-03 and 2020-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those in charge of governance. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which is described in the accompanying schedule of findings and questioned costs as items 2020-005, 2020-006, 2020-007 and 2020-008. However, if the scope of our work had been sufficient to enable us to express an opinion on the financial statements, instances of noncompliance or other matters may have been identified and reported therein.

***The School Board's Response to Findings***

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

**Board Members  
Union Parish School Board  
Farmville, Louisiana**

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Woodard & Associates*

**(A Professional Accounting Corporation)  
Monroe, Louisiana**

**May 31, 2022**





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

**Board Members  
Union Parish School Board  
Farmerville, Louisiana**

***Report on Compliance for Each Major Federal Program***

We were engaged to audit **Union Parish School Board's** (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

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

Our audit does not provide a legal determination of the School Board's compliance with those requirements.

**Board Members  
Union Parish School Board  
Farmerville, Louisiana**

***Basis for Disclaimer Opinion on Each Major Federal Program***

The disclaimed opinion on the financial statement audit resulted from the School Board's failure to provide complete and accurate records as described in the Schedule of Findings and Questioned costs Findings 2020-001 through 2020-004. The School Board's internal control failures resulted in the inability to determine what costs were of a federal nature and, thus, we were unable to determine if the activities and costs were allowable, or if the reports submitted were accurate. For the Child Nutrition Cluster, this applies to Activities Allowed or Unallowed, Allowable Costs / Cost Principles, Cash Management, and Special Tests and Provisions. For Title I, this applies to Activities Allowed or Unallowed, Allowable Costs / Cost Principles, Matching, Level of Effort, Earmarking, Reporting and Special Tests and Provisions.

***Disclaimer Opinion on Each Major Federal Program***

Because of the items described in the Basis for Disclaimer Opinion on Each Major Federal Program, our auditing procedures were not sufficient to enable us to express, and we do not express, an opinion on whether the School Board complied with the compliance requirements listed in the Basis for Disclaimer Opinion on Each Major Federal Program paragraph for the major programs for the year ended June 30, 2020.

***Opinion on Each Major Federal Program***

In our opinion, except for the compliance requirements listed in the Basis for Disclaimer Opinion on Each Major Federal Program paragraph, the School Board, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020

***Other Matters***

The results of our auditing procedures disclosed instance of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-009. Our opinion on each major federal program is modified with respect to these matters.

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

***Report on Internal Control Over Compliance***

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over



**Board Members  
Union Parish School Board  
Farmerville, Louisiana**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did identify deficiencies in internal control over compliance that we consider to be material weaknesses, described in the accompanying schedule of findings and questioned costs as items 2020-009.

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

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

*Woodard + Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

**May 31, 2022**



**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	ALN Number	Pass-Through Grantor No.	2020 Expenditures
<b>United States Department of Agriculture</b>			
<i>Passed through Louisiana Department of Education</i>			
<b>Child Nutrition Cluster</b>			
Non Cash Assistance (Commodities)			
National School Lunch Program	10.555	N/A	\$ 34,303
Cash Assistance			
School Breakfast Program	10.553	N/A	295,254
Seamless Summer Option- Breakfast	10.553	N/A	-
National School Lunch Program	10.555	N/A	670,443
Summer Food Program	10.559	N/A	42,950
<b>Total Child Nutrition Cluster</b>			1,042,950
Child and Adult Care Food Program	10.558	N/A	38,073
<b>Total United States Department of Agriculture</b>			1,081,023
<b>United States Department of Education</b>			
<i>Passed Through Louisiana Department of Education</i>			
Title I Grants to Local Educational Agencies (Part A)	84.010A	28-20-T1-56	1,543,129
Title I Grants to Local Educational Agencies (Direct Student Service)	84.010A	28-20-DSS-56	12,733
Title I Grants to Local Educational Agencies (Redesign 1003a)	84.010	28-19-RD19-56	156,438
<b>Total Title I Grants to Local Educational Agencies</b>			1,712,300
Migrant Education-State Grant Program	84.011A	28-20-M1-56	47,704
<b>Special Education Cluster</b>			
Special Education- Grants to State	84.027A	28-20-B1-56	644,446
Federal IDEA (Intragency Agreement) Special Education-Grants to States	84.027A	Contract	19,187
Special Education-Preschool Grants (IDEA Preschool)	84.173A	28-20-P1-56	22,722
Special Education-State Personnel Development Grant	84.323A	28-18-SPDU-56	9,375
<b>Total Special Education Clusters</b>			695,730
<b>Vocational Education</b>			
Career and Technical Education-Basic Grants to States (Perkins IV)	84.048A	28-20-02-56	8,392
Twenty-First Century Community Learning Centers	84.287C	28-20-2C-56	408,173
Small Rural Schools Achievement Alternative Uses of Funds	84.358B	28-20-RE-56	37,189
Title III (English Language Acquisition Grants)	84.365A	28-20-60-56	13,995
Supporting Effective Instruction State Grant	84.367A	28-20-50-56	112,038
School Improvement Grants	84.377A	28-16-TC07-56	167,494
Preschool Development Grant	84.419B	28-18-RL-56	15,741
Teacher and School Leader Incentive Grants (Teacher Incentive Funds)	84.419B	28-18-RM-56	36,510
Title IVA (Student Support and Academic Enrichment Grants)	84.424A	28-20-71-56	13,014
Elementary and Secondary School Emergency Relief Fund	84.425D	28-20-ESRF-56	20,802
<b>Total United States Department of Education</b>			3,289,082
<b>United States Department of Health &amp; Human Services</b>			
<i>Passed through Louisiana Department of Education</i>			
Early Childhood Community Network Lead Agency-CCDF	93.575	28-19-CO-56	4,820
<b>Total United States Department of Health &amp; Human Services</b>			4,820
<b>TOTAL FEDERAL AWARDS</b>			\$ 4,374,925

# UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

## Notes to Schedule of Expenditures of Federal Awards

June 30, 2020

### Note 1-Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Union Parish School Board (the School Board) for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School Board.

