

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

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED June 30, 2022

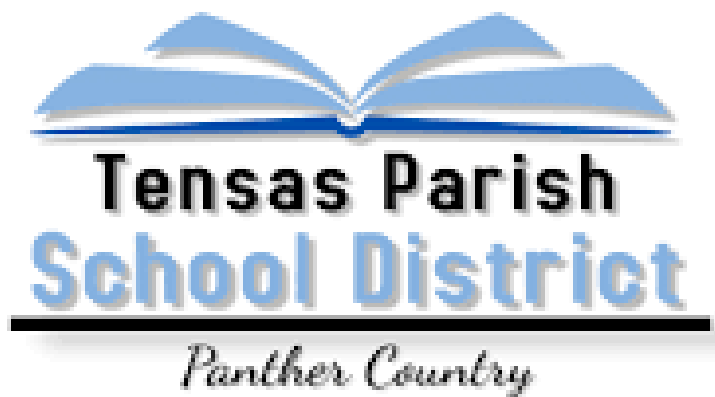


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INDEPENDENT AUDITORS' REPORT

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

Opinion

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 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Tensas Parish School Board's financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tensas Parish School Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tensas Parish School Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tensas Parish School Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tensas Parish School Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

Tensas Parish School Board
St. Joseph, Louisiana

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tensas Parish School Board's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The nonmajor fund financial statements, the schedule of compensation paid board members, the schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual nonmajor fund financial statements 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 Information

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The schedule of expenditures of federal awards, on page 64, is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

Tensas Parish School Board
St. Joseph, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated February 24, 2023, on our consideration of the Tensas Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tensas Parish School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tensas Parish School Board's internal control over financial reporting and compliance.

Joseph Williams, Co., P.C.

Lake Charles, Louisiana
February 24, 2023

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,048,467
Receivables	1,298,931
Inventory	12,695
Restricted investment	546,531
Capital assets (net of accumulated depreciation):	
Land	309,540
Buildings and improvements	2,469,979
Furniture and equipment	374,714
Total assets	8,060,857
 DEFERRED OUTFLOWS OF RESOURCES	
Retirement related deferrals	1,465,287
	1,465,287
Total assets and deferred outflows of resources	\$ 9,526,144
 LIABILITIES	
Accounts payable	\$ 138,433
Salaries and benefits payable	871,589
Unearned revenue	552,339
Interest payable	602
Long-term liabilities:	
Due within one year	207,974
Due in more than one year	13,297,301
Total liabilities	15,068,238
 DEFERRED INFLOWS OF RESOURCES	
Retirement related deferrals	5,483,617
 NET POSITION	
Net investment in capital assets	3,020,913
Restricted for:	
Debt service	4,646
Future salaries from sales tax proceeds	243,240
Capital improvements	3
School food service	176,371
Maintenance, books, instructional items, etc.	100,036
Grant programs	21,699
School activity funds	89,669
Unrestricted	(14,682,288)
Total net position	(11,025,711)
Total liabilities, deferred inflows of resources and net position	\$ 9,526,144

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Statement of Activities
For the Year Ended June 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Governmental Activities - Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$ 1,780,665	\$ -	\$ 583,574	\$ (1,197,091)
Special education programs	320,651	-	109,927	(210,724)
Vocational programs	(14,110)	-	4,360	18,470
Other instructional programs	152,524	-	84,677	(67,847)
Special programs	364,603	-	394,145	29,542
Adult and continuing education programs	1,812	-	-	(1,812)
Support services:				
Student services	444,220	-	475,350	31,130
Instructional staff support	358,649	-	462,910	104,261
General administration	379,024	-	502,923	123,899
School administration	213,095	-	-	(213,095)
Business services	187,972	-	-	(187,972)
Plant services	823,004	-	778,239	(44,765)
Student transportation services	415,105	-	8,130	(406,975)
Central services	190,380	-	160,857	(29,523)
Food services	399,486	3,071	389,270	(7,145)
Interest on long-term debt	2,407	-	-	(2,407)
Total governmental activities	<u>\$ 6,019,487</u>	<u>\$ 3,071</u>	<u>\$ 3,954,362</u>	<u>(2,062,054)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,295,488
Sales and use taxes, levied for salaries	1,005,100
State revenue sharing, unrestricted	14,269

Grants and contributions not restricted to specific purposes:

Minimum Foundation Program	2,050,906
Interest and investment earnings	6,007
Miscellaneous	253,427

Total general revenues and special items 5,625,197

Excess of expenses over revenues 3,563,143

Net position at beginning of year (14,588,854)

Net position at end of year \$ (11,025,711)

The accompanying notes are an integral part of the basic financial statements.

FUND
FINANCIAL STATEMENTS

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Balance Sheet - Governmental Funds
June 30, 2022

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General Fund	Special Revenue Funds					Other Governmental Funds	
		Food Service	Sales Tax	Title I	Education Excellence	Education Stabilization		
Assets								
Assets:								
Cash and cash equivalents	\$ 2,059,487	\$ 187,959	\$ 705,454	\$ -	\$ -	\$ -	\$ 95,567	\$ 3,048,467
Receivables	26,635	8,894	87,123	353,153	352	583,662	239,112	1,298,931
Inventory	-	12,695	-	-	-	-	-	12,695
Restricted investments	-	-	-	-	546,531	-	-	546,531
Interfund receivable	1,154,500	294,361	13,884	-	5,895	8,126	51,258	1,528,024
Total assets	\$ 3,240,622	\$ 503,909	\$ 806,461	\$ 353,153	\$ 552,778	\$ 591,788	\$ 385,937	\$ 6,434,648
Liabilities, deferred inflows, and fund balances								
Liabilities:								
Accounts payable	\$ 53,824	\$ 1,222	\$ 4,478	\$ 17,055	\$ -	\$ 46,215	\$ 15,639	\$ 138,433
Salaries and benefits payable	33,485	110,989	344,126	76,700	-	219,440	86,850	871,590
Unearned revenue	-	4,493	-	-	546,581	1,011	254	552,339
Interfund payable	357,976	198,139	214,617	259,398	6,197	325,122	166,575	1,528,024
Total liabilities	445,285	314,843	563,221	353,153	552,778	591,788	269,318	3,090,386
Fund balances:								
Nonspendable items	-	12,695	-	-	-	-	-	12,695
Restricted for:								
Debt service	-	-	-	-	-	-	5,248	5,248
Future salaries from sales tax proceeds	-	-	243,240	-	-	-	-	243,240
Capital improvements	-	-	-	-	-	-	3	3
School food service	-	176,371	-	-	-	-	-	176,371
Maintenance and operations	100,036	-	-	-	-	-	-	100,036
Grant programs	-	-	-	-	-	-	21,699	21,699
School activity funds	-	-	-	-	-	-	89,669	89,669
Unassigned	2,695,301	-	-	-	-	-	-	2,695,301
Total fund balances	2,795,337	189,066	243,240	-	-	-	116,619	3,344,262
Total liabilities, deferred inflows, and fund balances	\$ 3,240,622	\$ 503,909	\$ 806,461	\$ 353,153	\$ 552,778	\$ 591,788	\$ 385,937	\$ 6,434,648

