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HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

David Ray Soignier, CPA, MBA, CGMA
Lori Woodard, MBA, CPA, CGMA, CITP
Ronnie Jacola, CPA

Francis I. Huffman, CPA
John Herman, CPA
Lynn Andries, CPA, CGMA
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Louisiana Legislative Auditor
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The following pages have been changed as of April 2, 2019

Page 111 Deleted two blank lines at the top of the page for layout purposes.

Page 112 Under Status for Finding 2017-002, it references current year finding 2018-002. The status should be referencing current year finding 2018-001.

Under Status for Finding 2017-003, it references current year finding 2018-003. The status should be referencing current year finding 2018-001.

Page 113 Under Status for Finding 2017-004, it references current year finding 2018-004. The status should be referencing current year finding 2018-001.

Under Status for Finding 2017-005, it references current year finding 2018-002. The status should be referencing current year finding 2018-002.

Page 114 Under Status for Finding 2017-006, it references current year finding 2018-006. The status should be referencing current year finding 2018-003.

Under Status for Finding 2017-007, it references current year finding 2018-007. The status should be referencing current year findings 2018-004, 2018-005, and 2018-006.

Under Status for Finding 2017-008, it references current year finding 2018-008. The status should be referencing current year findings 2018-004, 2018-005, and 2018-006.

Under Status for Finding 2017-009, it references current year finding 2018-008. The status should be referencing current year findings 2018-004, 2018-005, and 2018-006.

Page 115 Under Status for Finding 2017-010, it references current year finding 2018-009. The status should be referencing current year findings 2018-004, 2018-005, and 2018-006.

Under Status for Finding 2017-011, it references current year finding 2018-010. The status should be referencing current year findings 2018-004, 2018-005, and 2018-006.

Huffman & Soignier

Monroe, Louisiana

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REISSUE

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE
YEAR ENDED JUNE 30, 2018

TENSAS PARISH SCHOOL BOARD
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(continued)

TENSAS PARISH SCHOOL BOARD
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INDEPENDENT AUDITORS' REPORT

Board Members
Tensas Parish School Board
St. Joseph, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tensas Parish School Board (the School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tensas Parish School Board, as of June 30, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 15 to the financial statements, the School Board adopted Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions, which resulted in a cumulative effect of change in accounting principal of ($7,299,696) to the June 30, 2017 net position for governmental activities. Our opinions are not modified with respect to this matter.

Other Matters

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules (Schedules 1 through 4), the Schedule of Funding Progress for Other Post Employment Benefit Plan (Schedule 5), the Schedule of Employer's Proportionate Share of Net Pension Liability (Schedule 6) and the Schedule of Employer's Contributions to Pension Plans (Schedule 7) as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying financial information listed as Other Supplementary Information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles,* *and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The accompanying supplemental information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2019, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Huffman & Soignier

(A Professional Accounting Corporation)
Monroe, Louisiana

March 8, 2019

REQUIRED SUPPLEMENTAL INFORMATION (Part A)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Tensas Parish School Board
St. Joseph, Louisiana

Management's Discussion and Analysis
For the Year Ended June 30, 2018

(Unaudited)

The Management's Discussion and Analysis of the Tensas Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available). Please read this document with the School Board's financial statements, which follow the Management's Discussion and Analysis.

Tensas Parish is located in the northeastern area of the state and has a population of approximately 4,500. The public school system includes three schools: Tensas High School, grades (grades 7 - 12); Tensas Elementary (grades Pre-K – 6), and Newellton (grades Pre-K - 8). The system serves approximately 500 students. All of our students participate in the free or reduced lunch program. Advanced education is attainable from nearby vocational-technical schools, colleges, and universities.

In fiscal year 2018, the School Board adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

Statement No. 75-Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* for OPEB.

The adoption of Statement 75 has no impact on the School Board's governmental fund financial statements, which continue to report OPEB on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board's government-wide financial statements to reflect the reporting of total OPEB liabilities at June 30, 2017 in accordance with provisions of Statement 75. Net position as of July 1, 2017 was decreased by $19,878,774 reflecting the cumulative retrospective effect of adoption.

Statement No. 85-Omnibus 2017, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).

Statement No. 86-Certain Debt Extinguishment Issues, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

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

- The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2018 by approximately $16,239,000.
- The School Board's expenses exceeded revenues by an approximately $501,000 for the year ended June 30, 2018.
- The School Board's general fund expended approximately $6.1 million, recognizing a decrease in fund balance of approximately $16,000 for the fiscal year ended 2018.
- The Sales Tax Fund accounts for the collection and distribution of the sales and use taxes in accordance with the propositions approved by the voters of Tensas Parish. The fund balance of the Sales Tax Fund increased by an approximate $2,400 during 2018.

USING THIS ANNUAL REPORT

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

Fund Financial Statements

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

These two statements report the School Board's net position and changes in net position. Increases or decreases in the School Board's net position are one indicator of whether its financial health is improving or deteriorating. The net position of the School Board as of June 30, 2018 consisted of a deficit balance of $16,239,044 which decreased by $501,086, or 3.2%, in comparison to the prior year.

The statement of net position and statement of activities reflect the School Board's governmental activities (e.g., its basic service), such as instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program ("MFP") Funds, and state and federal grants finance most of these activities. Our analysis below focuses on the summary of net position (Table 1) and changes in net position (Table 2) of the School Board's governmental activities. Key fluctuations include the following:

TABLE 1
SUMMARY OF NET POSITION
June 30, 2018 and 2017

	2018	2017
Current and other assets	$ 4,145,554	$ 3,756,582
Capital assets, net of depreciation	2,887,686	3,009,931
Total assets	7,033,240	6,766,513
Deferred outflows of resources	1,575,424	2,337,529
Other liabilities	1,344,123	914,282
Long-term liabilities	21,726,112	15,142,058
Total liabilities	23,070,235	16,056,340
Deferred inflows of resources	1,777,472	1,485,964
Net position		
Net invested in capital assets,	2,485,926	2,541,211
Restricted	141,316	138,900
Unrestricted	(18,866,286)	(11,118,373)
Total net position	$ (16,239,044)	$ (8,438,262)

Statement of Net Position

Current and other assets are comprised primarily of cash and cash equivalents, including restricted cash and cash equivalents, and account for 35.7% of total assets. The remaining other current assets, such as investments, receivables, and inventory, comprise 23.2% of total assets.

Capital assets, which are reported net of accumulated depreciation, account for 41.1% of total assets. Total capital assets decreased by approximately $131,000 or 4.3% due to depreciation expense.

After adjusting for the $7.3 million prior period adjustment related to OPEB, long-term liabilities decreased by $715,000, or 2.3%, due primarily to reductions in the net pension liability (approximately $1,434,000) and of QZAB liability (approximately $67,000) and additions to other post-employment benefits (OPEB) (approximately $805,000), and compensated absences (approximately $24,000)

Deferred inflows and outflows fluctuated by amounts related to the calculations related to pensions, and other post-employment benefits.

Net investment in capital assets ended with a balance of approximately $2,485,926 as of June 30, 2018 with the changes from the prior year resulting from depreciation expense and principal payments on related debt.

Unrestricted net position ended with a deficit balance of $18,866,286 as of June 30, 2018. The School Board plans to eliminate this negative balance when it shows increases in revenues over expenses and is able to fund pension and other post-employment benefits, reducing the total liability and increasing net position.

Statement of Activities

As reported in the statement of activities, the cost of all governmental activities this year was $9.22 million. The amount that taxpayers ultimately financed for these activities through School Board was $7.33 million because some of the cost was paid by those who benefited from the program (approximately $6 thousand) or by other governments and organizations who subsidized certain programs with grants and contributions ($1.88 million). Of the $7.33 million financed amount, MFP funds paid $3.71 million, ad valorem and sales taxes paid $2.88 million, and other general revenues paid $0.24 million which are mainly interest income, other unrestricted state and other local sources.

Total revenues decreased by approximately $479,000 which was primarily due to a $477,000 decrease in the funding by the State's Minimum Foundation Program (MFP) due to a decrease in the student population.

Expenses decreased by $450,000 which was mostly attributable to cost cutting moves due to the decrease in MFP funding.

Tensas Parish School Board
St. Joseph, Louisiana

Management's Discussion and Analysis
For the Year Ended June 30, 2018

(Unaudited)

TABLE 2
CHANGES IN NET POSITION
For the years ended June 30, 2018 and 2017

	2018	2017
Revenues		
Program revenues		
Charges for services	$ 5,810	$ 6,039
Operating grants & contributions	1,881,224	1,777,798
General revenues		
Ad valorem taxes	2,190,597	2,091,075
Sales taxes	688,586	724,076
State equalization	3,712,259	4,188,918
Other general revenues	242,388	414,556
Total revenues	8,720,864	9,202,462
Functions/Program Expenses		
Instructional services		
Regular programs	2,781,444	2,895,017
Special education programs	1,046,984	1,272,987
Vocational programs	188,984	160,737
Other instructional programs	119,263	176,191
Student programs	597,337	450,996
Adult/continuing education	7,076	6,754
Support services		
Pupil support services	680,584	655,631
Instructional staff support services	664,060	477,246
General administration	561,939	534,050
School administration	449,727	501,535
Business services	227,777	346,997
Plant services	822,640	901,536
Student transportation services	569,392	694,412
Central services	1,902	1,778
Noninstructional services		
Food services	496,841	589,139
Long-term obligations		
Interest on long-term debt	6,000	6,900
Total expenses	9,221,950	9,671,906
Increase (decrease) in net position	**(501,086)**	**(469,444)**
Net position, beginning of year, originally reported	(8,438,262)	(7,968,818)
Prior period adjustment	(7,299,696)	-
Net position, beginning of year, restated	(15,737,958)	(7,968,818)
Net position, end of year	$ (16,239,044)	$ (8,438,262)

MAJOR FUND FINANCIAL ANALYSIS

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

The General Fund's fund balance decreased by approximately $16,000, or 0.8%, during the year ended June 30, 2018.

Revenues increased by approximately $38,000, or 0.1%, primarily as a result of an decreases in MFP funding of approximately $475,000, other local revenues of approximately $129,000, sales taxes of approximately $35,000 and other state funding of approximately $178,000. These decreases were offset by increases in ad valorem taxes of approximately $100,000 and federal revenues of approximately $231,000.

Expenditures decreased by approximately $354,000, or 3.9%, which was primarily due to various spending cuts associated with cost reductions due to a lower student population.

Variances between budgeted and actual amounts include a $18,922 positive variance of total revenues and transfers of $6,151,634 over budgeted revenues and transfers of $6,132,712 and a $185,407 positive variance of actual expenditures and transfers of $6,167,769 over $6,353,176 in budgeted expenditures and transfers.

The Food Service Fund's fund balance increased by approximately $6,800, or 1.8%, in the current year. During fiscal year 2018, revenues of $470,700 exceeded expenditures of $463,900. Variances between budgeted and actual amounts include a 3.0% positive variance of total revenues over budgeted revenues and a 18.1% negative variance of total expenditures over budgeted expenditures.

The Sales Tax Fund's fund balance increased by approximately $2,400, or 1.8%, in the current year. During fiscal year 2018, revenues of $689,400 exceeded expenditures of $687,000. Variances between budgeted and actual amounts include a 2.5% positive variance of total revenues over budgeted revenues and a 2.5% positive variance of total expenditures over budgeted expenditures.

The Title I Fund accounts for the federal award to the School Board and is a reimbursement grant. The original and final budgets reflected $635,274 and 828,620, respectfully, in budgeted revenues and expenditures as compared to the $672,203 in actual revenues and expenditures for $156,417 in offsetting variances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the School Board had $2,887,686 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a current year net decrease (including additions, deductions, and depreciation) of $131,043, or 4.3%, in comparison to the prior year. The decrease is due to current year depreciation. See Note 4 in the notes to the financials for further information.

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

TABLE 3
CAPITAL ASSETS
(Net of depreciation)
June 30, 2018 and 2017

	2018	2017
Land	$ 309,540	$ 309,540
Buildings	2,534,915	2,662,819
Furniture and equipment	43,231	37,572
Totals	$ 2,887,686	$ 3,009,931

Long-Term Debt

At the end of the current fiscal year, the School Board had $399,960 in QZAB bonds at year end. The annual payment on these bonds is $66,660 per year plus interest.

Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2018, the School Board was within the legally restricted amount. See the notes to the financials for further information regarding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

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

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

Statement A

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

June 30, 2018

Assets:		
Cash and cash equivalents	$	2,468,353
Investments		45,644
Receivables		787,729
Prepaid expenses		311,171
Inventory		21,057
Investments held by others		511,600
Capital assets, not being depreciated		
Land		309,540
Capital assets, net of depreciation		
Buildings, furniture and equipment		2,578,146
Total assets		7,033,240
Deferred outflows of resources:		
Deferred charges on pensions		1,575,424
Total deferred outflows of resources		1,575,424
Liabilities:		
Accounts payable		90,693
Salaries payable		1,014,290
Interest payable		1,800
Unearned revenues		16,680
Long-term liabilities:		
Due within one year		220,660
Due in more than one year		21,726,112
Total liabilities		23,070,235
Deferred inflows of resources:		
Unavailable revenue - Deferred inflows on pensions		1,265,872
Unavailable revenue - Education Excellence Fund		511,600
Total deferred inflows of resources		1,777,472
Net position:		
Net investment in capital assets		2,485,926
Restricted for:		
Salary & benefits		136,102
Debt service		5,214
Unrestricted		(18,866,286)
Total net position	$	(16,239,044)

Tensas Parish School Board
St Joseph, Louisiana

Statement of Activities
Governmental Activities

Fiscal Year Ended June 30, 2018

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Functions/programs				
Instructional services				
Regular programs	$ 2,781,444	$ -	$ 173,484	$ (2,607,960)
Special education programs	1,046,984	-	149,971	(897,013)
Vocational programs	188,984	-	3,748	(185,236)
Other instructional programs	119,263	-	20,374	(98,889)
Special programs	597,337	-	453,676	(143,661)
Adult/continuing education	7,076	-	-	(7,076)
Support services				
Pupil support services	680,584	-	113,505	(567,079)
Instructional staff support services	664,060	-	391,905	(272,155)
General administration	561,939	-	107,981	(453,958)
School administration	449,727	-	11,904	(437,823)
Business services	227,777	-	-	(227,777)
Plant services	822,640	-	-	(822,640)
Student transportation services	569,392	-	60	(569,332)
Central services	1,902	-	-	(1,902)
Noninstructional services				
Food service operations	496,841	5,810	454,616	(36,415)
Long-term obligations				
Interest and other charges	6,000	-	-	(6,000)
Total Governmental Activities	$ 9,221,950	$ 5,810	$ 1,881,224	(7,334,916)

General revenues:	
Taxes:	
Ad valorem taxes levied for:	
General purposes	2,190,597
Sales taxes levied for:	
Salaries purposes	688,586
Grants and contributions not restricted to specific programs:	
Minimum Foundation Program	3,712,259
State revenue sharing	28,914
Interest and investment earnings	15,727
Other	197,747
Total general revenues	6,833,830
Change in net position	(501,086)
Net position, at beginning of year, originally reported	(8,438,262)
Prior period adjustment	(7,299,696)
Net position, at beginning of year, restated	(15,737,958)
Net position at end of year	$ (16,239,044)

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS (FFS)

Tensas Parish School Board
St. Joseph, Louisiana

GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2018

	Major Funds				Nonmajor Funds	
		Special Revenue Funds			Schedule 8	
	General Fund	Food Service	Sales Tax	Title I Program	Other Governmental Funds	Total
Assets						
Cash and cash equivalents	$ 1,731,775	$ 384,490	$ 346,874	$ -	$ 5,214	$ 2,468,353
Investments	-	45,644	-	-	-	45,644
Receivables	8,368	45,265	64,479	235,362	434,255	787,729
Interfund receivables	711,516	-	383	-	-	711,899
Prepaid expenses	311,171	-	-	-	-	311,171
Inventory	-	21,057	-	-	-	21,057
Investement held by State Treasury	511,600	-	-	-	-	511,600
Total assets	$ 3,274,430	$ 496,456	$ 411,736	$ 235,362	$ 439,469	$ 4,857,453
Liabilities, deferred inflows, and fund balances						
Liabilities						
Accounts payable	$ 71,178	$ 4,329	$ -	$ 2,491	$ 12,695	$ 90,693
Salaries payable	702,046	65,184	65,634	89,086	92,340	1,014,290
Deferred revenue	-	15,012	-	-	1,669	16,681
Interfund payables	383	30,180	210,000	143,785	327,551	711,899
Total liabilities	773,607	114,705	275,634	235,362	434,255	1,833,563
Deferred Inflows of Resources						
Educational Excellence Fund	511,600	-	-	-	-	511,600
Fund balances						
Nonspendable	311,171	6,045	-	-	-	317,216
Restricted						
Salaries & benefits	-	-	136,102	-	-	136,102
Debt Service	-	-	-	-	5,214	5,214
Committed						
Maintenance & operations	100,036	80,000	-	-	-	180,036
Unassigned	1,578,016	295,706	-	-	-	1,873,722
Total fund balances	1,989,223	381,751	136,102	-	5,214	2,512,290
Total liabilities, deferred inflows, and fund balances	$ 3,274,430	$ 496,456	$ 411,736	$ 235,362	$ 439,469	$ 4,857,453

See accompanying notes to the basic financial statements.

Tensas Parish School Board
St. Joseph, Louisiana

Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position
Fiscal Year Ended June 30, 2018

Total fund balances – governmental funds		$ 2,512,290
The cost of capital assets (land, buildings, furniture and equipment) is reported as an expenditure in Governmental Funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense for capital assets) to the various programs reported as Governmental Activities in the Statement of Activities. Because neither depreciation nor amortization expenses affect financial resources, they are not reported in the Governmental Funds.		
Cost of capital assets	$ 12,071,986	
Accumulated depreciation	(9,184,300)	2,887,686
Deferred outflows for refundings and pension are not reported in the governmental funds but are reported in the government-wide financial statements.		
Pensions		1,575,424
Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Position. Post-employment benefits in the Governmental Funds are recorded as expenditures when paid. The unfunded annual required contribution in the Statement of Net Position is recognized as a liability as it accrues. Balances at June 30, 2018 are as follows:		
Bonds payable	(399,960)	
Net Pension liability	(8,078,434)	
Other post employment benefits	(13,313,411)	
Compensated absences payable	(154,967)	(21,946,772)
Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid. Bond interest in the Statement of Net Position is recognized as an expense as it accrues.		
Accrued interest on outstanding bonds		(1,800)
Deferred inflows on pensions are not reported in the governmental funds but are reported in the government-wide financial statements.		
Pensions		(1,265,872)
Net Position		$ (16,239,044)

Tensas Parish School Board
St. Joseph, Louisiana

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

Fiscal Year Ended June 30, 2018

	Major Funds				Nonmajor Funds	
		Special Revenue Funds			Schedule 8	
	General Fund	Food Service	Sales Tax	Title I Program	Other Governmental Funds	Total
REVENUES						
Local sources						
Taxes:						
Ad valorem taxes	$ 2,119,616	$ -	$ -	$ -	$ -	$ 2,119,616
Ad valorem taxes - 1%	70,981	-	-	-	-	70,981
Sales and use taxes	-	-	688,586	-	-	688,586
Interest earnings	11,474	3,461	783	-	9	15,727
Food services	-	5,810	-	-	-	5,810
Other local	170,682	-	-	-	215	170,897
State sources:						
Equalization	3,705,431	6,828	-	-	-	3,712,259
Other	40,660	-	-	-	82,023	122,683
Federal sources	32,790	454,616	-	672,203	627,631	1,787,240
Total revenues	6,151,634	470,715	689,369	672,203	709,878	8,693,799
EXPENDITURES						
Current						
Instructional services:						
Regular programs	2,113,123	-	251,994	32,654	96,294	2,494,065
Special education programs	721,412	-	95,154	-	149,971	966,537
Vocational programs	153,163	-	34,165	-	3,748	191,076
Other instructional programs	92,867	-	8,816	20,374	-	122,057
Student programs	114,283	-	-	270,344	183,332	567,959
Adult education programs	7,076	-	-	-	-	7,076
Support services						
Pupil support services	495,727	-	63,043	1,067	112,438	672,275
Instructional staff support services	214,386	-	21,395	282,209	109,696	627,686
General administration	383,067	-	40,190	65,555	42,426	531,238
School administration	373,840	-	58,440	-	11,904	444,184
Business services	190,136	-	17,646	-	-	207,782
Plant services	725,457	-	62,797	-	-	788,254
Student transportation services	503,825	-	24,965	-	60	528,850
Noninstructional services:						
Food service operations	-	463,889	8,356	-	-	472,245
Capital Outlay	6,448	-	-	-	-	6,448
Debt service:						
Principal	-	-	-	-	66,660	66,660
Interest	-	-	-	-	6,300	6,300
Total expenditures	6,094,810	463,889	686,961	672,203	782,829	8,700,692
Excess (deficiency) of revenues over expenditures	56,824	6,826	2,408	-	(72,951)	(6,893)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	72,959	72,959
Transfers out	(72,959)	-	-	-	-	(72,959)
Total other financing sources (uses)	(72,959)	-	-	-	72,959	-
Net change in fund balances	(16,135)	6,826	2,408	-	8	(6,893)
Fund balances at beginning of year	2,005,358	374,925	133,694	-	5,206	2,519,183
Fund balances at end of year	$ 1,989,223	$ 381,751	$ 136,102	$ -	$ 5,214	$ 2,512,290

See accompanying notes to the basic financial statements.

Tensas Parish School Board
St. Joseph, Louisiana

Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities
Fiscal Year Ended June 30, 2018

Total net change in fund balances – Governmental Funds		$ (6,893)
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	6,448	
Depreciation	(137,491)	(131,043)
Repayment of debt is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
QZAB		66,660
Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the Governmental Funds when it is due, which requires the use of current financial resources. In the Statement of Activities, however, interest expenses are recognized as the interest		
Interest payable at June 30, 2018	$ (1,800)	
Interest payable at June 30, 2017	2,100	300
In the Statement of Activities, certain operating expenses (compensated absences for accrued vacation and sick leave, claims) are measured by the amounts earned during the year. However, in the Governmental Funds expenditures for these items are measured by the amount of financial resources used (what was actually paid during the year). This year, vacation and sick leave earned exceeded the amount used.		
Compensated absenses		(14,116)
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.		389,151
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.		(805,145)
Change in net position of governmental activities		$ (501,086)

Tensas Parish School Board
St. Joseph, Louisiana

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

June 30, 2018

	School Activity Funds	Total
Assets:		
Cash and cash equivalents	$ 86,899	$ **86,899**
Liabilities:		
Deposits due student groups	$ 86,899	$ **86,899**

See accompanying notes to the basic financial statements.

Tensas Parish School Board
Saint Joseph, Louisiana

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2018

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(Continued)

(Concluded)

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

B. Basis of Accounting and Measurement Focus

Government-wide Financial Statements (GWFS)

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

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

General Revenues

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

Program Revenues

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

Allocation of indirect expenses

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

Fund Financial Statements (FFS)

Governmental Funds

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

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

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

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

C. Fund Accounting

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

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

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

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

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

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

Food Service – accounts for the operations of the school food service programs in the parish school system during the regular school term. This fund also accounts for the Fresh Fruits and Vegetables Program sponsored by the United States Department of Agriculture to provide heathy snacks to elementary school students. The basic goals of the school food service program is to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

Sales Tax – accounts for the collection and distribution of the sales and use taxes in accordance with the propositions approved by the voters of Tensas Parish.

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

The School Board has eight nonmajor Special Revenue Funds.

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

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

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

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

D. Cash and Cash Equivalents

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

E. Investments

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

F. Short-Term Interfund Receivables and Payables

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

G. Eliminations and Reclassifications

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

H. Inventory and Prepaid Items

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

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

I. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, intangibles, and construction-in-progress are reported as governmental funds in the Government-wide Financial Statements. The School Board considers assets, other than intangibles, with an initial individual cost of more than

$5,000 and an estimated useful life of more than 1 year as a capital asset. Intangibles, such as software, with an initial individual cost of $200,000 or more and an estimated useful life of 1 year or more are considered a capital asset.