### Note 2-Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports, except for the amounts in the reports submitted as of a date subsequent to June 30, 2020.

### Note 3-Relationship to the Financial Statements

	Federal Programs
General Fund	\$ 8,392
Nonmajor Funds	
School Food Services	1,081,023
Title I	1,712,300
Special Education	695,730
Title IIA	13,995
Teacher Incentive Fund	36,510
Head Start	
Vocational / JAG	408,173
Other Miscellaneous	418,802
Total Nonmajor Funds	4,366,533
Total Governmental Funds Revenues	\$ 4,374,925

### Note 4-Noncash Program

Included in the Child Nutrition Cluster National School Lunch Program, CFDA 10.555, is \$34,303 of non-cash awards in the form of commodities provided by the United States Department of Agriculture. The commodities received, which are noncash revenues, are valued using prices provided by the Louisiana Department of Agriculture and Forestry.

### Note 5-Indirect Cost Rate

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

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule of Audit Findings and Questioned Costs**  
For the Year Ended June 30, 2020

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of audit report issued	Disclaimer
Internal control over financial reporting	
• Material weaknesses identified?	Yes
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
• Noncompliance which is material to the financial statements noted?	Yes

**Federal awards**

Internal control over major federal programs	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	No
Type of auditor’s report issued on compliance for major federal programs	Disclaimer
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)?	Yes

**Identification of major programs**

<b>Name of Federal Program or Cluster</b>	<b>CFDA Number</b>
Child Nutrition Cluster	10.553, 10.555, 10.559
Title I	84.010
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Does Auditee qualify as a low-risk auditee?	No

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

### **Section II – Financial Statement Findings Reported in Accordance with *Government Auditing Standards***

#### **2020-001 Internal Controls over Accounting Records First Reported 2019**

##### **Criteria**

Internal controls over accounting records require records be kept in an accurate manner, provide an audit trail of all transactions, and allow production of accurate reports within a timely manner.

##### **Condition**

There is insufficient evidence for auditors to form an opinion on the financial statements due to a failure in internal controls over accounting records. The auditors conclude that the lack of evidence is both material and pervasive:

Records provided by the School Board were not reconciled with the general ledger. The questions arising from the discrepancies resulted in accounting adjustments being made to such a large degree that the auditor's received five trial balances over the period 1/5/2021 through 8/11/2021. Included in the discrepancies identified were journal entries posted to the fiscal year 2019 after period close.

Journal entries are recorded by one person with no review process in place. In addition, transactions including payments to vendors are reviewed by a subordinate of the person entering the transaction. Further, these transactions include payments to vendors and same person entering payments to be made enters the transactions into bank's positive pay program.

The Schedule of Expenditures of Federal Awards prepared by the School Board included inaccurate information and was not properly reconciled to the underlying accounting records. The schedule was materially misstated. Refer to Findings 2020-002 and 2020-009.

Cash reconciliations contained errors and omissions. Refer to Finding 2020-004.

The School Board was unable to produce a correct depreciation schedule. Refer to Finding 2020-006.

The School Board was unable to produce a budget or the Annual Financial Report in an accurate, timely basis. Refer to Findings 2020-005 and 2020-008.

The School Board was unable to provide a reconciled schedule of transfers between funds.

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

A review of the transaction history by the auditors identified a very large number of journal entries adjusting a variety of accounts, including fund balance. These journal entries failed to present explanations and supporting documentation sufficient for the auditors to understand why the entries were made.

Additionally, it appears to the auditors that the general ledger could have been manipulated as evidenced by:

- The transaction history for the period 7/1/2019-6/30/2020 provided on 12/1/2020 contained 27 journal entries, including entries affecting Federal programs, that were no longer in the School Board's accounting system on 11/2/2021.
- A review of user permissions in the School Board's accounting system on 11/2/2021 identified actions including "GLPosting" for which the user had permissions that included "Delete".

#### **Cause**

Internal controls over accounting processes and records were not appropriately designed, implemented and/or overseen.

#### **Effect**

There is insufficient audit evidence to support management assertions that financial statements are fairly presented and contain all properly classified information.

#### **Recommendation**

The School Board should immediately seek the services of Certified Public Accountants with school board accounting experience to review and reconcile accounting records to ensure that records are kept in an accurate manner, provide an audit trail of all transactions and allow for the production of accurate reports within a timely manner. The School Board should review the design and implementation of internal controls over accounting records to ensure that the accounting records are maintained appropriately going forward.

#### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

### **2020-002 Schedule of Expenditures of Federal Awards Preparation and Review First Reported 2019**

#### **Criteria**

According to the Code of Federal Regulations Title 2 Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements, it is the auditee's responsibility to prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards. The Schedule should be complete and accurate.

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

#### **Condition**

The Schedule of Expenditures of Federal Awards prepared by the School Board included inaccurate information and was not properly reconciled to the underlying accounting records. The schedule was materially misstated. Federal programs were not properly identified and reported in the schedule.