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2022

Total fund balances for governmental funds at June 30, 2022		\$ 3,344,262
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Certain long-term assets are not reported in the fund financial statements because they are not available to pay current-period expenditures, but they are reported as assets in the statement of net position.		
Deferred outflows - pension related	\$ 1,465,287	1,465,287
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	309,540	
Capital assets, net of \$9,057,502 accumulated depreciation	2,844,694	3,154,234
Long-term liabilities are not reported in the fund financial statements because they are not due and payable in the current-period, but they are present as liabilities in the statement of net position.		
Long-term liabilities at June 30, 2022:		
Bond payable	(133,320)	
Compensated absences receivable and payable, net	(141,314)	
Other post retirement benefits	(9,973,312)	
Net pension liability	(3,257,329)	
Deferred inflows - pension related	(3,033,462)	
Deferred inflows - OPEB related	(2,450,155)	
Accrued interest payable	(602)	(18,989,494)
Total net position of governmental activities at June 30, 2022		\$ (11,025,711)

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2022

	Major Funds						Nonmajor	Total
	Special Revenue Funds						Other	
	General Fund	Food Service	Sales Tax	Title I	Education Excellence	Education Stabilization	Governmental Funds	
Revenues:								
Local sources:								
Ad valorem taxes	\$2,295,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,295,488
Sales and use taxes	-	-	1,005,100	-	-	-	-	1,005,100
Interest earnings	4,048	490	1,257	-	-	-	212	6,007
Food services	-	3,071	-	-	-	-	-	3,071
Other	131,382	175	-	-	-	-	121,871	253,428
State sources:								
Equalization	2,046,786	4,120	-	-	-	-	-	2,050,906
Other	42,199	-	-	-	6,195	-	80,066	128,460
Federal sources	-	389,270	-	749,267	-	2,167,927	533,703	3,840,167
Total revenues	<u>4,519,903</u>	<u>397,126</u>	<u>1,006,357</u>	<u>749,267</u>	<u>6,195</u>	<u>2,167,927</u>	<u>735,852</u>	<u>9,582,627</u>
Expenditures:								
Current:								
Instruction:								
Regular programs	1,663,343	-	347,544	19,545	6,195	449,426	89,262	2,575,315
Special education programs	410,154	-	91,364	-	-	1,025	108,902	611,445
Vocational educational programs	26,187	-	-	-	-	-	4,360	30,547
Other instructional programs	45,320	-	-	31,212	-	9,848	90,036	176,416
Special programs	17,346	-	14,497	324,937	-	34,023	35,185	425,988
Adult education programs	1,812	-	-	-	-	-	-	1,812
Support services:								
Student services	106,278	-	46,948	440	-	301,152	173,801	628,619
Instructional staff support	150,664	-	42,347	294,487	-	77,044	91,379	655,921
General administration	539,047	-	43,833	-	-	9,336	-	592,216
School administration	282,865	-	69,717	-	-	-	34,461	387,043
Business services	290,396	-	42,893	-	-	-	-	333,289
Plant services	550,898	-	45,032	-	-	343,877	12,219	952,026
Student transportation services	441,307	-	45,917	-	-	8,130	-	495,354
Central services	29,523	-	-	-	-	155,922	4,935	190,380
Food services	-	421,228	29,322	-	-	-	-	450,550
Capital outlay	33,117	47,978	-	-	-	422,143	-	503,238
Debt service	-	-	-	-	-	-	69,360	69,360
Total expenditures	<u>4,588,257</u>	<u>469,206</u>	<u>819,414</u>	<u>670,621</u>	<u>6,195</u>	<u>1,811,926</u>	<u>713,900</u>	<u>9,079,519</u>
Excess (deficiency) of revenues over expenditures	(68,354)	(72,080)	186,943	78,646	-	356,001	21,952	503,108
Other financing sources (uses):								
Transfers in	487,520	-	-	-	-	-	76,233	563,753
Transfers out	(76,233)	-	-	(78,646)	-	(356,001)	(52,873)	(563,753)
Total other financing sources (uses)	<u>411,287</u>	<u>-</u>	<u>-</u>	<u>(78,646)</u>	<u>-</u>	<u>(356,001)</u>	<u>23,360</u>	<u>-</u>
Net change in fund balances	342,933	(72,080)	186,943	-	-	-	45,312	503,108
Beginning fund balances	<u>2,452,404</u>	<u>261,146</u>	<u>56,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,307</u>	<u>2,841,154</u>
Ending fund balances	<u>\$2,795,337</u>	<u>\$ 189,066</u>	<u>\$ 243,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,619</u>	<u>\$ 3,344,262</u>

The accompanying notes are an integral part of 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
For the Year Ended June 30, 2022

Total net change in fund balances - governmental funds	\$	503,108
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The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 503,238		
Depreciation expense for the year ended June 30, 2022	(201,704)		301,534

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal payments			66,660
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Government funds do not report changes in long-term liabilities as expenditures. However, the following changes in long-term liabilities do appear in the Statement of Activities since the liabilities are reported on the Statement of Net Position

Change in compensated absences	(26,924)		
Change in other post-employment benefits and related deferrals	1,398,125		
Change in net pension liability and related deferrals	1,320,346		2,691,547

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

Change in accrued interest payable			294
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Change in net position of governmental activities	\$	3,563,143
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The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

The Tensas Parish School Board (“School Board”) was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Tensas Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 7 members who are elected from 7 districts for terms of four years.

The School Board operates 2 schools within the parish with a total enrollment of approximately 350 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

B. BASIS OF PRESENTATION

The accompanying financial statements of the 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.

Government-Wide Financial Statements (“GWFS”)

The Statement of Net Position and the Statement of Activities display information about the School Board as a whole. They include all funds of the School Board, which are considered to be governmental activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the School Board’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the School Board, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. BASIS OF PRESENTATION – (Continued)

Fund Financial Statements (FFS) – (Continued)

Funds of the School Board are classified as governmental and a description of each existing fund type follow:

Governmental Funds

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

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

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board.

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

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

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – (Continued)

Fund Financial Statements (FFS)

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

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School Board reports the General Fund, the Food Service Fund, the Sales Tax Fund, the Title I Fund, the ESSER Fund, and the Education Excellence Fund as its major governmental funds. The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Food Service Fund includes the school meal preparation operations and is primarily funded via federal school nutrition programs. The Sales Tax Fund is used to account for sales tax collections that are to be used for salaries and benefits. Title I is a federally-funded program to provide financial assistance to local educational agencies to help children from low-income families meet challenging state academic standards. The Elementary and Secondary School Emergency Relief Fund ("ESSER") is a Federal program to address the impact of COVID-19 on school districts. The Education Excellence Fund reflects the School Board's interest in the state's Education Excellence Fund (see Note 4).