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

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

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

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

J. Unearned Revenue

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

K. Interfund Transactions

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

L. Compensated Absences

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

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

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

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

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

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

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

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

B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave. The School Board makes the assumption that employees who have a minimum experience of ten years will become eligible in the future to receive their accrued sick leave and for those with less than ten years that 30% will become eligible.

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

M. Long-Term Liabilities

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

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

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

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period and so will *not* be recognized as an outflow of resources (expense) until then. These have a positive effect on net position and are similar to assets. The School Board has two items that can qualify for reporting in this category; the *deferred charge on refunding* and the *deferred charge on pensions* and the *deferred charge on other post-employment benefits* 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. The amounts related to the deferred charge on pensions and the deferred charge on other post-employment benefits are reported as deferred and recognized as an outflow of resources in the period the amounts become available.

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

O. Equity Classifications

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

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

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

  The following net positions are considered restricted:

  - Debt service resources from sales and use taxes and ad valorem taxes levied specifically to meet the principal and interest payments of various general obligation and revenue bond issues via an approved public referendum in accordance with state law and bond covenants with investors.
  - Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of supplemental salaries and benefits to employees.
  - Investments held by the Louisiana Workforce Commission as surety for payment of workers compensation claims of self-insured employers, as promulgated under Louisiana Revised Statute 23:1168.

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

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

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

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

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

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

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

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

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

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

P. Sales and Use Taxes

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

Q. Encumbrances

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

R. Levied Taxes

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the tax roll in 2015. Total assessed value was $60,790,702 in calendar year 2016. Louisiana state law exempts the first $75,000 of assessed value of a taxpayer's primary residence from parish property taxes. The homestead exemption was $5,362,823 of the assessed value in calendar year 2016 resulting in net taxable property of $55,508,652.

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

Property taxes were levied September 1, 2017. The tax roll is prepared by the parish tax assessor in November of each year. The collection of the property taxes occurs in December, and January and February of the following year. As a result, substantially no property taxes are reflected as receivable for 2017 on the accompanying balance sheet because most are not available within 60 days of the School Board's year-end.

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

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

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional Tax	5.44	5.44	Statutory
Special Maintenance Tax	8.45	8.45	2022
District 3, Special Maintenance	11.85	11.85	2020
District 3, Parish-wide	12.09	12.09	2019

S. Budget and Budgetary Accounting

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

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

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

The Special Revenues Funds' budges have annual appropriated budgets adopted on a basis consistent with GAPP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year.

Encumbered appropriations are utilized when good or serves are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriation of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

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

T. Use of Estimates

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

U. New Accounting Pronouncements

Statement No. 75-Accounting and Financial Reporting for Postemployment Benefits other than Pensions issued by the Government Accounting Standards Board. GASB Statement No. 75 replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 have been implemented by the School Board for the year ending June 30, 2018.

Statement No. 85- Omnibus 2017, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).

Statement No. 86- Certain Debt Extinguishment Issues, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

2. Deposits and Investments

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

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

The following is a schedule of the School Board's cash and cash equivalents, and investments at June 30, 2018. Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	School Board Balance	Bank Balance
Cash and Cash Equivalents		
Cash - Governmental Funds	$ 2,468,353	$ 2,544,938
Cash - Agency Funds	86,899	94,396
Investments		
Certificate of Deposit - Governmental Funds	45,644	45,644
TOTAL	$ 2,600,896	$ 2,684,978

The School Board's deposits are collateralized as follows:

FDIC Insured Deposits	$ 750,648
Uninsured Deposits: Collateralized	1,933,996
Total Deposits	$ 2,684,644

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

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

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

3. Receivables

The receivables of $787,728 at June 30, 2018, as reported in the Fund Financial Statements are as follows:

	Sales and Use Taxes	Federal	State	Total
Major Funds				
General Fund	$ -	$ 8,368	$ -	$ 8,368
Food Service	-	45,265	-	45,265
Sales Tax	64,479	-	-	64,479
Title I	-	235,362	-	235,362
Total major funds	64,479	288,995	-	353,474
Non-Major Funds				
IDEA (Special Education)	-	73,616	-	73,616
Title II	-	28,408	-	28,408
LA-4 Federal	-	26,965	-	26,965
LA-4 State	-	-	11,423	11,423
8G	-	-	24,512	24,512
TIF	-	104,206	-	104,206
SRCL	-	134,587	-	134,587
Other Miscellaneous Funds	-	30,538	-	30,538
Total non-major funds	-	398,320	35,935	434,255
Total governmental funds	$ 64,479	$ 687,315	$ 35,935	$ 787,729

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

4. Investments Held by Others

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

5. Capital Assets

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

	Balance 07/01/2017	Additions	Deletions	Balance 06/30/2018
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 309,540	$ -	$ -	$ 309,540
Total capital assets, not being depreciated	309,540	-	-	309,540
Capital assets being depreciated				
Buildings and improvements	11,034,457	6,448	-	11,040,905
Furniture and equipment	721,541	-	-	721,541
Total capital assets being depreciated	11,755,998	6,448	-	11,762,446
Less accumulated depreciation				
Buildings and improvements	8,378,953	127,037	-	8,505,990
Furniture and equipment	667,856	10,454	-	678,310
Total accumulated depreciation	9,046,809	137,491	-	9,184,300
Total capital assets being depreciated, net	2,709,189	(131,043)	-	2,578,146
Capital assets, net	$ 3,018,729	$ (131,043)	$ -	$ 2,887,686

Depreciation expense was charged to governmental activities as follows:

	Depreciation
Instructional services	
Regular programs	$ 112,886
Special education programs	6,984
Other instructional programs	856
Support services	
Central services	1,902
Student transportation services	5,398
Non-instructional services	
Food service operations	9,465
Total depreciation expense	$ 137,491

6. Pension Plans

The School Board is a participating employer in two statewide, public employee retirement systems, the Louisiana School Employees' Retirement System (LSERS) and the Teacher's Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LSERS and TRSL may be obtained at www.lsers.net and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see Optional Retirement Plan note below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Louisiana School Employees' Retirement System: LSERS administers a plan to provide retirement, disability, and survivor's benefits to non-teacher school employees excluding those classified as lunch workers and their beneficiaries as defined in R.S. 11:1001. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1141-1153 and vary depending on the member's hire date.

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. 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, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 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 3 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 joined the system on or after July 1, 2010, 2 ½% 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 the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service who has withdrawn from active service prior to the age at which that person is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the system on or after July 1, 2006, must have at least 10 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.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011 and July 1, 2015.

Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2½% regardless of years of service or age, or $600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. The minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or a qualified handicapped child.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the 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 participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plans' unfunded accrual liability.

Employer contributions to LSERS for fiscal year 2018 were $113,627, with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.60%. Employer defined benefit plan contributions to TRSL for fiscal year 2018 were $897,899, with active member contributions of 8%, and employer contributions of 26.6%. Non-employer contributing entity contributions to TRSL, which are comprised of $70,981 from ad valorem tax revenue and $2,549 from the State for PIP salaries, totaled $73,530 for fiscal year 2018, and were recognized as revenue by the School Board.

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

At June 30, 2018, the School Board reported liabilities of $920,471 and $7,157,963 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2017, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2017, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were 0.14384%, or an increase of 0.008859% for LSERS and 0.06982%, or a decrease of 0.00255% for TRSL.

For the year ended June 30, 2018, the School Board recognized a total pension expense of $646,624, or $95,782 and $550,842 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Difference between expected and actual experience	$ -	$ -	$ -	$ 21,465	$ 235,294	$ 256,759
Changes of assumptions	19,300	75,481	94,781	14,339	-	14,339
Net difference between projected and actual earnings on pension plan investments	-	-	-	14,393	184,877	199,270
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,545	420,571	469,116	2,922	792,582	795,504
Employer contributions subsequent to the measurement date	113,627	897,899	1,011,526	-	-	-
Total	$ 181,472	$ 1,393,951	$ 1,575,423	$ 53,119	$1,212,753	$1,265,872

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 the LSERS and TRSL NPL in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	LSERS	TRSL	Total
2019	$ (6,679)	$ (176,634)	$ (183,313)
2020	$ 48,830	$ (94,767)	$ (45,937)
2021	$ 6,067	$ (220,414)	$ (214,347)
2022	$ (33,492)	$ (224,886)	$ (258,378)

Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2017, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LSERS	TRSL
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaing Service Lives	3 years, closed period	5 years, closed period
Investment Rate of Return	7.125% per annum	7.70%, net of investment exp.
Inflation Rate	2.625% per annum	2.5% per annum
Mortality - Non-disabled	RP-2000 Sex Distinct Mortality Table	RP-2000, scale AA to 2025
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table	RP-2000
Termination, Disability, Retirement	2008-2012 experience study	2008-2012 experience study
Salary Increases	3.075% to 5.375%	3.5% - 10% varied depending on duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

For LSERS 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 and an adjustment for the effect of rebalancing/diversification.

For TRSL the long-term expected rate of return for each plan 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 target allocation and best estimates of real rates of return for each major asset class are summarized for each plan in the following table:

		Target Allocation	LT Expected Real Rate of Return
TRSL (arithmetic)			
Domestic equity		27.00%	4.28%
International equity		19.00%	4.96%
Domestic fixed income		13.00%	1.98%
International fixed income		5.50%	2.75%
Private equity		25.50%	8.47%
Other private assets		10.00%	3.51%
Total		100.00%	
LSERS (arithmetic)			
Fixed income	Core Fixed Income	8.00%	2.02%
	High Yield	5.00%	4.43%
	Emerging Markets Debt	7.00%	4.71%
	Global Fixed Income	10.00%	1.38%
Equity	US Equity	20.00%	6.44%
	Developed Equity	18.00%	7.40%
	Emerging Markets Equity	10.00%	9.42%
	Global REITs	3.00%	5.77%
Alternative	Private Equity	5.00%	10.47%
	Hedge Fund of Funds	3.00%	3.75%
	Real Estate	5.00%	5.00%
Real assets	Timber	2.00%	5.67%
	Oil & Gas	2.00%	10.57%
	Infrastructure	2.00%	6.25%
Total		100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.70% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the School Board's proportionate share of the NPL for LSERS and TRSL using the current discount rate as well as what the School Board's proportionate share of the NPL 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
LSERS	$ 1,261,858	$ 920,471	$ 627,300
TRSL	9,223,199	7,157,963	5,401,117

Pension plan fiduciary net position. Detailed information about LSERS and TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan. At June 30, 2018, the School Board had $30,122 and $287,966 as payables to LSERS and TRSL, respectively, for the June 2018 employee and employer legally required contributions.

7. Other Post-Employment Benefits

Plan description – The School Board participates in a fully insured health insurance and life insurance program administered by the Louisiana Office of Group Benefits (OGB) and provides certain continuing health care and life insurance benefits for its retired employees. The Tensas 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 - "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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	76
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	88
Total	164

The School Board's total OPEB liability of $13,313,411 was measured as of June 30, 2018 and was determined by an actuarial valuation dated June 30, 2018 and rolled back to July 1, 2017.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method:	Entry age normal cost - Level percentage of projected salary
Discount rate:	3.88% based on the Bond Buyer General Obligation 20 bond municipal index
Heathcare trend:	5.5% level.
Inflation rate	3.00%
Mortality	RPH-2014 Total Table with Projection MP-2018
Turnover	Range from 8.75% at age 25 to 2.5% at ages greater than 55
Retirement rates	Ranges from 10.3% at age 55 increasing to 100% at ages greater than 72
Salary increase	Assumed to appreciate at the assumed rate of inflation of 3.5%.

No salary experience studies were conducted. The School Board contributed $1,289,805 utilizing the pay-as-you-go basis.

Changes in the Total OPEB Liability:

		Total OPEB Liability
Balance at June 30, 2017, restated	$	12,508,266
Changes for the year:		
Service cost		783,487
Interest		506,318
Effect of economic/demographic gains and losses		
Effect of assumption changes or inputs		
Benefit payments		(484,660)
Net changes		805,145
Balance at June 30, 2018	$	13,313,411

The School Board did not report any changes in assumptions since the prior measurement date in the fiscal year ended June 30, 2018.

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 and one percentage point higher than the current discount rate.