#### **Cause**

Policies and procedures are not in place to ensure complete and accurate reporting in the Schedule of Expenditures of Federal Awards. The schedule was not properly reviewed by an appropriate individual other than the preparer.

#### **Effect**

The School Board is not in compliance with the auditee responsibilities per the Code of Federal Regulations.

#### **Recommendation**

The School Board should design and implement policies and procedures for preparation and review of the Schedule of Expenditures of Federal Awards to ensure the schedule is complete and accurate. In addition, the policies and procedures should include reconciling the schedule to underlying accounting records and independent review of the prepared schedule by an appropriate individual other than the preparer. The individual responsible for gathering data and reporting federal awards should receive proper training on preparing the Schedule of Expenditures of Federal Awards.

#### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

### **2020-003 Internal Controls over Payroll Disbursements**

#### **Criteria**

Proper internal controls over payroll disbursement accruals require that employees are paid in accordance with the Board approved salary schedule and that proper supporting documentation is retained for any additional pay during the year.

#### **Condition**

The payroll disbursement accrual amount on the general ledger does not reconcile to the supporting documentation by a material amount.

#### **Cause**

Policies and procedures are not in place to ensure that payroll disbursements are properly accrued and properly approved supporting documentation is not being maintained.

# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

### **Effect**

There is potential for errors or fraud in the payroll cash disbursements process.

### **Recommendation**

The School Board should implement and enforce policies and procedures to ensure payroll is properly set up and accrued correctly.

### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

## **2019-004 Cash Reconciliations**

### **Criteria**

A cash reconciliation that reconciles from the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate controls over both cash receipts and disbursements. In preparing the bank reconciliations, all items should be investigated and corrected in that period.

### **Condition**

Cash reconciliations for the operating and payroll accounts contained errors and omissions. Evidence of review and approval of reconciliations is not documented and maintained on file for all reconciliations. Transactions related to the subsequent period were recorded to the cash accounts after the reconciliations were performed.

### **Cause**

Policies and procedures are not in place to ensure that cash reconciliations are performed accurately and that there is proper review and approval of bank reconciliations.

### **Effect**

Significant errors and omissions could go undetected if the cash accounts are not reconciled properly and timely. Lack of proper review increases the risk of fraud and fraudulent transactions going undetected. Unreconciled differences that appear immaterial can obscure significant but offsetting items (such as bank errors or improperly recorded transactions) that would be a cause for investigation if the items were apparent.

### **Recommendation**

The bank reconciliations should be reviewed for accuracy and completeness on a timely basis by an appropriate level of management. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents. The composition of unreconciled differences should be determined and follow up on, and any journal entries deemed necessary as a result be recorded.



# **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

## **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

### **2020-005 Local Government Budget Act**

**First reported 2019**

#### **Criteria**

Per the Louisiana Local Government Budget Act encompassing Louisiana Revised Statutes 39:1305 - 1315 school boards are required to prepare and adopt no later than September 15th of each year a budget for the general fund and each special revenue fund for the fiscal year, July 1st through June 30th. Additionally, the proposed budget must be made available for public inspection at least ten days before a public hearing is held on the budget.

#### **Condition**

The budget for the year ended June 30, 2020 was approved by the School Board on October 13, 2019 for the General Fund only and evidence of compliance with the publication and public inspection/hearing was not provided.

#### **Cause**

Policies and procedures are not in place to ensure budgets are prepared and adopted in accordance with state law.

#### **Effect**

Noncompliance with Louisiana Revised Statute 39:1305-15 of the Louisiana Local Government Budget Act.

#### **Recommendation**

The School Board should review and, if necessary, update and implement policies and procedures requiring budgets be prepared and adopted in accordance with state law.

### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

### **2020-006 Fixed and Movable Property Records and Inventory**

#### **Criteria**

Louisiana Revised Statute 24:513 requires a physical inventory of all fixed and movable property items be conducted annually and reconciled to the recorded detailed listings of fixed and movable property.



## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

#### **Condition**

The School Board was unable to produce a current depreciation schedule. Annually inventory was not conducted.

#### **Cause**

School Board personnel were unable to update the Excel depreciation schedule document. Internal controls did not ensure that annual inventory was conducted.

#### **Effect**

Noncompliance with Louisiana Revised Statute 24:513.

#### **Recommendation**

The School Board should implement and enforce policies and procedures to ensure capital assets are inventoried annually and reconciled with the general ledger in accordance with state law.

#### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

### **2020-007 Late Submission of Audit Financial Report to the Louisiana Department of Education**

#### **Criteria**

Louisiana revised statute 17:92 requires that parish superintendents of schools shall submit the annual financial report (AFR) to the state Department of Education by September 30<sup>th</sup> of each year.

#### **Condition**

The School Board's Annual Financial Report (AFR) for the year ended June 30, 2020 was not completed and submitted to the Louisiana Department of Education by the September 30<sup>th</sup> deadline. While extensions were granted, School Board's AFR for the year ended June 30, 2020 was not submitted to the Louisiana Department of Education in final form until February 2021.

#### **Cause**

Refer to Cause in Finding 2020-001.

#### **Effect**

The School Board is not in compliance with Louisiana Revised Statute 17:92.

#### **Recommendation**

We recommend that the School Board implement procedures to ensure all information required for financial reporting is accurate and properly captured in a timely manner.

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

#### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

#### **2020-008 Late Submission of Audit Report to the Louisiana Legislative Auditor First Reported**

##### **Condition**

The School Board's audit for the year ended June 30, 2020 was not completed and the audit report was not submitted to the Louisiana Legislative Auditor within six months of year end.