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

Revenues

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – (Continued)

Fund Financial Statements (FFS) – (Continued)

Expenditures

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

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

Other Financing Sources (Uses)

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

D. ENCUMBRANCES

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

E. CASH AND CASH EQUIVALENTS

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

G. INVENTORIES

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

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

H. PREPAID ITEMS

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

I. CAPITAL ASSETS

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	10 - 40 years
Furniture and fixtures	7 - 10 years
Buses	10 years
Equipment	5-10 years

J. LONG-TERM LIABILITIES

All long-term liabilities to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term liabilities consist of bonded debt, compensated absences payable, other post-retirement benefits and net pension liability.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES – (Continued)

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

L. COMPENSATED ABSENCES

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

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

The School Board records a liability for leave in accordance with GASB Statement 16, *Accounting for Compensated Absences*. The liability for vacation leave is calculated for each employee as the number of vacation leave days available at year end times the employee’s current daily wage rate. For sick leave, the School Board makes the assumption that employees who have a minimum experience of ten years will become eligible in the future to receive their accrued sick leave and for those with less than ten years that 30% will become eligible.

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

M. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

N. ESTIMATES

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

O. INTERFUND TRANSACTIONS

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

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. PENSIONS

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

R. 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.

S. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

For the year ended June 30, 2022, the School Board's office implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

S. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS – (Continued)

The implementation of GASB Statement No. 87 had no effect on net position as reported as June 30, 2021.

The School Board has adopted the accounting policy election of not recognizing right-of-use assets and lease liabilities arising from short-term leases, 12-month or less, for any class of underlying assets.

2. LEVIED TAXES

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

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

Total assessed value was \$63,179,434 in calendar year 2021. 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 \$5,140,410 of the assessed value in calendar year 2021.

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, 2021. The tax roll is prepared by the parish tax assessor in November of each year. The collection of the property taxes occurs in December, and January and February of the following year. As a result, substantially no property taxes are reflected as receivable for the 2021 levy on the accompanying balance sheet because most are not available within 60 days of the School Board’s year-end.

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

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

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Constitutional	5.44	5.44	N/A
Special Maintenance	8.45	8.45	2032
District 3, Special Maintenance	11.84	11.84	2029
District 3, Parish-wide	12.09	12.09	2035

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

3. DEPOSITS

At June 30, 2022, the School Board has cash and interest-bearing deposits (book balances) as follows:

	Governmental Activities
Deposits in banks	\$ 2,948,155
Certificate of deposit	100,312
Total	\$ 3,048,467

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

At June 30, 2022, the School Board has \$3,093,716 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$851,024 of federal deposit insurance and \$3,223,474 of pledged securities held by the custodial bank in the name of the School Board. The deposits covered by insurance and pledged securities are not considered subject to custodial credit risk according to GASB Statement No. 3.

4. RESTRICTED INVESTMENTS HELD BY OTHERS

The School Board participates in the Louisiana State Treasury's Education Excellence Fund (EEF), which is a special fund, similar to an external local government investment pool, established within the Millennium Trust, a special permanent trust of the State of Louisiana, pursuant to the Louisiana Constitution Article 1, Section 10.8. In accordance with GASB Statement 40, Deposits and Investment Risk Disclosures, the investment in EEF at year end is excluded from custodial credit risk disclosures provided by this statement because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Also, investments in a pool of funds of this nature are not subject to concentration of credit risk or interest rate risk disclosures. The EEF is administered by the Louisiana State Treasury through an investment agreement pursuant to La. R.S. 39:99. Only school boards that have executed investment agreements pursuant to La. R.S. 39:99 have an investment interest in the fund's pool of assets. Pursuant to La. R.S. 39:99 C (1), the State guarantees the principal invested in this fund by the School System. The primary objective of the EEF is to provide a safe environment for the placement of certain local school board monies associated with tobacco company settlements. The monies invested in EEF by the treasurer are done so with the same authority and subject to the same restrictions as the Louisiana Education Quality Trust Fund pursuant to La. R.S. 17:3803. According to Louisiana Constitution Article 7, Section 10.8 (C)(g) no funds may be distributed to the School System from the EEF until an annual plan has been submitted and receives both legislative and Department of Education approval as provided by law. Investments held in trust with the Louisiana State Treasurer for EEF at year end was \$546,531.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

5. RECEIVABLES

The receivables of \$1,298,931 at June 30, 2022, are as follows:

Class of Receivable	General Fund	Food Service Fund	Sales Tax Fund	Title I Fund	Education Excellence	Education Stabilization	Non-Major Funds	Total
Taxes:								
Sales	\$ -	\$ -	\$ 87,123	\$ -	\$ -	\$ -	\$ -	\$ 87,123
Ad valorem	16,086	-	-	-	-	-	-	16,086
Intergovernmental:								
Federal	-	8,894	-	353,153	-	583,662	200,265	1,145,974
State	-	-	-	-	352	-	38,847	39,199
Other	10,549	-	-	-	-	-	-	10,549
Total	\$ 26,635	\$ 8,894	\$ 87,123	\$353,153	\$ 352	\$583,662	\$239,112	\$1,298,931

6. CAPITAL ASSETS

The changes in capital assets follow:

	Balance, Beginning of Year	Additions	Deletions	Transfers	Balance, End of Year
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 309,540	\$ -	\$ -	\$ -	\$ 309,540
Construction in progress	30,270	-	-	(30,270)	-
	<u>339,810</u>	<u>-</u>	<u>-</u>	<u>(30,270)</u>	<u>309,540</u>
Capital assets being depreciated:					
Buildings and improvements	10,305,417	424,014	-	30,270	10,759,701
Furniture and equipment	1,063,270	79,224	-	-	1,142,494
	<u>11,368,687</u>	<u>503,238</u>	<u>-</u>	<u>30,270</u>	<u>11,902,195</u>
Less accumulated depreciation:					
Buildings and improvements	(8,139,176)	(150,547)	-	-	(8,289,723)
Furniture and equipment	(716,622)	(51,157)	-	-	(767,779)
	<u>(8,855,798)</u>	<u>(201,704)</u>	<u>-</u>	<u>-</u>	<u>(9,057,502)</u>
Total capital assets being depreciated, net	<u>2,512,889</u>	<u>301,534</u>	<u>-</u>	<u>30,270</u>	<u>2,844,693</u>
Governmental activities capital assets, net	<u>\$ 2,852,699</u>	<u>\$ 301,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,154,233</u>

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

6. CAPITAL ASSETS – (Continued)

Depreciation expense of \$201,704 for the year ended June 30, 2022, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 123,483
Special Education	6,984
Other instructional	6,793
Support Services:	
Instructional staff support	6,103
General administration	1,219
School administration	1,153
Plant services	14,166
Student Transportation Services	19,621
School Food Services	22,182
Total	\$ 201,704