		1% Decrease 4.5%		Discount Rate 5.5%		1% Increase 6.5%
Total OPEB liability	$	15,366,210	$	13,313,411	$	11,677,033

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		Current Trend Rate		1% Increase
Total OPEB liability	$	11,656,364	$	13,313,411	$	15,378,681

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB– For the year ended June 30, 2018, the School Board recognized OPEB expense of $1,289,805. The School Board did not report any deferred outflows of resources or deferred inflows of resources to the OPEB plan as of June 30, 2018.

8. 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, 2018
Revenue bonds:						
Series 2009	11-19-2009	$1,000,000	1.35%	$ 18,900	2024	$ 399,960
Total revenue bonds				$18,900		$ 399,960

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

Year Ended June 30,	Principal Payments	Interest Payments	Total
2019	$ 66,660	$ 5,400	$ 72,060
2020	66,660	4,500	71,160
2021	66,660	3,600	70,260
2022	66,660	2,700	69,360
2023	66,660	1,800	68,460
2024	66,660	900	67,560
Total	$ 399,960	$ 18,900	$ 418,860

The following is a summary of governmental activities long-term obligation transactions for the year ending June 30, 2018:

Long-term Obligations	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018	Amounts Due Within One Year
Revenue bonds	$ 466,620	$ -	$ 66,660	$ 399,960	$ 66,660
Net pension liability	9,512,400	-	1,433,966	8,078,434	-
OPEB liability (restated)	12,508,266	805,145	-	13,313,411	-
Compensated absences	140,851	181,234	167,118	154,967	154,000
Total	$22,628,137	$986,379	$1,667,744	$21,946,772	$220,660

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

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

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

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

	Balance 07/01/2017	Additions	Deletions	Balance 06/30/2018
Agency Funds:				
School Activity Funds	$ 69,684	$ 156,504	$ 139,289	$ 86,899
Total	$ 69,684	$ 156,504	$ 139,289	$ 86,899

10. Deferred Compensation Plan

The School Board offers a deferred compensation plan for employees under the provisions of Internal Revenue Service Code Section 457 (Deferred Compensation Plan) and permits employees to defer a portion of their salary until future years. Part-time, seasonal, and substitute employees are required to contribute 7.5% of their compensation to the Deferred Compensation Plan in lieu of social security, as the School Board does not participate in social security under an Internal Revenue Service Section 218 Agreement for these employee classes. Full-time employees may also voluntarily make contributions to the Deferred Compensation Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. The School Board does not contribute or match employee contributions to the Deferred Compensation Plan. At June 30, 2018 the Plan had assets with an approximate market value of $128,631.

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

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

Tensas Parish School Board
Saint Joseph, Louisiana

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2018

11. Interfund Assets/Liabilities (FFS level only)

Individual balances due to/from other funds at June 30, 2018 were as follows:

	Due To Other Funds	Due From Other Funds
Major Funds		
General Fund	$ 383	$ 711,516
Food Service	30,180	-
Sales Tax	210,000	383
Title I Fund	143,785	-
Total Major Funds	384,348	711,899
Nonmajor Special Revenue Funds		
IDEA	44,351	-
Title II	7,717	-
LA-4 Federal	22,618	-
LA-4 State	8,190	-
8g	15,303	-
TIF	70,682	-
SRCL	128,152	-
Other Miscellaneous Funds	30,538	-
Total Nonmajor Special Revenue Funds	327,551	-
Total interfund transactions	$ 711,899	$ 711,899

Of the amounts shown above, $501,899 relates to balances due for cash deficits that are due to timing differences in receiving reimbursements from grantors for expenditure reimbursement grants after the fiscal year ended and a limited number of temporary transfers during the year. The General Fund pays the obligations of expenditure reimbursement grants until a claim is filed and payment is received. All interfund transactions will be completed during the 2017-18 fiscal year.

The remaining $210,000 is an amount that is due to the General Fund from the Sales Tax Fund is a temporary transfer between funds. The General Fund will be reimbursed during the 2017-18 fiscal year.

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

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

NONSPENDABLE	PURPOSE	JUNE 30, 2018
Major Funds		
General Fund	Prepaid expenses	$ 311,171
Special Revenue Fund-Food Service	Food inventory	6,046
Total Nonspendable Fund Balance		**$ 317,217**

RESTRICTED	PURPOSE	JUNE 30, 2018
Major Fund:		
Special Revenue Fund-Sales Tax Fund	Salaries and related benefits	$ 136,102
Nonmajor Fund:		
Debt Service Fund	Debt service	5,214
Total Restricted Fund Balance		**$ 141,316**

COMMITTED	PURPOSE	JUNE 30, 2018
Major Funds:		
General Fund	Maintenance and operation	$ 100,036
Special Revenue Fund-Food Service	Maintenance and operation	80,000
Total Committed Fund Balance		**$ 180,036**

13. Interfund Transfers (FFS level only)

Transfers to/from Governmental Funds for the year ending June 30, 2018 included a transfer of $72,959 from the General Fund to the Debt Service Fund for the servicing of debt.

14. Operating Leases

The School Board has entered into various operating leases for office equipment and buses. Total rental expense under these leases for the year ended June 30, 2018 was $476,495. The schedule by year of future minimum lease payments as of June 30, 2018 is as follows:

Year ending June 30,		Total Payments
2019	$	161,549
2020		134,273
2021		78,949
2022		51,324
2023		50,400
Total	$	476,495

15. Risk Management

The School Board is at risk for property damage, liability, and theft which are covered by insurance policies. The School Board is also fully insured for workers compensation. Settled claims did not exceed commercial insurance in fiscal year 2018. Management believes that such coverage is sufficient to preclude any significant uninsured losses to the School Board.

16. Contingencies

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

17. On-Behalf Payments for Fringe Benefits and Salaries

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

The Tensas Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2017 the Tax Collector paid the Teacher's Retirement System of Louisiana $70,981. These amounts are reflected in the financial statements for the General Fund.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of $2,549. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salaries are paid.

18. Economic Dependency

The Minimum Foundation Funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided $3,712,259 to the school board, which represents approximately 42.7% of the School Board's total revenue for the year. Federal revenues accounts for $1,787,240 (20.6%) of total revenues.

The Minimum Foundation Program (MFP) formula adopted by the State legislature now requires a portion of the School Board's state MFP funding, representing a per pupil allotment of all local tax revenue collected by the School Board, to be deducted from the State MFP allocation paid monthly to the School Board and transferred to other educational providers. This occurs when a student who resides within the jurisdictional boundaries of the Tensas Parish School Board attends a public charter school, a state recognized special school or participates in the State's scholarship program to attend a private school, which operates outside the governance of the Tensas Parish School Board but under the authority and oversight of the State Board of Elementary and Secondary Education. A total of $155,084 was reported as Minimum Foundation funding revenue for the 2017-2018 fiscal year related to local revenue transfers to other educational providers. This local revenue transfer is reported as a regular program expenditure in the governmental fund financial statements and the government-wide financial statements.

19. Prior Period Adjustment

The School Board adopted Government Accounting Standards Board (GASB) Statement Number 75 - *Accounting and Financial Reporting/or Postemployment Benefits Other Than Pensions* The net effect to the School Board's Statement of Net Position for the prior year that resulted from the adoption of GASB 75 is as follows:

		Governmental Activities
Total net position, June 30, 2017, as previously reported	$	(8,438,262)
Reverse post-employment benefit obligation, June 30, 2017		5,208,570
Record total post-employment benefit liability, June 30, 2017		(12,508,266)
Net effect		(7,299,696)
Total net position, June 30, 2017, restated	$	(15,737,958)

20. Subsequent Events

As of the date of issuance of these financial statements, management is aware of the following subsequent event:

In December 2018, the Louisiana Department of Education notified the School Board that due to declining enrollment (435 student count in October 2018 versus 503 student count in February 2018), that net MFP funding would be decreasing from $3,212,700 ($3,383,652 MFP allocation less $170,952 in transfers to other local educational providers) to $2,752,134 ($2,923,086 MPF allocation less $170,952 in transfers to other local educational providers). The School Board anticipated a decrease in funding and originally budgeted $3,000,000 in net MFP funding as well as closed one of its two elementary schools, Newellton Elementary beginning with the 2018/2019 academic year. Additional analysis is currently under review to address the additional shortfall.

21. Current Accounting Standards Scheduled to be Implemented

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

GASB Statement 83, *Certain Asset Retirement Obligations (ARO).* This standard establishes criteria for determining the timing and pattern of recognition of an ARO liability and a corresponding deferred outflow of resources. An ARO is a legally enforceable liability associated with the sale, recycling, retirement, abandonment or disposal in some other manner of a tangible capital asset permanently removed from service. The standard is effective for annual reporting periods beginning after June 15, 2018. The School Board will include the requirements of this standard, as applicable, in its June 30, 2019 financial statement. The effect of this standard or its applicability to the School Board are unknown at this time.

GASB Statement 84. *Fiduciary Activities.* This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the School Board controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The standard is effective for annual reporting periods beginning after December 15. 2018. The School Board will include the requirements of this standard, as applicable, in its June 30, 2020 financial statement. The effect of this standard or its applicability to the School Board are unknown at this time.

GASB Statement 87. *Leases.*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of leased assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. This standard is effective for annual reporting periods beginning ruler December 15. 2019. The School

Board will include the requirements of this standard, as applicable, in its June 30, 2021 financial statement. All of the School Board lease agreements will need to be evaluated to determine the impact of implementing this standard, however, the effect of this standard or its applicability to the School Board are unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION (Part B)

Schedule 1

Tensas Parish School Board
St. Joseph, Louisiana

GENERAL FUND
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2018

(Unaudited)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Budgetary fund balance at beginning of year	$ 1,954,464	$ 1,954,464	$ 2,005,358	$ 50,894
Resources (inflows)				
Local sources				
Ad valorem taxes	2,600,000	2,213,261	2,119,616	(93,645)
Ad valorem taxes - 1%	-	-	70,981	70,981
Interest earnings	2,000	11,474	11,474	-
Other	144,176	209,208	170,682	(38,526)
State sources				
Equalization	3,700,000	3,685,786	3,705,431	19,645
Other	26,116	12,983	40,660	27,677
Federal sources	-	-	32,790	32,790
Other financing sources				
Transfers in	12,400	-	-	-
Total resources	6,484,692	6,132,712	6,151,634	18,922
Amounts available for appropriations	8,439,156	8,087,176	8,156,992	69,816
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	1,759,435	1,998,811	2,113,123	(114,312)
Special education programs	1,559,162	744,833	721,412	23,421
Vocational programs	119,926	160,192	153,163	7,029
Other instructional programs	93,471	100,055	92,867	7,188
Special programs	6,209	124,852	114,283	10,569
Adult eduction programs	-	7,075	7,076	(1)
Support services				
Pupil support services	568,044	507,317	495,727	11,590
Instructional staff support services	154,723	214,059	214,386	(327)
General administration	318,572	359,915	383,067	(23,152)
School administration	335,080	378,298	373,840	4,458
Business services	273,352	230,828	190,136	40,692
Plant services	682,752	727,746	725,457	2,289
Student transportation services	485,628	525,428	503,825	21,603
Noninstructional services				
Food service operations	-	45,724	-	45,724
Capital Outlay	-	-	6,448	(6,448)
Other financing uses				
Transfers out	75,000	228,043	72,959	155,084
Total charges to appropriations	6,431,354	6,353,176	6,167,769	185,407
Budgetary fund balance at end of year	$ 2,007,802	$ 1,734,000	$ 1,989,223	$ 255,223

See accompanying notes to the budgetary comparison schedules.

Tensas Parish School Board
St. Joseph, Louisiana

FOOD SERVICE
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2018

(Unaudited)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Budgetary fund balance at				
beginning of year (restated)	$ 374,925	$ 374,925	$ 374,925	$ -
Resources (inflows)				
Local sources:				
Interest earnings	1,354	3,461	3,461	-
Food services	6,039	5,810	5,810	-
Other	-	-	-	-
State sources:				
Equalization	6,828	6,828	6,828	-
Federal sources	675,657	430,244	454,616	24,372
Toral resources	689,878	446,343	470,715	24,372
Amounts available for appropriations	1,064,803	821,268	845,640	24,372
Charges to appropriations (outflows)				
Current:				
Noninstructional services:				
Food service operations	399,523	392,951	463,889	(70,938)
Total charges to appropriations	399,523	392,951	463,889	(70,938)
Budgetary fund balance				
at end of year	$ 665,280	$ 428,317	$ 381,751	$ (46,566)

See accompanying notes to the budgetary comparison schedules.