##### **Criteria**

Louisiana revised statute 24:513 A (5)(a)(i) requires that audits of government agencies shall be completed within six months of the close of the entity's fiscal year. Audit reports are required to be filed with the Louisiana Legislative Auditor within this time restriction.

##### **Cause**

The School Board's audit was not completed timely due to items identified in Finding 2020-001. These issues and the delay were further delayed by the COVID-19 pandemic and various natural disasters.

##### **Effect**

The School Board is not in compliance with Louisiana Revised Statute 24:513 A (5)(a)(i).

##### **Recommendation**

We recommend that the School Board implement procedures to ensure all information required for financial reporting is accurate and properly captured in a timely manner.

#### **Management Response**

Refer to the Corrective Action Plan for Current Year Audit Findings and Questioned Costs

### **Section III – Federal Award Findings and Responses**

#### **2020-009 Internal Controls over Accounting Records First Reported 2019**

##### **Federal Program, Assistance Listing Number and Year, Federal Agency, Pass-Through Entity**

Child Nutrition Cluster, Assistance Listing #10.555, 10.553, 10.555, 10.559, 2021, U.S. Department of Agriculture, Louisiana Department of Education

Title I, Assistance Listing #84.010, 2021, U.S. Department of Education, Louisiana Department of Education

## **UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

### **Schedule of Audit Findings and Questioned Costs**

For the Year Ended June 30, 2020

#### **Criteria**

The Code of Federal Regulations Title 2 Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section 200.303 requires the School Board to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the School Board is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal Award.

#### **Condition**

There was insufficient evidence to form an opinion on the direct and material compliance requirements for each major program due to a failure in internal controls over accounting records including the records of Federal programs. The lack of evidence is both material and pervasive and demonstrates a lack of internal control over compliance with Federal statutes, regulations, and the terms and conditions of the Federal Award.

#### **Cause**

Internal controls over accounting processes and records were not appropriately designed, implemented and/or overseen.

#### **Effect**

The disclaimed opinion on the financial statement audit resulted from the School Board's failure to provide quality, accurate records as described in the financial statement audit schedule of findings and question costs findings 2020-001 through 2020-004. The School Board's internal control failures resulted in the inability to determine what costs were of a federal nature and, thus, we were unable to determine if the costs were allowable, if the associated activities were allowable or if the reports submitted were accurate. For the Child Nutrition Cluster, this effect applies to the direct and material compliance requirements of Activities Allowed or Unallowed, Allowable Costs / Cost Principles, Cash Management, and Special Tests and Provisions. For the Title I program, this effect applies to the direct and material compliance requirements of Activities Allowed or Unallowed, Allowable Costs / Cost Principles, Matching, Level of Effort, Earmarking, Reporting and Special Tests and Provisions.

#### **Questioned Costs**

N/A

#### **Recommendation**

The School Board should immediately seek the services of Certified Public Accountants with school board accounting experience to review and reconcile accounting records to ensure that records are kept in an accurate manner, provide an audit trail of all transactions, and allow for the production of accurate reports within a timely manner. The School Board should review the design and implementation of internal controls over accounting records to ensure that the accounting records are maintained appropriately going forward.



# Union Parish School Board



Post Office Box 308  
Farmerville, Louisiana 71241

Kristy Auger Fine  
Superintendent

[www.unionparishschools.org](http://www.unionparishschools.org)

Phone (318) 368-9715  
FAX (318) 368-3311

May 31, 2022

Lori Woodard  
Woodard & Associates  
1100 North 18<sup>th</sup> Street, Suite 200  
Monroe, LA 71201

RE: Management's Response  
06-30-2020 audited financial statements

Dear Ms. Woodard:

We have received the Findings related to the financial statements for the FY 2019-20 that ended June 30, 2020, and offer the following Management's Response to each finding listed below:

## **Finding 2020-001 Internal Controls over Accounting Records**

- **Criteria** - Internal controls over accounting processes and records were not appropriately designed, implemented and/or overseen.
- **Conditions Identified**
  - Records provided did not support what was posted to the General Ledger
  - Journal entries from other business office employees did not have a review process or approval from the Business Manager
  - Five different trial balances were sent to the auditors.
  - Schedule of Expenditures of Federal Awards were not reconciled with the General Ledger.
  - Cash Reconciliations contained errors and omissions.
  - The Business Office was unable to produce a Depreciation Schedule
  - The Business Office was unable to produce the Annual Financial Report (AFR) to the Louisiana Department of Education timely.
  - The Business Office was unable to produce the Budget Form A to the Louisiana Department of Education timely.
  - The Business Office was unable to reconcile fund transfers between funds.
  - Journal entries lacked explanations and support.
- **Corrective Action Plan**

Work on this finding was implemented before this audit was finalized. The Annual Financial Report (AFR) and Budget Form A for FY 2021-22 were submitted in a timely manner. Other items that needed correcting are shown below

  - The Superintendent has authorized and approved a contract with Crossmark Education Business Services to provide additional training and support to the current CFO to correct many of the findings listed in this report. The person who is leading their team is a retired



business manager with the DeSoto Parish School Board show has 36+ years of experience in education finance.