7. RETIREMENT SYSTEMS

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

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

A. TEACHERS’ RETIREMENT SYSTEM OF LOUISIANA (TRSL)

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

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

A. TEACHERS’ RETIREMENT SYSTEM OF LOUISIANA (TRSL) – (Continued)

1) Normal Retirement

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

- Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.
- Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

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

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

2) Deferred Retirement Option Plan (DROP)

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

A. TEACHERS' RETIREMENT SYSTEM OF LOUISIANA (TRSL) – (Continued)

3) Disability Benefits

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

4) Survivor Benefits

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

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

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

5) Cost of Living Adjustments

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

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

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

A. TEACHERS’ RETIREMENT SYSTEM OF LOUISIANA (TRSL) – (Continued)

The rates in effect during the fiscal year ended June 30, 2022, are as follows:

TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	25.2%
Higher Ed Regular Plan	8.0%	24.5%
Plan A	9.1%	25.2%
Plan B	5.0%	25.2%

The School Board’s contractually required composite contribution rate for the year ended June 30, 2022, was 25.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The School Board’s contributions to TRSL for the years ending June 30, 2022, 2021, and 2020, were \$791,323, \$698,215, and \$686,165, respectively, equal to the required contributions for each year.

B. LOUISIANA SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (LSERS)

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

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

1) Normal Retirement

A member who joined the System on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

B. LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LSERS) – (Continued)

For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the System on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

2) Deferred Retirement Option Plan (DROP)

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

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

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

3) Disability Benefits

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

B. LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LSERS) – (Continued)

4) Initial Benefit Retirement Plan (IBRP)

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

Contributions. The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Plan members are required to contribute 7.5% (8.0% for members hired after July 1, 2010) of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 28.7% of annual covered payroll. Contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is set by state statute at the greater of 6% or the actuarially determined required rate. Since the statutory rate has been significantly greater than the actuarially required rate in recent years, employers have accumulated a contribution credit. As such, the School Board's contributions to the LSERS for the years ending June 30, 2022, 2021, and 2020, were \$97,634, \$80,601, and \$84,727, respectively, which is equal to the required contributions each year.

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

At June 30, 2022, the School Board reported liability of \$3,257,329 (\$2,730,621 and \$526,708, respectively, for TRSL and LSERS) for its proportionate share of the Net Pension Liability for both plans. The Net Pension Liabilities were measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Obligation for each plan was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the School Board's proportion was .05115% for TRSL and 0.11081% for LSERS, which represented a decrease of .00133 percentage points for TRSL and an increase of .02829 percentage points for LSERS from its proportions measured as of June 30, 2020.

For the year ended June 30, 2022, the School Board recognized pension benefit of \$431,385 (\$388,000 and \$43,385), respectively, for TRSL and LSERS).

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,339	\$ 48,942
Changes of assumptions	283,162	-
Net difference between projected and actual earnings on pension plan investments	-	2,043,639
Changes in proportion	267,829	940,882
Contributions subsequent to the measurement date	888,957	-
Total	\$ 1,465,287	\$ 3,033,463

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teachers' Retirement System	\$ 1,203,725	\$ 2,705,880
School Employees' Retirement System	261,562	327,583
Total	\$ 1,465,287	\$ 3,033,463

The School Board reported \$888,957 as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date of June 30, 2022, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Teachers' Retirement System	\$ 791,323
School Employees' Retirement System	97,634
Total	\$ 888,957

TENSAS PARISH SCHOOL BOARD
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 Notes to the Financial Statements
 For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

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

Year	TRSL	LSERS	Total
2023	\$ (561,394)	\$ 719,316	\$ 157,922
2024	(567,011)	35,948	(531,063)
2025	(500,194)	(48,289)	(548,483)
2026	(567,266)	(79,286)	(646,552)
	<u>\$ (2,195,865)</u>	<u>\$ 627,689</u>	<u>\$ (1,568,176)</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the June 30, 2021 valuation date, are as follows:

System	TRSL	LSERS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Expected Remaining Service Lives	5 years, closed period	3 years, closed period
Investment rate of return	7.40% net of investment expenses.	6.90% net of investment expenses.
Inflation rate	2.3% per annum	2.5% per annum
Projected salary increases	3.1% - 4.6% varies depending on duration of service	3.25%
Cost-of-living adjustments	Not substantively automatic	Not substantively automatic
Mortality	Active members - 'RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females	RP-2014 Sex Distinct Employee Tables, RP-2014 Healthy Annuitant Tables RP-2014 Disabled Lives Mortality Table for males and females, with full generational MP2017 scale
Termination, Disability, Retirement	2012-2017 experience study	2012-2017 experience study

TENSAS PARISH SCHOOL BOARD
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 Notes to the Financial Statements
 For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

Best estimates of arithmetic real rates of return by system for each major asset class included in the pension plan’s target asset allocation as of the June 30, 2021 valuation date, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
TRSL		
Domestic equity	27%	4.21%
International equity	19%	5.23%
Domestic fixed income	13%	0.44%
International fixed income	6%	0.56%
Private assets	26%	8.48%
Other private assets	10%	4.27%
	<u>100%</u>	<u>23%</u>
LSERS		
Fixed income	26%	0.76%
Equity	39%	2.84%
Alternatives	23%	1.87%
Real etate	12%	0.60%
Totals	<u>100%</u>	<u>6.07%</u>
Inflation		<u>2.10%</u>
Expected arithmetic nominal return		<u>8.17%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL and LSERS was 7.40% and 6.90%, respectively, for the year ended June 30, 2021.

The TRSL discount rate used in the June 30, 2021 net pension liability valuation was decreased from the 7.45% used in the June 30, 2020 valuation to 7.40%. The LSERS discount rate used in the June 30, 2021, net pension liability valuation was decreased from the 7.00% used in the June 30, 2020 valuation to 6.90%.

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

7. RETIREMENT SYSTEMS – (Continued)

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

The following presents the School Board’s proportionate share of the Net Pension Liability using the discount rate of each system as well as what the School Board’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each system:

	1% Decrease 6.4%	Current Discount Rate 7.4%	1% Increase 8.4%
TRSL			
Employer's proportionate share of the net pension liability	\$ 4,518,902	\$ 2,730,621	\$ 1,226,490
	1% Decrease 5.9%	Current Discount Rate 6.9%	1% Increase 7.9%
LSERS			
Employer's proportionate share of the net pension liability	\$ 811,158	\$ 526,708	\$ 283,565

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$22,070 for its participation in TRSL.

Payables to the Pension Plan

The School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2022, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. At June 30, 2022, \$277,460 and \$114,734 were payable to TRSL and LSERS, respectively.