Schedule 3

Tensas Parish School Board
St. Joseph, Louisiana

SALES TAX
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2018
(Unaudited)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Budgetary fund balance at				
beginning of year	$ 78,170	$ 78,170	$ 133,694	$ 55,524
	-	-		
Resources (inflows)				
Sales and use taxes	699,914	668,843	688,586	19,743
Interest earnings	742	497	783	286
Total resources	700,656	669,340	689,369	20,029
Amounts available for appropriations	778,826	747,510	823,063	75,553
Charges to appropriations (outflows)	71,758	(34,902)		
Current:	-			
Instructional services:				
Regular programs	270,812	254,794	251,994	2,800
Special education programs	97,927	96,654	95,154	1,500
Vocational programs	23,104	35,165	34,165	1,000
Other instructional programs	8,045	9,816	8,816	1,000
Support services:				
Pupil support services	59,428	64,043	63,043	1,000
Instructional staff support services	18,011	22,395	21,395	1,000
General administration	13,786	39,464	40,190	(726)
School administration	55,636	60,441	58,440	2,001
Business services	8,119	17,646	17,646	-
Plant services	36,601	64,502	62,797	1,705
Student transportation services	29,592	28,965	24,965	4,000
Noninstructional services:				
Food service operations	7,837	10,357	8,356	2,001
Total charges to appropriations	628,898	704,242	686,961	17,281
Budgetary fund balance				
at end of year	$ 149,928	$ 43,268	$ 136,102	$ 92,834

See accompanying notes to the budgetary comparison schedules.

Schedule 4

Tensas Parish School Board
St. Joseph, Louisiana

TITLE I PROGRAM
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2018
(Unaudited)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Budgetary fund balance at beginning of year	$ -	$ -	$ -	$ -
Resources (inflows)				
Federal sources	635,274	828,620	672,203	(156,417)
Amounts available for appropriations	635,274	828,620	672,203	(156,417)
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	-	36,035	32,654	3,381
Vocational programs	135	-	-	-
Other instructional programs	31,691	31,383	20,374	11,009
Support services:				
Student programs	301,383	371,313	270,344	100,969
Pupil support services	1,059	3,059	1,067	1,992
Instructional staff support services	233,258	304,362	282,209	22,153
General administration	64,312	82,468	65,555	16,913
Plant services	3,436	-	-	-
Total charges to appropriations	635,274	828,620	672,203	156,417
Budgetary fund balance at end of year	$ -	$ -	$ -	$ -

See accompanying notes to the budgetary comparison schedules.

TENSAS PARISH SCHOOL BOARD
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2018

A. BUDGETS

General Budget Practices

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

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

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

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

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

Encumbrances

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

Budget Basis of Accounting

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

Tensas Parish School Board
Saint Joseph, Louisiana

Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios

Fiscal Year Ended June 30, 2018
(Unaudited)

Total OPEB Liability

Financial statement reporting date:	06-30-2018		
Measurement date:	06-30-2018		
Service costs		$	783,487
Interest			506,318
Effect of economic / demographic gains or (losses)			-
Effect of assumption changes or inputs			-
Benefit payments			(484,660)
Net change in total OPEB liability			805,145
Total OPEB liability – Beginning			12,508,266
Total OPEB liability – Ending		$	13,313,411
Covered employee payroll		$	2,595,413
Total OPEB liability as a percentage of covered employee payroll			512.96%

Notes to Schedule:

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.

Benefit Changes
There were no changes to the benefit terms for the year ended June 30, 2018.

Changes of Assumptions
There were no changes of assumptions for the year ended June 30, 2018.

Schedule 6

Tensas Parish School Board
Saint Joseph, Louisiana

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

Fiscal Year Ended June 30, 2018

(Unaudited)

	Year	TRSL	LSERS
Employer's proportion of the net pension liability			
	2018	0.069821%	0.143840%
	2017	0.072371%	0.134981%
	2016	0.080075%	0.133414%
	2015	0.080820%	0.139600%
Employer's proportionate share of the net pension liability			
	2018	$ 7,157,963	$ 920,471
	2017	$ 8,494,175	$ 1,018,225
	2016	$ 8,609,886	$ 846,014
	2015	$ 8,261,270	$ 809,506
Employer's covered payroll			
	2018	$ 3,375,560	$ 411,691
	2017	$ 3,514,951	$ 385,804
	2016	$ 3,938,576	$ 384,100
	2015	$ 4,014,331	$ 390,814
Employer's proportionate share of the net pension liability as a percentage of its covered payroll			
	2018	212%	214%
	2017	242%	264%
	2016	219%	220%
	2015	206%	207%
Plan fiduciary net position as a percentage of a total pension			
	2018	65.6%	75.03%
	2017	59.9%	70.09%
	2016	62.5%	74.49%
	2015	63.7%	76.18%

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

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

Tensas Parish School Board
Saint Joseph, Louisiana

Schedule of Employer's Contributions
Cost Sharing Plans Only

Fiscal Year Ended June 30, 2018

(Unaudited)

Schedule of Employer's Contributions
Defined-Benefit Pension Plans

		TRSL	LSERS
Contractually required contribution			
	2018	$ 897,899	$ 113,627
	2017	$ 896,312	$ 116,513
	2016	$ 1,013,412	$ 115,785
	2015	$ 1,087,047	$ 126,753
Contributions in relation to contractually required contributions			
	2018	$ 897,899	$ 113,627
	2017	$ 896,312	$ 116,513
	2016	$ 1,013,412	$ 115,785
	2015	$ 1,087,047	$ 126,753
Contribution deficiency (excess)			
	2018	$ -	$ -
	2017	$ -	$ -
	2016	$ -	$ -
	2015	$ -	$ -
Employer's covered payroll			
	2018	$ 3,375,560	$ 411,691
	2017	$ 3,514,951	$ 385,804
	2016	$ 3,866,967	$ 383,394
	2015	$ 3,938,576	$ 384,100
Contributions as a percentage of covered employee payroll			
	2018	26.6%	27.6%
	2017	25.5%	30.2%
	2016	26.2%	30.2%
	2015	27.6%	33.0%

Notes:

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

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

Notes to the Required Supplemental Information for Pensions

Fiscal Year Ended June 30, 2018

Louisiana School Employees' Retirement System

Changes in Benefit Terms: 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 in assumptions: For amounts reported in 2016, the valuation investment rate of return was reduced from the 7.25% reported in 2015 to 7.00%. The reduction was made to account for the funding of administrative expenses out of investment earnings. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. In addition, the valuation model was revised. The long-term expected portfolio real rate of return (expected arithmetic nominal return) was increased .77% in 2016 to 8.30% from the rate of 7.53% used in the 2015 valuation.

Change in discount rate: For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.0% used in the June 30, 2015 valuation to 7.125%. For the June 30, 2015 year, the discount rate assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 regular session of the legislature, beginning with the June 30, 2016 actuarial evaluation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contributions for the System. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. With this change, the valuation of plan liabilities based on a valuation interest rate set for .25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016 actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

Teacher's Retirement System of Louisiana

Changes in Benefit Terms: 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 January 1, 2011.

Change in discount rate: The discount rate was reduced from 7.75% to 7.70% effective July 1, 2017, in accordance with the Board's adopted plan to reduce the discount rate to 7.50% in .05% increments.

OTHER SUPPLEMENTARY INFORMATION

Tensas Parish School Board
St. Joseph, Louisiana

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

June 30, 2018

	Schedule 10 Special Revenue Funds	Fund 25 Debt Service Fund	Statement C TOTAL
Assets			
Cash and cash equivalents	$ -	$ 5,214	**$ 5,214**
Receivables	434,255	-	**434,255**
Total assets	434,255	5,214	**439,469**
Liabilities and fund balances			
Liabilities			
Accounts payable	12,695	-	**12,695**
Salaries payable	92,340	-	**92,340**
Deferred revenue	1,669	-	**1,669**
Interfund payables	327,551	-	**327,551**
Total liabilities	434,255	-	**434,255**
Fund balances			
Restricted:			
Debt Service	-	5,214	**5,214**
Total fund balances	-	5,214	**5,214**
Total liabilities and fund balances	$ 434,255	$ 5,214	**$ 439,469**

Tensas Parish School Board
St. Joseph, Louisiana

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

Fiscal Year Ended June 30, 2018

	Schedule 11 Special Revenue Funds	Fund 25 Debt Service Fund	Statement E TOTAL
REVENUES			
Local sources			
Interest earnings	$ -	$ 9	$ 9
Other	215	-	215
State sources:			
Other	82,023	-	82,023
Federal sources	627,631	-	627,631
Total revenues	709,869	9	709,878
EXPENDITURES			
Current			
Instructional services			
Regular programs	96,294	-	96,294
Special education programs	149,971	-	149,971
Vocational programs	3,748	-	3,748
Student programs	183,332	-	183,332
Support services			
Pupil support services	112,438	-	112,438
Instructional staff support services	109,696	-	109,696
General administation	42,426	-	42,426
School administation	11,904	-	11,904
Student transportation services	60	-	60
Debt service:			
Principal	-	66,660	66,660
Interest	-	6,300	6,300
Total expenditures	709,869	72,960	782,829
Excess (deficiency) of revenues over expenditures	-	(72,951)	(72,951)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	72,959	72,959
Total other financing sources (uses)	-	72,959	72,959
Net change in fund balances	-	8	8
Fund balances at beginning of year (originally reported)	-	5,206	5,206
Fund balances at end of year	$ -	$ 5,214	$ 5,214

Tensas Parish School Board
St. Joseph, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2018

	Federal IDEA (Fds 30 & 35)	Federal Title II (Fund 62)	Federal LA-4 (Fund 80)	State LA-4 (Fund 81)	8G (Fund 82)	TIF (Funds 108+113)	SRCL (Funds 115+116)	Other Misc Funds (68+71+110 to 112)	Schedule 8 Total
Assets									
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receivables	73,616	28,408	26,965	11,423	24,512	104,206	134,587	30,538	434,255
Total assets	73,616	28,408	26,965	11,423	24,512	104,206	134,587	30,538	434,255
Liabilities and fund balances									
Liabilities									
Accounts payable	41	3,449	3,187	1,818	-	-	4,200	-	12,695
Salaries payable	28,970	17,242	1,160	-	9,209	33,524	2,235	-	92,340
Deferred revenue	254	-	-	1,415	-	-	-	-	1,669
Interfund payables	44,351	7,717	22,618	8,190	15,303	70,682	128,152	30,538	327,551
Total liabilities	73,616	28,408	26,965	11,423	24,512	104,206	134,587	30,538	434,255
Fund balances									
Unassigned		-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	$ 73,616	$ 28,408	$ 26,965	$ 11,423	$ 24,512	$ 104,206	$ 134,587	$ 30,538	$ 434,255

Tensas Parish School Board
St. Joseph, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Fiscal Year Ended June 30, 2018

Schedule 9

	Federal IDEA (Fds 30 & 35)	Federal Title II (Fund 62)	Federal LA-4 (Fund 80)	State LA-4 (Fund 81)	8G (Fund 82)	TIF (Funds 108+113)	SRCL (Funds 115+116)	Other Misc Funds (68+71+110 to 112)	Total
REVENUES									
Local sources									
Other local	215	-	-	-	-	-	-	-	215
State sources									
Other	-	-	-	29,862	52,161	-	-	-	82,023
Federal sources									
Federal programs	234,495	59,663	34,818	-	-	122,349	134,587	41,719	627,631
Total revenues	234,710	59,663	34,818	29,862	52,161	122,349	134,587	41,719	709,869
EXPENDITURES									
Current									
Instructional services									
Regular programs	-	26,338	-	-	52,161	-	-	17,795	96,294
Special education programs	149,971	-	-	-	-	-	-	-	149,971
Vocational programs	-	-	-	-	-	-	-	3,748	3,748
Student programs	-	-	31,565	29,862	-	-	118,255	3,650	183,332
Support services									
Pupil support services	32,623	-	-	-	-	79,815	-	-	112,438
Instructional staff support services	32,940	27,397	-	-	-	30,630	4,089	14,640	109,696
General administation	19,116	5,928	3,253	-	-	-	12,243	1,886	42,426
School administation	-	-	-	-	-	11,904	-	-	11,904
Student transportation services	60	-	-	-	-	-	-	-	60
Total expenditures	234,710	59,663	34,818	29,862	52,161	122,349	134,587	41,719	709,869
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
Fund balances at beginning of year	-	-	-	-	-	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Tensas Parish School Board