- A new chart of accounts is being set up to agree with BESE Bulletin #1929 known as the Louisiana Accounting and Uniform Governmental Handbook. Restrictions and limitations with the software program are preventing this from being accomplished sooner. Crossmark is monitoring this progress and will provide assistance when needed.
- A new Grants Schedule was created and used to support all values and schedule presented and shown in the comprehensive annual financial report. Crossmark developed and prepared this new schedule and will assist if needed.
- A new comprehensive annual report was created in EXCEL and presented to the external auditors for the period ended 06-30-2021. Listed in this schedule are the original budgets, the final budget, and the trial balance numbers for all funds and in the same format as the audited financial statements. The CFO will be preparing this report in the future.
- The Annual Financial Report (AFR) was initially submitted to the Louisiana Department of Education on September 30<sup>th</sup> and the final error free report was completed in December 2021 for the FY 2020-21. Training has been completed and the goal to submit an error free report for FY 2021-22 on or before October 31<sup>st</sup>. Crossmark will monitor compliance and assist one last time if needed.
- New funds have been set up and other funds have been merged with the General Fund for FY 2020-21 to reduce, control, and monitor fund transfers. Crossmark has meeting with all Board Members to explain and answer questions. Additional guidance was sent and received from the LDOE in May 2022 to verify how MFP and Downsview Charter School transactions should be handled.
- Training was provided to the CFO for documenting correcting journal entries that complies with GAAP and leaves a good audit trail.
- A new budget document is being developed by Crossmark that will incorporate and address all the problems identified above. It will have the new account numbers and will comply with all the mandates identified in the Local Government Budget Act. This will be presented to the Board in and will allow the CFO to duplicate going forward.
- Completion Date: Budget Form A – October 2021, AFR – Initial Submission September 2021/Final Submission December 2021, May 2022 other items
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

#### **Finding 2020-002 Schedule of Federal Awards Preparation and Review**

- Criteria - According to the Code of Federal Regulations Title 2 Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements, it is the auditee's responsibility to prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards. The Schedule should be complete and accurate.
- Conditions Identified
  - The Business Office did not provide an accurate and complete schedule of grants awarded to the school system.

- Policies and procedures are not in place to ensure complete and accurate reporting of federal grants.
- The Business Office did not conduct Reconciliations with the General Ledger and the Federal Grants regularly or accurately.
- Corrective Action Plan  
Work on this finding was implemented before this audit was completed. A new Grants/Accounts Receivable schedule was developed and prepared by the CFO for the fiscal year that ended 06-30-2021. The Finance Committee started getting these reports in May 2022 and will continue to get these reports each month. The report includes a list of all grants awarded to the UPSB, CFDA numbers (if applicable), the amount allocated, a listing of each time a request for reimbursement was made, claim numbers, indirect cost amounts, and a listing if the money was received. The grants bookkeeper has been assigned to prepare and present this report to the CFO, each Supervisor assigned to oversee each grant, and the Superintendent on or before the 5<sup>th</sup> day of each month. Any corrections or errors is to be discussed with the Grants Bookkeeper or the CFO when found. The final report for 06-30-2021 will be reviewed and reconciled by the CFO with the values shown on the Balance Sheet and the Revenue/Expenditure Statement and shared with the auditors when requested.
- Completion Date: May 2022
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

**Finding 2020-003 Internal Controls Over Payroll Disbursements**

- Criteria - Proper internal controls over payroll disbursement accruals require that employees are paid in accordance with the Board approved salary schedule and that proper supporting documentation is retained for any additional pay during the year.
- Conditions Identified
  - The Business Office did not reconcile the amount identified on the Balance Sheet for Accrued Salaries and Benefits Payable with the supporting documentation.
  - The difference identified between the two records was material.
- Corrective Action Plan  
Work on this finding was implemented before this audit was completed. Once the Payroll Clerk has issued the final payroll checks for the July and August payroll checks, an Accrued Salaries and Benefits Payable Schedules will be prepared by the CFO and kept in a secured place at the end of each fiscal year. The CFO will reconcile these amounts with the values listed the Balance Sheet. Difference should be documented and kept with any correcting journal entries. The external auditor will be asked to review and note any violations for the procedures state here.
- Completion Date: May 2022
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715

Fax: 318-368-3311

**Finding 2020-004 Cash Reconciliation**

- **Criteria** - A cash reconciliation that reconciles from the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate controls over both cash receipts and disbursements. In preparing the bank reconciliations, all items should be investigated and corrected in that period.
- **Conditions Identified**
  - Bank reconciliations are not documented and maintained by the Business Office.
  - Transactions were posted and recorded to Cash after reconciliations were performed.
  - Bank reconciliations contained errors and omissions.
- **Corrective Action Plan**

Work on this finding was implemented before this audit was completed. Except for the June, July and August bank reconciliations, all monthly bank reconciliations will be prepared by the CFO, dated, kept in a secure place, and signed by the CFO on or before the 10<sup>th</sup> day of the month that follows. Additional days may be needed for June, July, and August so the CFO can close and open the new fiscal year. The external auditors will be asked to review and note any violations for the procedures state here.
- **Anticipated Completion Date:** May 2022
- **Person Responsible for Corrective Action:**

Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

**Finding 2020-005 Local Government Budget Act**

- **Criteria** - Per the Louisiana Local Government Budget Act encompassing Louisiana Revised Statutes 39:1305 - 1315 school boards are required to prepare and adopt no later than September 15th of each year a budget for the general fund and each special revenue fund for the fiscal year, July 1st through June 30th. Additionally, the proposed budget must be made available for public inspection at least ten days before a public hearing is held on the budget.
- **Conditions Identified**
  - The original budget for FY 2019-20 was approved by the Board on October 13, 2019.
  - Documentation provided shows that only the General Fund budget was presented for approval.
  - Special Revenue Fund budgets were not submitted and approved by the Board.
  - Compliance with the publication requirements were not met.
  - Compliance with the public hearing requirements were not met.
  - Compliance with making the budget available to the public prior to the adoption of the budget were not met.
- **Corrective Action Plan**

Work on this finding was implemented before this audit was finalized. The Annual Operating Budget including the General and Special Revenue Funds will be adopted and submitted to the Louisiana Department of Education by the October deadline each year. Publications

announcing the public hearing and public viewing of the budget documents will be advertised in the local journal annually prior to the adoption and submission of the budget documents.