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

8. INTERFUND ACTIVITIES

The following is a summary of interfund receivables and payables at June 30, 2022:

<u>Receivable Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Food Service Fund	\$ 198,139
General Fund	Title I Fund	259,398
General Fund	Education Stabilization Fund	317,720
General Fund	Non-major funds	163,961
General Fund	Sales Tax Fund	214,617
Education Excellence	General Fund	5,895
Education Stabilization Fund	General Fund	6,373
Food Service Fund	General Fund	294,452
Non-major funds	General Fund	51,545
Sales Tax Fund	Education Excellence	6,195
Education Stabilization Fund	Education Excellence	7,689
Education Stabilization Fund	Non-major funds	2,040
		<u>\$ 1,528,024</u>

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

The following is a summary of interfund transfers for the year ended June 30, 2022:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Title I Fund	\$ 78,646
General Fund	Education Stabilization Fund	356,001
General Fund	Non-major funds	52,873
Non-major funds	General Fund	76,233
		<u>\$ 563,753</u>

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

9. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonded debt	\$ 199,980	\$ -	\$ (66,660)	\$ 133,320	\$ 66,660
Compensated absences	114,390	144,775	(117,851)	141,314	141,314
OPEB	13,172,476	778,812	(3,977,976)	9,973,312	-
Net pension liability	6,501,140	-	(3,243,811)	3,257,329	-
Total	<u>\$ 19,987,986</u>	<u>\$ 923,587</u>	<u>\$ (7,406,298)</u>	<u>\$ 13,505,275</u>	<u>\$ 207,974</u>

Revenue Bonds

Revenue bonds outstanding at June 30, 2022, are as follows:

	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Current Portion
Bond Issue Series 2009, Taxable QSCB	\$ 1,000,000	1.35%	2024	\$ 5,400	\$ 133,320	\$ 66,660

The Series 2009 Taxable QSCB bonds were sold in a private placement. All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish.

At June 30, 2022, the School Board has accumulated \$5,248 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2023	\$ 66,660	\$ 1,800	\$ 68,460
2024	66,660	900	67,560
Total	<u>\$ 133,320</u>	<u>\$ 2,700</u>	<u>\$ 136,020</u>

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2022, the statutory limit is approximately \$30 million.

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.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

10. DEFERRED COMPENSATION PLAN – (Continued)

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

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

11. LEASES

The School Board has entered into various operating leases for office equipment and buses. Total rental expense under these leases for the year ended June 30, 2022 was \$136,260. The schedule by year of future minimum lease payments as of June 30, 2022 is as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ 76,644

12. EQUITY RESTRICTIONS

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

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

13. RISK MANAGEMENT

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

14. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES

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

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

14. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES – (Continued)

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

15. OTHER POST-EMPLOYMENT BENEFITS

The School Board recognizes the cost of other post-employment benefits (OPEB) in the year when employee services are received, recognizes a liability for OPEB obligations, on the statement of net position, and provides information useful in assessing potential demands on the School Board’s future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

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

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

The plan is currently financed on a pay-as-you-go basis, with the School Board contributing \$551,663 for 60 active employees and 66 retirees and \$457,048 for 55 active employees and 79 retirees during the years June 30, 2022 and 2021, respectively.

Total OPEB Liability

The School Board’s total OPEB liability of \$9,973,312 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate	3.54%
Health care cost trend rates	4.50%

The discount rate used to calculate total OPEB liability was 3.54%, which was based on the Bond Pay GO-20 bond index. For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2021.

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

15. OTHER POST-EMPLOYMENT BENEFITS – (Continued)

Changes in total OPEB liability are as follows:

Total OPEB liability at beginning of year	\$ 13,172,476
Changes during year:	
Service cost	483,119
Interest on the total OPEB liability	295,693
Annual OPEB cost	778,812
Adjustments:	
Changes in assumptions	(2,106,729)
Experience	(1,319,584)
Current year premiums paid	(551,663)
Net change in total OPEB liability	(3,199,164)
 Total OPEB liability at end of year	 \$ 9,973,312

Total OPEB expense was \$(846,462) for the year ended June 30, 2022.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ (1,506,521)
Difference between expected and actual experience	-	(943,634)
	\$ -	\$ (2,450,155)

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

Year Ending June 30,	
2023	\$ (976,158)
2024	(976,158)
2025	(497,839)
	\$ (2,450,155)

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

15. OTHER POST-EMPLOYMENT BENEFITS – (Continued)

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

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	\$ 11,388,843	\$ 9,973,312	\$ 8,819,520

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

	1% Decrease 3.50%	Assumed Rate 4.50%	1% Increase 5.50%
Total OPEB liability	\$ 8,819,875	\$ 9,973,312	\$ 11,399,431

16. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

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

The Tensas Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2022 the Tax Collector paid the Teacher's Retirement System of Louisiana \$72,807. These amounts are reflected in the financial statements for the General Fund.

17. RISKS AND UNCERTAINTIES

The School Board is at risk for property damage, liability, and theft which are covered by insurance policies. The School Board is also fully insured for workers compensation. Settled claims did not exceed commercial insurance in fiscal year 2022. Management believes that such coverage is sufficient to preclude any significant uninsured losses to the School Board.

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.

TENSAS PARISH SCHOOL BOARD
 St. Joseph, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2022

18. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following fund incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2022:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Title I Fund	\$655,072	\$670,621	\$15,549

19. ECONOMIC DEPENDENCY

The state's Minimum Foundation Program (MFP) provides funding to all public school systems in Louisiana and is primarily based on October 1 student count. The state provided \$2,050,906 to the school board, which represents approximately 21% of the School Board's total revenue for the year. Due to declining student counts over the last two years, MFP funding to Tensas Parish School Board decreased by approximately \$277,000 compared to prior year. Additional decreases in student count could have a significant impact on state funding.

Federal revenues accounts for \$3,840,167 (40%) of total revenues.

REQUIRED SUPPLEMENTARY
INFORMATION

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Revenues:				
Local sources:				
Ad valorem taxes	\$ 2,296,967	\$ 2,243,147	\$ 2,295,488	\$ 52,341
Interest earnings	1,017	4,557	4,048	(509)
Other	136,569	170,063	131,382	(38,681)
State sources:				
Equalization	2,130,000	2,050,908	2,046,786	(4,122)
Other	14,542	14,579	42,199	27,620
Total revenues	4,579,095	4,483,254	4,519,903	36,649
Expenditures:				
Current:				
Instruction:				
Regular programs	1,592,418	1,714,659	1,663,343	(51,316)
Special education programs	497,169	421,417	410,154	(11,263)
Vocational educational programs	22,172	27,883	26,187	(1,696)
Other instructional programs	43,030	48,077	45,320	(2,757)
Special programs	26,031	17,362	17,346	(16)
Adult education programs	7,491	1,483	1,812	329
Support services:				
Student services	100,423	107,759	106,278	(1,481)
Instructional staff support	175,022	141,952	150,664	8,712
General administration	492,871	629,842	539,047	(90,795)
School administration	279,987	291,592	282,865	(8,727)
Business services	296,285	300,338	290,396	(9,942)
Plant services	600,066	559,220	550,898	(8,322)
Student transportation services	348,447	414,552	441,307	26,755
Central services	-	30,999	29,523	(1,476)
Capital outlay	135,000	-	33,117	33,117
Total expenditures	4,616,412	4,707,135	4,588,257	(118,878)
Excess (deficiency) of revenues over expenditures	(37,317)	(223,881)	(68,354)	(82,229)
Other financing sources (uses)				
Transfers in	215,000	485,126	487,520	2,394
Transfers out	(74,637)	(72,828)	(76,233)	(3,405)
Total other financing sources (uses)	140,363	412,298	411,287	(1,011)
Net change in fund balance	103,046	188,417	342,933	(83,240)
Fund balance - beginning of year	2,452,404	2,452,404	2,452,404	-
Fund balance - end of year	\$ 2,555,450	\$ 2,640,821	\$ 2,795,337	\$ (83,240)