St. Joseph, Louisiana

Fiduciary Fund - Agency Funds

Combining Schedule of Changes in Fiduciary Assets and Liabilities

For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash and cash equivalents				
School Activity Funds	$ 69,684	$ 156,504	$ 139,289	$ 86,899
Total	$ 69,684	$ 156,504	$ 139,289	$ 86,899
Liabilities:				
Deposits due student groups				
School Activity Funds	$ 69,684	$ 156,504	$ 139,289	$ 86,899
Total	$ 69,684	$ 156,504	$ 139,289	$ 86,899

Schedule 13

Tensas Parish School Board
School Activities Agency Fund
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
Newellton Elementary School	$ 15,590	$ 18,227	$ 21,176	$ 12,641
Tensas Parish Elementary School	27,652	23,306	24,251	26,707
Tensas Parish High School	26,442	114,971	93,862	47,551
	$ 69,684	$ 156,504	$ 139,289	$ 86,899

Schedule 14

Tensas Parish School Board

St. Joseph, Louisiana

Schedule of Compensation Paid Board Members

For the year ended June 30, 2018

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

Schedule 15

Tensas Parish School Board

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

For the year ended June 30, 2018

Chief Executive Officer, Superintendent Paul E Nelson, PhD

Purpose		Amount
Salary - regular	$	101,583
Benefits-insurance		2,057
Benefits-retirement		26,704
Car allowance		4,059
Travel		3,905
Dues		700
Total Compensation	$	139,008

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

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

David Ray Soignier, CPA, MBA, CGMA
Lori Woodard, MBA, CPA, CGMA, CITP
Ronnie Jacola, CPA

Francis I. Huffman, CPA
John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Katie Jacola, CPA

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

School Board
Tensas Parish School Board
St. Joseph, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tensas Parish School Board, (the School Board), as of and for the year ended June 30, 2018, 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 March 8, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exists that have not been identified. We did identify a certain deficiency in internal control, descried in the accompanying schedule of findings and questioned costs as items 2018-001, that we consider to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as items 2018-002 to 2018-003.

The School Board's Response to Findings

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

Purpose of this Report

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

Huffman & Soignier

(A Professional Accounting Corporation)

March 8, 2019

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

David Ray Soignier, CPA, MBA, CGMA
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Katie Jacola, CPA

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

Board Members
Tensas Parish School Board
St. Joseph, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Tensas Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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Basis for Qualified Opinion on Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding CFDA 10.553, 10.555 as described in Finding 2018-004 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Procurement and Suspension and Debarment, Reporting and Special Tests. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the School Board complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2018.

Basis for Qualified Opinion on Title I

As described in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding CFDA 84.010 as described in Finding 2018-005 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Procurement and Suspension and Debarment, and Reporting. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

Qualified Opinion on Title I

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the School Board complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on Title I for the year ended June 30, 2018.

Basis for Qualified Opinion on IDEA B

As described in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding CFDA 84.027, 84.173 as described in Finding 2018-006 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Procurement and Suspension and Debarment, and Reporting. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

Qualified Opinion on IDEA B

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the School Board complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-004 to 2018-006. Our opinion on the major federal programs are not modified with respect to these matters except as given in the above paragraphs.

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

Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedules of findings and questioned costs as Findings 2018-004 to 2018-006 that we consider to be material weaknesses.

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

Board Members
Tensas Parish School Board
St. Joseph, Louisiana

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

Huffman & Soignier

(A Professional Accounting Corporation)

March 8, 2019

Tensas Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Program or Cluster Title	CFDA Number	Pass-through Grantor Number	Federal Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	LEA No. 054	$ 139,328
National School Lunch Program	10.555	LEA No. 054	257,592
Non-Cash Assistance - Food Distribution Program (Commodities)	10.555	LEA No. 054	39,408
Total Child Nutrition Cluster			436,328
Fresh Fruits and Vegetables	10.582	LEA No. 054	18,288
Total United States Department of Agriculture			454,616
United States Department of Education			
Passed Through Louisiana Department of Education			
Special Education Cluster (IDEA)-Cluster			
IDEA Part B 611	84.027	28-18-B1-54	218,377
IDEA Preschool 619	84.173	28-18-P1-54	16,118
Total Special Education Cluster (IDEA)-Cluster			234,495
Title I	84.010	28-18-T1-54	672,203
School Redesign Planning Rd 3	84.010	28-17-RD3-54	14,640
Redesign Planning 1003a-2017	84.010	28-17-RD1-54	14,006
Total Title I			700,849
Carl Perkins - Secondary	84.048	28-18-02-54	3,748
Title V-B RLIS	84.358	28-17-RE-54	9,220
Title IIA	84.367	28-18-50-54	59,663
SRCL 2 Birth - Age 5	84.371	28-18-SR01-54	37,670
SRCL 2 Grades K - 5	84.371	28-18-SR02-54	96,917
Teacher Incentive Funds	84.374	28-18-TP-54	94,292
PBCS Teacher Incentive Funds	84.374	28-18-PBCS-54	28,057
Title IVA SSAE	84.424	28-18-71-54	14,111
Total United States Department of Education			1,279,022
United States Department of Health and Human Services			
Passed Through Louisiana Department of Education			
LA 4 TANF	93.558	28-18-36-54	34,818
Total United States Department of Health and Human Services			34,818
United States Department of the Interior			
Passed Through Tensas Parish Sheriff's Office			
National Wildlife Refuge Fund	15.659	N/A	18,784
Total United States Department of the Interior			18,784
Total Expenditures of Federal Awards			$ 1,787,240

The accompanying notes are an integral part of this schedule

TENSAS PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Tensas Parish School Board (the School Board) for the year ended June 30, 2018. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because of the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School Board.

Note 2 - Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports, except for the amounts in reported submitted as of a date subsequent to June 30, 2018.

Note 3 - Relationship to the Financial Statements

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

	Federal Programs
Major Funds	
General Fund	32,790
School Food Service	454,616
Title I	672,203
Nonmajor Funds	
Special Education	234,495
Title II	59,663
Rural Education	34,818
Teacher Incentive Funds	122,349
SRCL	134,587
Other miscellaneous funds	41,719
Total Nonmajor Funds	627,631
Total Governmental Funds Revenues	$ 1,787,240

Note 4 - Indirect Cost Rate

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

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

We have audited the financial statements of the governmental activities and each major fund of the Tensas Parish School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statement, which collectively comprise the basic financial statements and have issued our report thereon dated January 31, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2018 resulted in an unmodified opinion.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting
Material Weaknesses _x_ yes __ no Significant Deficiency __ yes _x_ none reported

Noncompliance material to financial statements _x_ yes __ none reported

Federal Awards

Internal Control
Material Weaknesses _x_ yes __ no Significant Deficiency __ yes _x_ none reported

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

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

Identification of Major Programs:

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

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

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

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

2018-001 Weaknesses in Internal Controls

Criteria or Specific Requirement
According to the Committee of Sponsoring Organizations of the Treadway Commission Report (COSO), internal controls should be designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to require safeguards over cash, adequate segregation of duties over accounting functions, restricted system access to add or modify the vendor list, and proper authorization and accurate payment of non-payroll and payroll disbursements.

Written policies and procedures are necessary for the successful operation of internal controls. Additionally, management should perform risk assessments and other evaluations to ensure internal controls are designed and operating effectively and take appropriate action in cases where they are not.

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

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

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

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

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

Our test of eighty-nine payroll disbursements revealed overpayments for the year to three employees in the amounts of $769, $1,767, and $169, respectively. One employee was placed on the wrong salary schedule, while another employee did not have a salary schedule for the corresponding position. Timesheets for three employees could not be located for the corresponding payroll tested, and seven employees' timesheets reviewed showed no evidence of having been approved by an appropriate supervisor.

Additionally, a personnel file for one of the employees in our sample could not be located, while two employees did not have required tax documentation on file. Further, we noted that the School Board does not retain documentation showing that payrolls have been approved prior to disbursement of funds; however, management informed us that preliminary payroll registers are reviewed prior to running each payroll even though the documentation is not retained.

Written policies and procedures and risk assessments - Internal controls were not designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Fiscal years 2018 and 2017 experienced many changes in personnel including a reassignment of key employees within the business office. On July 1, 2016, the Accounts Payable clerk was promoted to the Business Manager position without an adequate training period with the retiring Business Manager. This resulted in a Business Manager who was not properly trained or prepared for the position. In addition, the changes in the department resulted in other employees being placed in positions for which they were not adequately trained.

Written policies and procedures, which are necessary for the successful operation of internal controls, were not sufficient to assist in the transition of existing employees to new positions within Central Office. Additionally, management did not perform risk assessments and other evaluations to ensure internal controls were designed and operating appropriately and take appropriate action in cases where they were not.

Cause

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

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

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

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

Effect

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

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

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

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

Recommendations to Prevent Future Occurrences

Internal controls over cash - We recommend the School Board evaluate the number of bank accounts that are employed, determine the minimum number required, and close any unneeded bank accounts. The Business Manager should reconcile each bank account on a monthly basis to ensure that cash transactions have been accounted for accurately. Once reconciled, the Business Manager should send the reconciliation, along with the bank statement, to the Superintendent for his review. If he is in agreement, he should initial and date the reconciliation before returning both items to the Business Manager for filing.

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

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

With respect to school activity funds, the School Board should take the advice of the consulting CPA by developing a student activity fund manual and training school employees to ensure they understand how to follow the policies and procedures.

Internal controls over non-payroll disbursements - We recommend that the person responsible for disbursements should not have access to add or modify vendors in the system. The approving signature should not be printed on the checks; rather, the checks should be signed by an authorized signor after review and approval of supporting documentation prior to mailing. The number of checks physically printed each month is minimal, and this would not cause hardship on the authorized signor(s). Purchase requisitions/purchase orders should be incorporated into the disbursements process, when applicable. Further, we recommend that the School Board continue to utilize the services of its contracted CPA firm to further train School Board personnel in this area.

Internal controls over payroll disbursements - We recommend that employee salaries and employee data be reviewed annually by two people to ensure accurate information is being reflected in the payroll system, which will ensure accurate payments to employees and accurate reporting of classifications of employees. Timesheets should be reviewed by an appropriate supervisor and properly retained. Additionally, payroll registers should be approved by management and retained to serve as evidence that payrolls were reviewed prior to disbursement of funds. Further, we recommend that the School Board continue to utilize the services of its contracted CPA firm to further train School Board personnel.

Written policies and procedures and risk assessments - The School Board should ensure that written policies and procedures are adequately described in accordance with COSO to guarantee a smooth transition of operations in the event of employee turnover. Risk assessments should be effective and should continue to be performed to determine when appropriate action should be taken.

Origination Date and Prior Year Reference (if applicable)
This finding originated during the fiscal year ended June 30, 2016. See prior year findings 2017-001, 2017-002, 2017-003, 2017-004, 2016-001, 2016-002, and 2016-003.

View of Responsible Official
The School Board has taken measures to correct known internal control weaknesses. In April 2018, the School Board appointed a new Business Manager, as well as hired a contracted CPA to assist with correcting the year-end financial statements. Additionally, the contracted CPA is continuing to work with the new Business Manager on year-end close out, as well as monthly training. Procedures and practices are being implemented to ensure that the school district has a working system of "checks and balances" in place.

2018-002 Louisiana Budget Act

Entity-wide or Program/Department Specific
This finding is specific to the School Food Service Fund.

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

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

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

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

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

Origination Date and Prior Year Reference (if applicable)
This finding originated during the fiscal year ended June 30, 2017. See prior year finding 2017-005.