- Completion Date: October 2021
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

**Finding 2020-006 Fixed and Moveable Property Records and Inventory**

- Criteria - Louisiana Revised Statute 24:513 requires a physical inventory of all fixed and movable property items be conducted annually and reconciled to the recorded detailed listings of fixed and movable property.
- Conditions Identified
  - The Business Office did not produce a current depreciation schedule.
  - Annual physical inspections of capital assets purchased were not conducted.
  - Capital Asset Inventory records are not being identified, documented, or reconciled annually.
- Corrective Action Plan

Work on this finding began before the audit report was finalized. The CFO review the Capital Asset Inventory list from the prior year and make any additions and/or deletions after looking at all 700 object codes plus the values in the Capital Projects Fund or the Facilities and Acquisition and Construction functional account. A completed Capital Assets Inventory Schedule will be presented to the Superintendent by the CFO once it has been completed. The Superintendent will notify the building level administrator and the CFO is a police report should be secured for any missing items. The final Capital Asset Schedule will be provided to the auditor by the CFO when the PBC list is sent to the Business Office.
- Completion Date: Updated in 2021
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

**Finding 2020-007 Late Submission of the Annual Financial Report (AFR) to the Louisiana Department of Education**

- Criteria - Louisiana revised statute 17:92 requires that parish superintendents of schools shall submit the annual financial report (AFR) to the state Department of Education by September 30<sup>th</sup> of each year.
- Conditions Identified
- The Business Office did not complete a successful transmission of the AFR until 02/2021.
- Corrective Action Plan



Work on this finding was implemented before this audit was completed. Procedures and a calendar of completion have been established to ensure that the financial records are completed and submitted in a timely manner

- Completion Date: Initial Submission September 2021 and Final December 2021
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

**Finding 2020-008 Late Submission of the Audit Report to the Louisiana Legislative Auditor**

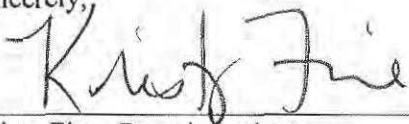
- Criteria - Louisiana revised statute 24:513 A (5)(a)(i) requires that audits of government agencies shall be completed within six months of the close of the entity's fiscal year. Audit reports are required to be filed with the Louisiana Legislative Auditor within this time restriction.
- Conditions Identified
  - UPSB's audit was not timely filed due to numerous issues listed above.
  - It was further delayed because of COVID-19.
- Corrective Action Plan
  - Work on this finding was implemented before this audit was finalized. The Superintendent authorized and approved a contract with Crossmark Education Business Services to provide additional training and support to the current CFO to correct many of the findings listed in this report.
  - A new chart of accounts is being set up to agree with BESE Bulletin #1929 known as the Louisiana Accounting and Uniform Governmental Handbook. Restrictions and limitations with the software program are preventing this from being accomplished sooner. Crossmark is monitoring this progress and will provide assistance when needed.
  - A new comprehensive annual report was created in EXCEL and presented to the external auditors for the period ended 06-30-2021. Listed in this schedule are the original budgets, the final budget, and the trial balance numbers for all funds and in the same format as the audited financial statements. The CFO will be preparing this report in the future.
  - New funds have been set up and other funds have been merged with the General Fund for FY 2020-21 to reduce, control, and monitor fund transfers. Crossmark has meeting with all Board Members to explain and answer questions. Additional guidance was sent and received from the LDOE in May 2022 to verify how MFP and Downsview Charter School transactions should be handled.
  - Training was provided to the CFO for documenting correcting journal entries that complies with GAAP and leaves a good audit trail.
- Anticipated Completion Date: June 2022
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308

Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

**Finding 2020-009 Internal Controls Over Accounting Records**

- Criteria - According to the Code of Federal Regulations Title 2 Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements, it is the auditee's responsibility to prepare appropriate financial statements.
- Conditions Identified
  - Refer to Finding 2020-01
  - Refer to Finding 2020-02
- Corrective Action Plan  
Please refer to all comments listed in each of the prior Correct Action Plans 2020-1 thru 2020-8. The UPSB is also opened to employing additional staff within the Business Office if needed, recommended by Crossmark Education Business Service, or recommended by the external auditor.
- Anticipated Completion Date: May 2022
- Person Responsible for Corrective Action:  
Kristy Fine, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241-0308  
Telephone: 318-368-9715  
Fax: 318-368-3311

Sincerely,



Kristy Fine, Superintendent  
Union Parish School Board



Marsha Andrews, CFO  
Union Parish School Board

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
**Summary Status of Prior Year Findings**  
For the Year Ended June 30, 2020

The following is a summary of the status of the prior year findings included in our 2019 audit report dated October 29, 2020, covering the audit of the financial statements of Union Parish School Board (the School Board), as of and for the year ended June 30, 2019.