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Budgetary (GAAP Basis) Comparison Schedule
Food Service Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Interest earnings	\$ 150	\$ 490	\$ 490	\$ -
Food services	3,250	3,071	3,071	-
Other	-	175	175	-
State sources:				
Equalization	4,500	4,120	4,120	-
Federal sources	217,325	387,494	389,270	1,776
Total revenues	<u>225,225</u>	<u>395,350</u>	<u>397,126</u>	<u>1,776</u>
Expenditures:				
Current:				
Support services:				
Food services	362,342	469,205	421,228	(47,977)
Capital outlay			47,978	47,978
Total expenditures	<u>362,342</u>	<u>469,205</u>	<u>469,206</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	(137,117)	(73,855)	(72,080)	1,777
Fund balance - beginning of year	<u>261,146</u>	<u>261,146</u>	<u>261,146</u>	<u>-</u>
Fund balance - end of year	<u>\$ 124,029</u>	<u>\$ 187,291</u>	<u>\$ 189,066</u>	<u>\$ 1,777</u>

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

TENSAS PARISH SCHOOL BOARD

St. Joseph, Louisiana

Budgetary (GAAP Basis) Comparison Schedule
Sales Tax Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Sales and use taxes	\$ 822,419	\$ 1,005,100	\$ 1,005,100	\$ -
Interest earnings	760	1,257	1,257	-
Total revenues	823,179	1,006,357	1,006,357	-
Expenditures:				
Current:				
Instruction:				
Regular programs	251,733	347,544	347,544	-
Special education programs	115,370	91,365	91,364	(1)
Special programs	25,181	14,497	14,497	-
Support services:				
Student services	56,474	46,944	46,948	4
Instructional staff support	37,018	42,349	42,347	(2)
General administration	39,555	43,833	43,833	-
School administration	69,212	69,719	69,717	(2)
Business services	42,725	42,892	42,893	1
Plant services	39,280	45,032	45,032	-
Student transportation services	34,284	45,917	45,917	-
Food services	26,562	29,322	29,322	-
Total expenditures	737,394	819,414	819,414	-
Excess (deficiency) of revenues over expenditures	85,785	186,943	186,943	-
Other financing sources (uses)				
Operating transfers out	(25,000)	(31,500)	-	31,500
Total other financing sources (uses)	(25,000)	(31,500)	-	31,500
Net change in fund balance	60,785	155,443	186,943	31,500
Fund balance - beginning of year	56,297	56,297	56,297	-
Fund balance - end of year	\$ 117,082	\$ 211,740	\$ 243,240	\$ 31,500

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Budgetary (GAAP Basis) Comparison Schedule
Title I Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Revenues:				
Federal sources	\$ 665,190	\$ 731,259	\$ 749,267	\$ (18,008)
Total revenues	<u>665,190</u>	<u>731,259</u>	<u>749,267</u>	<u>(18,008)</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	1,458	15,050	19,545	4,495
Other instructional programs	34,999	11,621	31,212	19,591
Special programs	295,528	310,183	324,937	14,754
Support services:				
Student services	24,825	23,734	440	(23,294)
Instructional staff support	241,833	294,484	294,487	3
Total expenditures	<u>598,643</u>	<u>655,072</u>	<u>670,621</u>	<u>15,549</u>
Excess (deficiency) of revenues over expenditures	<u>66,547</u>	<u>76,187</u>	<u>78,646</u>	<u>(2,459)</u>
Other financing sources (uses)				
Transfers out	<u>(66,547)</u>	<u>(76,187)</u>	<u>(78,646)</u>	<u>(2,459)</u>
Total other financing sources (uses)	<u>(66,547)</u>	<u>(76,187)</u>	<u>(78,646)</u>	<u>(2,459)</u>
Net change in fund balance	-	-	-	(4,918)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,918)</u>

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Budgetary (GAAP Basis) Comparison Schedule
Education Stabilization Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Revenues:				
Federal sources	\$ 5,779,481	\$ 2,381,254	\$ 2,167,927	\$ (213,327)
Total revenues	<u>5,779,481</u>	<u>2,381,254</u>	<u>2,167,927</u>	<u>(213,327)</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	2,523,681	394,518	449,426	54,908
Special education programs	3,917	4,942	1,025	(3,917)
Other instructional programs	399,923	2,225	9,848	7,623
Special programs	20,248	11,535	34,023	22,488
Support services:				-
Student services	805,495	535,824	301,152	(234,672)
Instructional staff support	240,343	56,410	77,044	20,634
General administration	-	9,336	9,336	-
Plant services	429,066	720,610	343,877	(376,733)
Student transportation services	231,707	8,130	8,130	-
Central services	-	161,492	155,922	(5,570)
Capital outlay	-	84,437	422,143	337,706
Total expenditures	<u>4,654,380</u>	<u>1,989,459</u>	<u>1,811,926</u>	<u>(177,533)</u>
Excess (deficiency) of revenues over expenditures	1,125,101	391,795	356,001	(390,860)
Other financing sources (uses)				
Operating transfers out	(1,125,100)	(391,794)	(356,001)	35,793
Total other financing sources (uses)	<u>(1,125,100)</u>	<u>(391,794)</u>	<u>(356,001)</u>	<u>35,793</u>
Net change in fund balance	1	1	-	(355,067)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (355,067)</u>

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

TENSAS PARISH SCHOOL BOARD

St. Joseph, Louisiana

Budgetary (GAAP Basis) Comparison Schedule
 Education Excellence Fund
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Revenues:				
Local sources:				
Other	\$ 7,606	\$ 6,245	\$ 6,195	\$ (50)
Total revenues	7,606	6,245	6,195	(50)
Expenditures:				
Current:				
Instruction:				
Regular programs	-	-	6,195	6,195
Special programs	-	6,195	-	(6,195)
Support services:				
Student services	7,604	-	-	-
Total expenditures	7,604	6,195	6,195	-
Excess (deficiency) of revenues over expenditures	2	50	-	(50)
Other financing sources (uses)				
Operating transfers out	-	(50)	-	50
Total other financing sources (uses)	-	(50)	-	50
Net change in fund balance	2	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ 2	\$ -	\$ -	\$ -