View of Responsible Official

The School Board hired a new Business Manager in April 2018, as well as hired a contract CPA. Prior to year-end, the contracted CPA and the Business Manager reviewed the accounting records to determine what budget revisions were needed and prepared the proposed revised budget for Board approval. School Board members receive monthly financial reports (since July 2018) which show budgeted, current, and year-to-date amounts. These reports are reviewed monthly by the board to ensure that they are able to properly evaluate the financial position of the school board. The negative variance is due to entries made at year end after the budget was adopted. The Tensas Parish School Board will work diligently to ensure that it is in compliance with state laws for future years.

2018-003 Late Filing

Criteria or Specific Requirement

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

Condition Found

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

Cause

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

Effect

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

Recommendations to Prevent Future Occurrences

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

Origination Date and Prior Year Reference (if applicable)

This finding originated during the fiscal year ended June 30, 2016. See findings 2017-006 and 2016-009 in the prior two audits.

View of Responsible Official
A different actuarial company was used for the FY2018 audit than in previous years. This was an important aspect in the delay of the report. There were also other factors beyond the control of the School Board and the actuary such as incomplete census data received from reporting agencies that had to be manually completed by the Business Manager upon discovery. The Business Manager will begin working with the actuary well in advance to ensure that the Other Postemployment Benefits actuarial valuation report is received and reviewed by the auditor for FY 2019 audit.

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

2018-004 Child Nutrition Cluster
Federal Program Affected - 10.553, 10.555 Child Nutrition Cluster
United States Department of Agriculture through Louisiana Department of Education
Pass through identification number – LEA No. 054

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

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

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

Louisiana Local Government Budget Act (refer to Finding 2018-002). Monitoring of spending by management would have identified and corrected this situation in a timely manner.

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

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

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

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

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

Cause / Context

Deficiencies in the design and operation of internal control over federal compliance requirements included inadequate design and operation of controls over significant accounts and processes, inadequate documentation of the components of internal control, inadequate design of monitoring controls and risk assessment used to assess the design and operating effectiveness of the entity's internal control over time, and the absence of an internal process to report deficiencies in internal control to management on a timely basis. Management did not formally update the policies and procedures to reflect the uniform guidance requirements. Internal control weaknesses were a systemic problem.

Effect

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

Recommendations to Prevent Future Occurrences

Internal control design and operation should be reviewed and modified to comply with federal regulations. Records should be maintained on a funding source level, in an understandable format and reconciled with the appropriate departments monthly. Someone trained on federal compliance requirements should review and reconcile all accounts monthly to ensure accuracy and financial statements including budget to actual comparisons should be available to management within a time frame sufficient to allow for knowledgeable decision making.

Origination Date and Prior Year Reference (if applicable)

This finding originated during fiscal year ended June 30, 2016. See findings 2017-007 to 2017-011 and 2016-011 to 2016-015 in the prior two audits.

View of Responsible Official

The School Board has taken measures to correct known internal control weaknesses. In April 2018, the School Board appointed a new Business Manager, as well as hired a contracted CPA to assist with correcting the year-end financial statements. Additionally, the contracted CPA is continuing to work with the new Business Manager on year-end close out, as well as monthly training. Procedures and practices are being implemented to ensure that the school district has a working system of "checks and balances" in place. Procedures have also been put in place to ensure federal program directors receive accurate monthly financial reports.

2018-005 Title I

Federal Program Affected - 84.010 Title I
United States Department of Education through Louisiana Department of Education
Pass through identification number – 28-18-T1-54

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

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

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

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

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

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

Cash Management –
See Cash Management on Finding 2018-004

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

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

Cause / Context
See Cause / Contest on Finding 2018-004

Effect
See Effect on Finding 2018-004

Recommendations to Prevent Future Occurrences
See Recommendations to Prevent Future Occurrences on Finding 2018-004

Origination Date and Prior Year Reference (if applicable)
See Origination Date and Prior Year Reference on Finding 2018-004

View of Responsible Official
The School Board has taken measures to correct known internal control weaknesses. In April 2018, the School Board appointed a new Business Manager, as well as hired a contracted CPA to assist with correcting the year-end financial statements. Additionally, the contracted CPA is continuing to work with the new Business Manager on year-end close out, as well as monthly training. Procedures and practices are being implemented to ensure that the school district has a working system of "checks and balances" in

place. Procedures have also been put in place to ensure federal program directors receive accurate monthly financial reports.

2018-006 Special Education Cluster (IDEA B)

Federal Program Affected - 84.027, 84.173 Special Education Cluster (IDEA B)
United States Department of Education through Louisiana Department of Education
Pass through identification numbers – 28-18-B1-54, 28-18-P1-54

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

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

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

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

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

Cash Management –
See Cash Management on Finding 2018-004

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

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

Cause / Context
See Cause / Contest on Finding 2018-004

Effect
See Effect on Finding 2018-004

Recommendations to Prevent Future Occurrences
See Recommendations to Prevent Future Occurrences on Finding 2018-004

Origination Date and Prior Year Reference (if applicable)
See Origination Date and Prior Year Reference on Finding 2018-004

View of Responsible Official
The School Board has taken measures to correct known internal control weaknesses. In April 2018, the School Board appointed a new Business Manager, as well as hired a contracted CPA to assist with correcting the year-end financial statements. Additionally, the contracted CPA is continuing to work with the new Business Manager on year-end close out, as well as monthly training. Procedures and practices are being implemented to ensure that the school district has a working system of "checks and balances" in place. Procedures have also been put in place to ensure federal program directors receive accurate monthly financial reports.

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

2018-001 Weaknesses in Internal Controls

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

Condition
According to the Committee of Sponsoring Organizations of the Treadway Commission Report (COSO), internal controls should be designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to require safeguards over cash, adequate segregation of duties over accounting functions, restricted system access to add or modify the vendor list, and proper authorization and accurate payment of non-payroll and payroll disbursements.

Written policies and procedures are necessary for the successful operation of internal controls. Additionally, management should perform risk assessments and other evaluations to ensure internal controls are designed and operating effectively and take appropriate action in cases where they are not.

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

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

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

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

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

Our test of eighty-nine payroll disbursements revealed overpayments for the year to three employees in the amounts of $769, $1,767, and $169, respectively. One employee was placed on the wrong salary schedule, while another employee did not have a salary schedule for the corresponding position. Timesheets for three employees could not be located for the corresponding payroll tested, and seven employees' timesheets reviewed showed no evidence of having been approved by an appropriate supervisor.

Additionally, a personnel file for one of the employees in our sample could not be located, while two employees did not have required tax documentation on file. Further, we noted that the School Board does not retain documentation showing that payrolls have been approved prior to disbursement of funds; however, management informed us that preliminary payroll registers are reviewed prior to running each payroll even though the documentation is not retained.

Written policies and procedures and risk assessments - Internal controls were not designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Fiscal years 2018 and 2017 experienced many changes in personnel including a reassignment of key employees within the business office. On July 1, 2016, the Accounts Payable clerk was promoted to the Business Manager position without an adequate training period with the retiring Business Manager. This resulted in a Business Manager who was not properly trained or prepared for the position. In addition, the changes in the department resulted in other employees being placed in positions for which they were not adequately trained.

Written policies and procedures, which are necessary for the successful operation of internal controls, were not sufficient to assist in the transition of existing employees to new positions within Central Office. Additionally, management did not perform risk assessments and other evaluations to ensure internal controls were designed and operating appropriately and take appropriate action in cases where they were not.

Corrective Action Plan

The new Business Manager is utilizing all resources along with the continued assistance of the consulting CPA firm to ensure that financial records are kept up-to-date and that staff is provided appropriate training and resources to perform their job. The Business Manager is building a network of Louisiana school business officials who will serve as a resource center and sounding board for her. She is also creating systematic procedures to increase the efficiency and effectiveness of current school board business practices.

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

Anticipated completion
June 30, 2019

2018-002 Louisiana Budget Act

Entity-wide or Program/Department Specific
This finding is specific to the School Food Service Fund.

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

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

Corrective Action Plan
School Board members receive monthly financial reports (since July 2018) which show budgeted, current, and year-to-date amounts. These reports are reviewed and approved by the board to ensure that they are able to properly evaluate the financial position of the school board. Now that systems are being developed and staff trained the Business Manager will be able to provide the Board with up-to-date financial records needed to make sound financial decisions. Processes are now in place to have all program supervisors involved in the creation of their department's budget and to have them help monitor expenses and revenues to ensure effective use of the school system's budget.

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

Anticipated completion
June 30, 2019

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

2018-003 Late Filing

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

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

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

Corrective Action Plan
The Business Manager will begin working with the actuary earlier to ensure that the Other Postemployment Benefits actuarial valuation report is received and reviewed by the auditor well in advance for FY 2019 audit.

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

Anticipated completion
June 30, 2019

2018-004 Child Nutrition Cluster

Federal Program Affected - 10.553, 10.555 Child Nutrition Cluster
United States Department of Agriculture through Louisiana Department of Education
Pass through identification number – LEA No. 054

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

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

Corrective Action Plan

The new Business Manager is utilizing all resources along with the continued assistance of the consulting CPA firm to ensure that financial records are kept up-to-date and that staff is provided appropriate training and resources to perform their job. She is also creating systematic procedures to increase the efficiency and effectiveness of current school board business practices.

Person responsible for corrective action plan

Superintendent (318) 766-3269 phone
Tensas Parish School Board (318) 766-3634 fax
504 Plank Rd., St. Joseph, LA

Anticipated completion

June 30, 2019

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

2018-005 Title I

Federal Program Affected - 84.010 Title I
United States Department of Education through Louisiana Department of Education
Pass through identification number – 28-18-T1-54

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

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

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

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

<u>Activities Allowed or Unallowed –</u>
See Activities Allowed or Unallowed on Finding 2018-004

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

Cash Management –
See Cash Management on Finding 2018-004

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

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

Corrective Action Plan
The new Business Manager is utilizing all resources along with the continued assistance of the consulting CPA firm to ensure that financial records are kept up-to-date and that staff is provided appropriate training and resources to perform their job. She is also creating systematic procedures to increase the efficiency and effectiveness of current school board business practices.

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

Anticipated completion
June 30, 2019

2018-006 Special Education Cluster (IDEA B)

Federal Program Affected - 84.027, 84.173 Special Education Cluster (IDEA B)
United States Department of Education through Louisiana Department of Education
Pass through identification numbers – 28-18-B1-54, 28-18-P1-54

Condition
2 CFR 200.303 requires that the entity establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the entity is managing the Federal award in compliance with statutes, regulations, and the terms and conditions of the Federal award. Nonfederal entities are required to have certain written policies and procedures surrounding the management of their federal award funding.

The cost principles in 2 CFR Part 200, subpart E prescribe the cost accounting requirements associated with the administration of Federal awards by local governments including the requirements for allowable costs/cost principles and states that the entity is responsible for oversight of the operations of the Federal award supported activities.

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

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

<u>Activities Allowed or Unallowed –</u>
See Activities Allowed or Unallowed on Finding 2018-004

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

<u>Cash Management –</u>
See Cash Management on Finding 2018-004

<u>Procurement and Suspension and Debarment –</u>
See Procurement and Suspension and Debarment on Finding 2018-004

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

reports and monies received.

Corrective Action Plan
The new Business Manager is utilizing all resources along with the continued assistance of the consulting CPA firm to ensure that financial records are kept up-to-date and that staff is provided appropriate training and resources to perform their job. She is also creating systematic procedures to increase the efficiency and effectiveness of current school board business practices.

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

Anticipated completion
June 30, 2019

TENSAS PARISH SCHOOL BOARD
ST. JOSEPH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

The following is a summary of the status of the prior year findings included in Huffman & Soignier (APAC)'s audit report dated July 3, 2018, covering the audit of the financial statements of Tensas Parish School Board as of and for the year ended June 30, 2017.

2017-001 Weaknesses in Internal Controls

Condition Found

The 2016/2017 fiscal year included many changes in personnel including a new Superintendent and a reassignment of some employees in the business office. The Accounts Payable clerk was promoted to Business Manager effective July 1, 2016 without an adequate turnover period with the retiring Business Manager. As a result, the new Business Manager was not properly trained and prepared for the position. Written policies and procedures were insufficient to assist with these reassignments. Material weaknesses in internal controls were identified in that employees lacked the knowledge to complete tasks such as reconciling significant bank accounts, disbursing funds with appropriate oversight, ensuring payroll is properly managed, and reviewing and reconciling individual accounts for accuracy with supporting documentation.