**2019-001 Schedule of Expenditures of Federal Awards Preparation and Review**

**Conditions Identified**

The Schedule of Expenditures of Federal Awards prepared by the School Board included inaccurate information and was not properly reconciled to the underlying accounting records. The schedule was materially misstated. Federal programs were not properly identified and reported in the schedule.

**Status**

**Refer to Finding 2020-002**

**2019-002 Internal Controls over Payroll Disbursements**

**Conditions Identified**

During testing of payroll cash disbursements it was noted that four employees were not paid in accordance with the approved salary schedule or other properly approved documentation. One employee was paid \$8,298 for additional Librarian duties. The supplement was not included in the salary schedule and there was no documented evidence on file that the supplement was approved. One employee was overpaid \$1,500 for a sales tax supplement in error. One employee was paid \$3,373 less than the approved salary per the salary schedule. This error was caught and corrected by the School Board after year end. One employee was overpaid \$41 for a supplement in error.

**Status**

**Refer to Finding 2020-003**

**2019-003 Retirement System Reporting**

**Conditions Identified**

During testing of census data for retirement plans it was noted that actual earnings for four of the fifty employees tested were not reported properly to the retirement system. The pay for each of these employees was reduced for sick dockage due to exceeding the allowed number of sick days during the year. The School Board improperly reported contract wages to the retirement system rather than actual earnings reduced for sick dockage. It was also noted that the employee and employer contributions for retirement were calculated based on the contract salary rather than actual earnings. This resulted in overpayment of retirement contributions since actual earnings on which the contributions should have been calculated were less than contracted wages. For these four employees retirement wages were overstated \$2,259, excess employee contributions in the amount \$177 were withheld and remitted, and excess employer contributions in the amount of \$613 were remitted. This also resulted in excess service credit, a component of the defined benefit formula used to calculate a member's retirement benefit, since it is based on actual and full time

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
**Summary Status of Prior Year Findings**  
For the Year Ended June 30, 2020

contract earnings. It was also noted during testing that a significant amount of adjustments were required to be made manually outside of the payroll system due to various information not set up correctly or not exporting properly from the payroll system.

Status  
Resolved

**2019-004 Fraud Incident**

**Conditions Identified**

The School Board received an e-mail that was a phishing attempt requesting the wire transfer of a payroll check. The School Board fell victim to the attempt and transferred funds of \$8,014 to an unknown bank account at Green Dot, Inc. The School Board lacked clearly documented procedures over wire transfers. Also, security awareness and training programs were not in place to educate employees in their roles in detecting and responding to cyber incidents.

Status  
Resolved

**2019-005 Cash Reconciliations**

**Conditions Identified**

Cash reconciliations for the operating and payroll accounts contained errors and omissions. Evidence of review and approval of reconciliations is not documented and maintained on file for all reconciliations. Transactions related to the subsequent period were recorded to the cash accounts after the reconciliations were performed.

Status  
Refer to Finding 2020-004

**2019-006 Louisiana Budget Law**

**Conditions Identified**

During testing of budget compliance it was noted that budgets were not adopted for twenty special revenue funds in accordance with the Louisiana Local Government Budget Act.

Status  
Refer to Finding 2020-005

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
**Summary Status of Prior Year Findings**  
For the Year Ended June 30, 2020

**2019-007 Louisiana Public Bid Law**

**Conditions Identified**

During testing of Louisiana Public Bid Law compliance two instances were noted in which three quotes were not obtained for purchases of materials and supplies over \$10,000 and less than \$30,000. It was also noted that the School Board does not accept electronic bids.

**Status**

**Resolved**

**2019-008 Late Submission of Audit Report to the Louisiana Legislative Auditor**

**Conditions Identified**

The School Board's audit for the year ended June 30, 2019 was not completed and the audit report was not submitted to the Louisiana Legislative Auditor within six months of year end. Extensions were granted by the Louisiana Legislative Auditor.

**Status**

**Refer to Finding 2020-007**

**MLC 2019-001 Vendor Cash Disbursements**

**Observations**

During testing of vendor cash disbursements it was noted that one vendor was overpaid \$287. The expenditure was charged to the Title I federal program and was requested for reimbursement from the grantor. As a result, the School Board was improperly reimbursed \$287 in federal funds as there is no allowable expenditure to support the amount received. Purchase orders should be matched with invoices or other proper supporting documentation to ensure quantities and amounts billed are correct. Approved purchase orders should not be altered by individuals other than authorized purchasers. An additional line item in the amount of \$287 was improperly added to the purchase order during the accounts payable payment process by an individual other than the purchaser. There are no controls in place to prevent alteration of purchase orders by unauthorized individuals. There is potential for errors or fraud in the vendor cash disbursements process.

**Status**

**Refer to Finding 2020-001**

**MLC 2019-002      OPEB Census Data**

*Observations:*

During testing of census data for OPEB (other post employment benefits) it was noted that the hire date per School Board records did not agree to the hire date per the census data used by the actuary for seven of the twenty-five individuals selected for testing. The individuals are all retirees or previously retired individuals who have returned to work at the School Board. It was also noted that the census is not maintained by the School Board and was pulled directly from the insurance

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
**Summary Status of Prior Year Findings**  
For the Year Ended June 30, 2020

provider records by the actuary. Accurate and complete census data is required to obtain a reasonable estimate of OPEB liability for reporting in the financial statements. Census data should be maintained on file at the School Board and updated regularly to ensure data is accurate. The School Board did not accurately report hire dates to the insurance provider for some individuals. The School Board does not maintain and update the census data. The School Board did not review the census data for accuracy and completeness before it was used by the actuary. The OPEB liability calculation may not be a reasonable estimate of the actual liability if the census data used in the calculation is not accurate and complete.