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 783,487	\$ 813,886	\$ 813,886	\$ 483,119	\$ 483,119
Interest on total OPEB liability	506,318	507,003	571,408	289,758	295,693
Experience (gain)/loss	-	-	(3,020,071)	-	(1,319,584)
Assumption changes	-	-	806,817	-	(2,106,729)
Benefit payments	(484,660)	(492,645)	(457,048)	(457,048)	(551,663)
Net change in OPEB liability	805,145	828,244	(1,285,008)	315,829	(3,199,164)
Total OPEB liability, beginning	12,508,266	13,313,411	14,141,655	12,856,647	13,172,476
Total OPEB liability, ending	<u>\$ 13,313,411</u>	<u>\$ 14,141,655</u>	<u>\$ 12,856,647</u>	<u>\$ 13,172,476</u>	<u>\$ 9,973,312</u>
Covered payroll	<u>\$ 2,595,413</u>	<u>\$ 2,595,413</u>	<u>\$ 1,786,596</u>	<u>\$ 1,786,596</u>	<u>\$ 2,063,188</u>
Total OPEB liability as a percentage of covered payroll	<u>513.0%</u>	<u>544.9%</u>	<u>719.6%</u>	<u>737.3%</u>	<u>483.4%</u>
OPEB plan fiduciary net position as a percentage of total OPEB liability	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

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

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

TENSAS PARISH SCHOOL BOARD

St. Joseph, Louisiana

Schedule of Employer's Proportionate Share
of Net Pension Liability

Measurement Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Proportionate Share of NPL as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
TRSL:					
06/30/21	0.051150%	\$ 2,730,621	\$3,140,171	87%	83.9%
06/30/20	0.052480%	\$ 5,838,095	\$2,706,260	216%	65.6%
06/30/19	0.058140%	\$ 5,769,993	\$2,639,096	219%	68.6%
06/30/18	0.064930%	\$ 6,381,432	\$2,942,468	217%	68.2%
06/30/17	0.069821%	\$ 7,157,963	\$3,375,560	212%	65.6%
06/30/16	0.072370%	\$ 8,494,175	\$3,514,951	242%	59.9%
06/30/15	0.080075%	\$ 8,609,886	\$3,866,967	223%	62.5%
06/30/14	0.080820%	\$ 8,261,270	\$3,938,576	210%	63.7%
LSERS:					
06/30/21	0.11081%	\$ 526,708	\$ 340,188	155%	82.5%
06/30/20	0.08252%	\$ 663,045	\$ 280,840	236%	69.7%
06/30/19	0.13071%	\$ 915,072	\$ 288,187	318%	73.4%
06/30/18	0.14272%	\$ 953,592	\$ 317,728	300%	75.0%
06/30/17	0.14384%	\$ 920,471	\$ 411,691	224%	75.0%
06/30/16	0.13498%	\$ 1,018,225	\$ 385,804	264%	70.1%
06/30/15	0.13341%	\$ 846,014	\$ 383,394	221%	74.5%
06/30/14	0.13960%	\$ 809,506	\$ 384,100	211%	76.2%

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Employer Contributions to Pension Plans

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
TRSL:					
2022	\$ 791,323	\$ 791,323	\$ -	\$ 3,140,171	25.2%
2021	\$ 698,215	\$ 698,215	\$ -	\$ 2,706,260	25.8%
2020	\$ 686,165	\$ 686,165	\$ -	\$ 2,639,096	26.0%
2019	\$ 785,639	\$ 785,639	\$ -	\$ 2,942,468	26.7%
2018	\$ 897,899	\$ 897,899	\$ -	\$ 3,375,560	26.6%
2017	\$ 896,312	\$ 896,312	\$ -	\$ 3,514,951	25.5%
2016	\$ 1,013,412	\$ 1,013,412	\$ -	\$ 3,866,967	26.2%
2015	\$ 1,087,047	\$ 1,087,047	\$ -	\$ 3,938,576	27.6%
LSERS:					
2022	\$ 97,634	\$ 97,634	\$ -	\$ 340,188	28.7%
2021	\$ 80,601	\$ 80,601	\$ -	\$ 280,840	28.7%
2020	\$ 84,727	\$ 84,727	\$ -	\$ 288,187	29.4%
2019	\$ 87,693	\$ 87,693	\$ -	\$ 317,728	27.6%
2018	\$ 113,627	\$ 113,627	\$ -	\$ 411,691	27.6%
2017	\$ 116,513	\$ 116,513	\$ -	\$ 385,804	30.2%
2016	\$ 115,785	\$ 115,785	\$ -	\$ 383,394	30.2%
2015	\$ 126,753	\$ 126,753	\$ -	\$ 384,100	33.0%

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

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2022

1. BUDGETS

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

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

2. PENSION PLANS

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Amounts reported in fiscal year ended June 30, 2022 for School Board’s Pension in the TRSL reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for TRSL was reduced by 0.05% to 7.40% as of the valuation date June 30, 2021. Other changes are as follows:

Valuation Date	June 30, 2021	June 30, 2020
Investment Rate of Return	7.40%	7.45%

Amounts reported in fiscal year ended June 30, 2022 for School Board’s Pension in the LSERS reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for TRSL was reduced by 0.10% to 6.90% as of the valuation date June 30, 2021. Other changes are as follows:

Valuation Date	June 30, 2021	June 30, 2020
Investment Rate of Return	6.90%	7.00%

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2022

3. OPEB PLAN

Changes of Benefit Terms –

There were no changes of benefit terms for the year ended June 30, 2022.

Changes of Assumptions –

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Discount	3.54%	2.16%	2.21%
Mortality	MP-2021	MP-2018	MP-2018
Trend	4.50%	4.50%	4.50%

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

OTHER SUPPLEMENTARY INFORMATION

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Combining Balance Sheet - Nonmajor Funds by Type
June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Totals
Assets				
Cash and cash equivalents	\$ 89,669	\$ 650	\$ 5,248	\$ 95,567
Receivables	239,112	-	-	239,112
Interfund receivable	51,258	-	-	51,258
Total assets	\$ 380,039	\$ 650	\$ 5,248	\$ 385,937
Liabilities, deferred inflows, and fund balances				
Liabilities:				
Accounts payable	\$ 15,639	\$ -	\$ -	\$ 15,639
Salaries and benefits payable	86,850	-	-	86,850
Interfund payable	165,928	647	-	166,575
Total liabilities	268,417	647	-	269,064
Deferred inflows of resources:				
Deferred revenue	254	-	-	254
Fund equity:				
Fund balances:				
Restricted	111,368	3	5,248	116,619
Total liabilities, deferred inflows, and fund balances	\$ 380,039	\$ 650	\$ 5,248	\$ 385,937

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Funds by Type
For the Year Ended June 30, 2022