Additionally, the auditors identified multiple inaccuracies in the trial balances received in November 2017, December 2017 and February 2018. As a result of these conditions, management was not properly updated on a timely basis of current financial performance as demonstrated under budgeting expenditures. The School Board was also noncompliant with the Louisiana Audit law due to the additional time needed to correct the financial statements and records as of June 30, 2017. Finally, the School Board was noncompliant with laws and regulations related to federal programs and did not process federal reimbursement requests on a timely basis.

Status

The School Board has taken measures to correct known internal control weaknesses. In April 2018, the School Board appointed a new Business Manager, as well as hired a contract CPA to assist with correcting the year-end financial statements. Additionally, the contract CPA is continuing to work with the new Business Manager on year-end close out, as well as will begin training on a monthly basis. Partially resolved. Refer to Finding 2018-001.

2017-002 Protection of School Board Assets – Bank Accounts

Condition Found

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

Status
The School Board has implemented procedures to ensure that bank accounts are reconciled on a timely basis. The contract CPA that was hired in April 2018 assisted with ensuring all bank reconciliations were properly reconciled for 2017-2018, and beginning with 2018-2019, the new Business Manager has created a listing of bank accounts and checks it off each month to ensure all accounts are reconciled within 60 days of the end of the month. Partially resolved. Refer to Finding 2018-001.

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

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

Of the 60 items that were part of the original testwork, 16 of the 60 invoices were not signed by the receiver, and 25 of the 60 were not approved by a supervisor prior to payment. It was also noted that 6 of the 60 expenditures did not have a purchase requisition/purchase order associated with the expenditure and 7 of the 60 expenditures had purchase orders dated after the invoice date.

Status
The School Board hired a new Business Manager in April 2018, and positions within the business department were reassigned. The new accounts payable clerk is aware of the internal control requirements regarding processing disbursements, and the new Business Manager is reviewing disbursements prior to the issuance of checks to vendors to ensure all proper documentation is attached. Partially resolved. Refer to Finding 2018-001.

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

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

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

Status
The School Board hired a new Business Manager in April 2018, and positions within the business department were reassigned. The new payroll clerk is being trained by the Business Manager on the necessary internal control procedures regarding payroll, as well as the new Business Manager is reviewing appropriate payroll reports prior to the issuance of payroll checks. Partially resolved. Refer to Finding 2018-001.

2017-005 Louisiana Budget Act

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

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

This resulted in the School Board not complying with Louisiana Revised Statute 39:1311.

Status
The School Board hired a new Business Manager in April 2018, as well as hired a contract CPA. Prior to year-end, the contract CPA and the Business Manager reviewed the accounting records to determine what budget revisions were needed and prepared the proposed revised budget for Board approval. Partially resolved. Refer to Finding 2018-002.

2017-006 Late Filing

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

Status
The prior year audit was delayed due to incomplete and inaccurate accounting records. The School Board feels this has been corrected for the current year. However, for the 2017-2018 fiscal year, there was a delay in the completed OPEB valuation study, which again caused the School Board to obtain an extension from the LLA and the report to be filed after the required deadline. The School Board does not feel this will be a problem in the future. No longer applicable. Refer to Finding 2018-003.

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

2017-007 Training of Personnel

Condition Found
Refer to Condition Found listed in Finding 2017-001.

Status
The School Board has taken measures to correct known internal control weaknesses. In April 2018, the School Board appointed a new Business Manager, as well as hired a contract CPA to assist with correcting the year-end financial statements. Additionally, the contract CPA is continuing to work with the new Business Manager on year-end close out, as well as will begin training on a monthly basis. Partially resolved. Refer to Findings 2018-004, 2018-005, and 2018-006.

2017-008 Controls over Federal Programs Disbursements

Condition Found
Refer to Conditions Found listed in Findings 2017-003 and 2017-004.

Status
The School Board hired a new Business Manager in April 2018, and positions within the business department were reassigned. The new accounts payable clerk is aware of the internal control requirements regarding processing disbursements and the new Business Manager is reviewing disbursements prior to issuance of the checks to the vendors to ensure all proper documentation is attached. Partially resolved. Refer to Findings 2018-004, 2018-005, and 2018-006.

2017-009 Controls over Federal Programs Procurements

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

Status
The School Board hired a new Business Manager in April 2018. Following the release of the fiscal year 2017 audit, the new Business Manager has started reviewing approved policies and procedures to ensure all requirements are met. Partially resolved. Refer to Findings 2018-004, 2018-005, and 2018-006.

2017-010 Risk Assessment

Condition Found
Refer to Condition Found listed in Finding 2017-001.

Status
The School Board has taken measures to correct known internal control weaknesses. In April 2018, the School Board appointed a new Business Manager, as well as hired a contract CPA to assist with correcting the year-end financial statements. Additionally, the contract CPA is continuing to work with the new Business Manager on year-end close out, as well as will begin training on a monthly basis. Partially resolved. Refer to Findings 2018-004, 2018-005, and 2018-006.

2017-011 Monitoring and Reporting Program Performance

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

Status
In April 2018, the School Board appointed a new Business Manager, as well as hired a contract CPA to assist with correcting the year-end financial statements. For the 2017-2018 school year, the contract CPA prepared the grant reimbursement requests and periodic expense reports, which were then reviewed by the new Business Manager prior to submission. Partially resolved. Refer to Findings 2018-004, 2018-005, and 2018-006.

Huffman & Soignier

(A Professional Accounting Corporation)
Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2018

Tensas Parish School Board
St. Joseph, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Tensas Parish School Board, the 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, 2018; 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, in compliance with Louisiana Revised Statute 24:514 I. 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. 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 exceptions were noted as a result of applying the agreed-upon procedures.

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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: Three classes had more students on the roll books than the LDOE Report. Two classes had fewer students on the roll books than the LDOE Report.

Management's Response: The School Board will be more diligent in the review of information submitted to the state.

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

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

Comment: Two employees were included as having an associate's degree, but according to the personnel files the employees had a bachelor's and master's degree.

Management's Response: The School Board will be more diligent in the review of information submitted to the state.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

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

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statue 24:514.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.

Huffman & Soignier

(A Professional Accounting Corporation)
Monroe, Louisiana

March 8, 2019

TENSAS PARISH SCHOOL BOARD
Saint Joseph, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data) As of and for the Year Ended June 30, 20

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.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources For the Year Ended June 30, 2018

	Column A	Column B
General Fund Instructional and Equipment Expenditures		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	$ 1,606,397	
Other Instructional Staff Activities	268,805	
Instructional Staff Employee Benefits	1,217,609	
Purchased Professional and Technical Services	241,795	
Instructional Materials and Supplies	104,026	
Instructional Equipment	32,624	
Total Teacher and Student Interaction Activities		$ 3,471,256
Other Instructional Activities		51,558
Pupil Support Services	558,770	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		558,770
Instructional Staff Services	234,006	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		234,006
School Administration	432,279	
Less: Equipment for School Administration	-	
Net School Administration		432,279
Total General Fund Instructional Expenditures (Total of Column B)		4,747,869
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		32,624
Certain Local Revenue Sources		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		304,864
Renewable Ad Valorem Tax		1,814,752
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		70,981
Sales and Use Taxes		688,586
Total Local Taxation Revenue		2,879,183
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		23,547
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		23,547
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		2,353
Revenue Sharing - Other Taxes		14,015
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		16,368
Nonpublic Textbook Revenue		4,355
Nonpublic Transportation Revenue		$ -

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Class Size Characteristics
As of October 1, 2017

	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	74.23%	72	13.40%	13	6.19%	6	6.19%	6
Elementary Activity Classes	66.67%	6	11.11%	1	11.11%	1	11.11%	1
Middle/Jr. High	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Middle/Jr. High Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0
High	79.00%	79	17.00%	17	3.00%	3	1.00%	1
High Activity Classes	82.35%	14	11.76%	2	5.88%	1	0.00%	0
Combination	0.00%	0	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0

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

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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Esther Atteberry, CPA
Katie Jacola, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Tensas Parish School Board
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of Tensas Parish School Board (the School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017, through June 30, 2018. The School Board's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

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

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

   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

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

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

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

<u>Results</u>: The following exceptions were noted during the review of policies and procedures:

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

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

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

d) ***Receipts*** – There were no written policies or procedures discussing receiving, recording, preparing deposits, and management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

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

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

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

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

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

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

Management's Response: The Tensas Parish School Board will review its policies and make revisions as necessary.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

   c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results: There were 12 exceptions related to procedure 2.b). Although the School Board reviewed a monthly financial statement at each meeting during the fiscal period, the board minutes covering the July 2017 – June 2018 time period did not reference or include monthly budget-to-actual comparisons on the general fund or any additional funds identified as major funds.

Management's Response: The Tensas Parish School Board currently receives a monthly financial statement that includes monthly budget-to-actual comparisons.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

   a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: The review of a sample of 5 bank accounts revealed that October 2017 bank reconciliations for 4 of the accounts were not prepared within 2 months of the statement closing date and showed no evidence of having been reviewed, which resulted in 4 exceptions related to procedure 3.a) and 4 exceptions related to procedure 3.b). Additionally, 4 exceptions were noted related to procedure 3.c) as there was no evidence showing that management had researched reconciling items outstanding for more than 12 months from the statement closing date.

Management's Response: The Tensas Parish School Board will work diligently to ensure bank reconciliations are completed and reviewed timely. As well as research outstanding items.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

   c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

   d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a) Observe that receipts are sequentially pre-numbered.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).

   e) Trace the actual deposit per the bank statement to the general ledger.

Results: Of the 4 collection locations tested, (3) exceptions were noted with respect to Tensas Elementary School Cafeteria for procedures 5.b), 5.c), and 5.d), respectively, as the employee responsible for collecting cash also prepares/makes the deposits and is also responsible for the accounting for cash collections. With respect to procedure 7.b), two (2) exceptions were noted for Newellton Elementary General Fund as the school was unable to locate receipts for the 2 receipts tested. As such, this also resulted in 2 exceptions for procedure 7.d) as it was not possible to determine if the deposit was made timely since the dates of receipt were unknown.

Management's Response: The Tensas Parish School Board will ensure all collections are recorded timely and have supporting documentation.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   b) At least two employees are involved in processing and approving payments to vendors.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe that the disbursement matched the related original invoice/billing statement.

    b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: Disbursements are exempt from the Statewide Agreed-Upon Procedures due to being covered under federal program testing as part of the entity's Single Audit for the year ended June 30, 2018.

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

    b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: There was one exception noted related to procedure 13.(1) as an invoice was not available to support the transaction. Additionally, 6 exceptions were noted related to procedure 13.(2) as the transactions did not contain written documentation of the business/public purpose.

Management's Response: The Tensas Parish School Board will ensure that all required documentation is present for each credit card transaction.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

   a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

   b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

   c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

   d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Four possible exceptions were noted with respect to procedure 14.a) as 4 employees were reimbursed for mileage at .45 cents per mile instead of .54 cents per mile (LA Travel Guide). As a result, these employees were possibly underpaid by an estimated total of $129 when compared to the LA Travel Guide standard rates.

Additionally, two exceptions were noted with respect to procedure 14.d) as 2 reimbursements showed no evidence of having been approved by someone other than the person receiving reimbursement.

Management's Response: The Tensas Parish School Board will ensure that all employees are paid correct amounts and that reimbursements are approved by a supervisor.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active*

vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: We were provided with 2 contracts for SAUP testing and found no exceptions as a result of applying agreed-upon procedures; however, the current business manager was unable to confirm the existence of contracts for the remaining vendors.

Management's Response: The Tensas Parish School Board will ensure that it has all current contracts for services.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

    b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Payroll/Personnel procedures are exempt from the Statewide Agreed-Upon Procedures due to being covered under federal program testing as part of the entity's Single Audit for the year ended June 30, 2018.

Ethics

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

Results: This section is exempt in the current year due to no exceptions in the prior year.

Debt Service

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

Results: This section is exempt in the current year due to no exceptions in the prior year.

Other

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

Results: This section is exempt in the current year due to no exceptions in the prior year.

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

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

Huffman & Soignier

(A Professional Accounting Corporation)
Monroe, Louisiana

March 8, 2019