**Status**  
**Resolved**

**MLC 2019-003      Journal Entries**

*Observations:*

During testing of journal entries it was noted that support for journal entries is not always maintained on file and easily accessible. It was also noted that not all journal entries are reviewed and approved. It appears that controls and procedures related to journal entries could be improved. All manual, nonrecurring journal entries should be individually approved and properly documented. Documentation should include employee notes, explanations, or other documentation that shows the source of the journal entry. There are no policies and procedures in place requiring review and approval of all journal entries and proper supporting documentation prior to posting. There is potential for fraudulent journal entries or other improper adjustments to be recorded. The financial statements could be misstated due to manipulation of the financial reporting by recording inappropriate or unauthorized journal entries.

**Status**  
**Refer to Finding 2020-001**

**MLC 2019-004      Posting Errors**

*Observations:*

In the course of performing the agreed-upon procedures related to the performance and statistical data contained in Schedule 1 General Fund Instructional and Support Expenditures and Certain Local Revenue Sources accompanying the financial statements it was noted that two of the twenty-five transactions selected for testing were not posted in the proper period. As a result, those expenditures were improperly reported in the schedule. Under the modified accrual basis of accounting expenditures are recorded when the related liability is incurred. The expenditures were recorded in the period in which the cash disbursement was made rather than the period in which the liability was incurred. The expenditures were posted to the incorrect period and Schedule 1 was misstated.

**Status**  
**Resolved**

**OTHER REPORTS**

**AGREED-UPON PROCEDURES REPORT**

**SCHEDULES REQUIRED BY STATE LAW**





1100 North 18th Street, Suite 200  
Monroe, LA 71201  
T 318.387.2672 F 318.322.8866

Keeping you on course!

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

To the Union Parish School Board, the  
Louisiana Department of Education,  
and the Louisiana Legislative Auditor:

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

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

**Comment:** No exception was noted as a result of applying agreed-upon procedure.



**Board Members  
Union Parish School Board  
Farmerville, Louisiana**

**Class Size Characteristics (Schedule 2)**

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

**Comment:** No exception was noted as a result of applying agreed-upon procedure.

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

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

**Comment:** No exception was noted as a result of applying agreed-upon procedure.

**Public School Staff Data: Average Salaries (NO SCHEDULE)**

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

**Comment:** Two of 25 individuals reviewed showed a higher level of pay on the PEP schedule and the Employee Master List than the amount to be paid per the Step Schedule for the level of education and experience.

**Management's Response:** Procedures will be reviewed with the Payroll Department to ensure the level of pay on the PEP Schedule and the Employee Master List match the amount paid per the Step Schedule for the level of education and experience of each person employed by the Union Parish School Board.

**Board Members  
Union Parish School Board  
Farmerville, Louisiana**

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 Union Parish School Board, 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.

*Woodard & Associates*

**(A Professional Accounting Corporation)**  
Monroe, LA

**May 31, 2022**

**UNION PARISH SCHOOL BOARD**

Farmerville, Louisiana

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

As of and for the Year Ended June 30, 2020

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

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

**Schedule 2 (Formerly Schedule 6) Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

**UNION PARISH SCHOOL BOARD**  
**School Board Agreed-Upon Procedures**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources**

June 30, 2020

	Column A	Column B
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 4,186,506	
Other Instructional Staff Activities	167,582	
Instructional Staff Employee Benefits	2,805,154	
Purchased Professional and Technical Services	42,038	
Instructional Materials and Supplies	100,210	
Total Teacher and Student Interaction Activities		\$ 7,301,490
Other Instructional Activities		764
Pupil Support Services	978,598	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		978,598
Instructional Staff Services	853,666	
Less: Equipment for Instructional Staff Services	50,540	
Net Instructional Staff Services		803,126
School Administration	888,459	
Less: Equipment for School Administration	-	
Net School Administration		888,459
Total General Fund Instructional Expenditures		\$ 9,972,437
Total General Fund Equipment Expenditures		\$ 50,540
<b><u>Certain Local Revenue Sources</u></b>		
Local Taxation Revenue		
Ad valorem Taxes		
Constitutional Ad Valorem Taxes		\$ 589,340
Renewable Ad Valorem Tax		2,296,131
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		122,494
Sales Taxes		
Sales and Use Taxes - Gross		7,497,637
Total Local Taxation Revenue		\$ (10,505,602)
Local Earnings on Investment in Real Property		
Earnings from 16th Section Property		\$ 30,742
Earnings from Other Real Property		443
Total Local Earnings on Investment in Real Property		\$ 31,185
State Revenue in Lieu of Taxes		
Revenue Sharing - Constitutional Tax		\$ 70,224
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		\$ 70,224
Nonpublic Textbook Revenue		\$ 5,351
Nonpublic Transportation Revenue		\$ -

**Union Parish School Board  
School Board Agreed-Upon Procedures**

**Class Size Characteristics  
As of October 1, 2019**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	3%	6	73%	132	23%	42	0%	-
Elementary Activity Classes	4%	1	73%	19	23%	6	0%	-
High	69%	258	26%	98	3%	13	1%	3
High Activity Classes	93%	100	5%	5	2%	2	0%	-
Combination	92%	214	5%	11	2%	4	1%	3
Combination Activity Classes	90%	27	10%	3	0%	-	0%	-

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