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Totals
Revenues:				
Interest earnings	\$ 204	\$ -	\$ 8	\$ 212
Local sources	121,871	-	-	121,871
State sources	80,066	-	-	80,066
Federal sources	533,703	-	-	533,703
Total revenues	<u>735,844</u>	<u>-</u>	<u>8</u>	<u>735,852</u>
Expenditures:				
Current:				
Instruction:				
Regular programs	89,262	-	-	89,262
Special education programs	108,902	-	-	108,902
Vocational educational programs	4,360	-	-	4,360
Other instructional programs	90,036	-	-	90,036
Special programs	35,185	-	-	35,185
Support services:				
Student services	173,801	-	-	173,801
Instructional staff support	91,379	-	-	91,379
School administration	34,461	-	-	34,461
Plant services	12,219	-	-	12,219
Central services	4,935	-	-	4,935
Debt service	-	-	69,360	69,360
Total expenditures	<u>644,540</u>	<u>-</u>	<u>69,360</u>	<u>713,900</u>
Excess (deficiency) of revenues over expenditures	91,304	-	(69,352)	21,952
Other financing sources (uses):				
Transfers in	6,873	-	69,360	76,233
Transfers out	(52,873)	-	-	(52,873)
Total other financing sources (uses)	<u>(46,000)</u>	<u>-</u>	<u>69,360</u>	<u>23,360</u>
Net change in fund balances	45,304	-	8	45,312
Beginning fund balances	<u>66,064</u>	<u>3</u>	<u>5,240</u>	<u>71,307</u>
Ending fund balances	<u>\$ 111,368</u>	<u>\$ 3</u>	<u>\$ 5,248</u>	<u>\$ 116,619</u>

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2022

	IDEA	Preschool	Title II	LA 4	8(g)	TIF	Carl Perkins	Title IV	Title V	School Activity Fund	SRCL	Totals
Assets												
Cash and cash equivalents	\$ -	\$ -	\$ (895)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,669	\$ -	\$ 88,774
Receivables	104,725	5,337	6,243	-	38,847	55,587	-	10,957	1,355	-	16,061	239,112
Interfund receivable	-	874	-	25,166	-	23,779	-	8,151	-	-	12,299	70,269
Total assets	\$ 104,725	\$ 6,211	\$ 5,348	\$ 25,166	\$ 38,847	\$ 79,366	\$ -	\$ 19,108	\$ 1,355	\$ 89,669	\$ 28,360	\$ 398,155
Liabilities, deferred inflows, and fund equity												
Liabilities:												
Accounts payable	\$ 10,143	\$ 1,043	\$ -	\$ 416	\$ 4,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,636
Salaries and benefits payable	25,656	4,914	733	3,051	5,782	46,017	-	-	-	-	699	86,852
Interfund payable	68,926	-	4,615	-	29,031	33,349	-	19,108	1,355	-	27,661	184,045
Total liabilities	104,725	5,957	5,348	3,467	38,847	79,366	-	19,108	1,355	-	28,360	286,533
Deferred inflows of resources:												
Deferred revenue	-	254	-	-	-	-	-	-	-	-	-	254
Fund equity:												
Fund balances:												
Restricted	-	-	-	21,699	-	-	-	-	-	89,669	-	111,368
Total liabilities, deferred inflows, and fund equity	\$ 104,725	\$ 6,211	\$ 5,348	\$ 25,166	\$ 38,847	\$ 79,366	\$ -	\$ 19,108	\$ 1,355	\$ 89,669	\$ 28,360	\$ 398,155

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	IDEA	Preschool	Title II	LA 4	8(g)	TIF	Carl Perkins	Title IV	Title V	School Activity Fund	SRCL	Totals
Revenues:												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,871	\$ -	\$ 121,871
Interest earnings	-	-	-	-	-	-	-	-	-	204	-	204
State sources	-	-	-	41,220	38,846	-	-	-	-	-	-	80,066
Federal sources	243,949	21,349	24,846	-	-	102,950	4,360	50,792	11,595	-	73,862	533,703
Total revenues	243,949	21,349	24,846	41,220	38,846	102,950	4,360	50,792	11,595	122,075	73,862	735,844
Expenditures:												
Current:												
Instruction:												
Regular programs	6,529	-	-	-	38,877	-	-	33,433	10,422	-	-	89,261
Special education programs	92,553	16,349	-	-	-	-	-	-	-	-	-	108,902
Vocational educational programs	-	-	-	-	-	-	4,360	-	-	-	-	4,360
Other instructional programs	-	-	-	-	-	43,617	-	-	-	46,419	-	90,036
Special programs	-	-	-	34,711	-	-	-	-	-	-	474	35,185
Support services:												
Student services	76,187	5,000	-	-	-	27,930	-	-	-	-	64,685	173,802
Instructional staff support	44,074	-	17,399	2,400	-	25,981	-	-	-	-	1,525	91,379
School administration	-	-	-	-	-	-	-	-	-	34,461	-	34,461
Plant services	-	-	-	-	-	-	-	12,219	-	-	-	12,219
Central services	-	-	4,935	-	-	-	-	-	-	-	-	4,935
Total expenditures	219,343	21,349	22,334	37,111	38,877	97,528	4,360	45,652	10,422	80,880	66,684	644,540
Excess (deficiency) of revenues over expenditures	24,606	-	2,512	4,109	(31)	5,422	-	5,140	1,173	41,195	7,178	91,304

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds - Continued
For the Year Ended June 30, 2022

Other financing sources (uses):												
Transfers in	-	-	-	-	31	6,545	-	-	-	-	297	6,873
Transfers out	(24,606)	-	(2,512)	-	-	(11,967)	-	(5,140)	(1,173)	-	(7,475)	(52,873)
Total other financing sources (uses)	(24,606)	-	(2,512)	-	31	(5,422)	-	(5,140)	(1,173)	-	(7,178)	(46,000)
Net change in fund balances	-	-	-	4,109	-	-	-	-	-	41,195	-	45,304
Beginning fund balances	-	-	-	17,590	-	-	-	-	-	48,474	-	66,064
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$21,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,669</u>	<u>\$ -</u>	<u>\$ 111,368</u>

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2022

<u>MEMBERS</u>	<u>DISTRICT</u>	<u>AMOUNT</u>
Jennifer Burnside	1	\$ 3,900
Morgan Carter	2	3,900
George Matthews	3	3,900
Annice Miller	4	3,900
Esaw Turner	5	3,900
Mary Nell Rushing	6	3,900
John Turner	7	<u>3,900</u>
		<u>\$ 27,300</u>

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2022

Agency Head Name: Dr. Paul Nelson

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 114,488
Benefits-insurance	3,368
Benefits-retirement	28,851
Benefits-other	-
Car allowance	9,741
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	4,650
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other-dues	-
	\$ 161,098

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash Assistance:			
National School Lunch Program	10.555	LEA No. 054	\$ 218,234
School Breakfast Program	10.553	LEA No. 054	99,006
Total Child Nutrition Cluster			<u>317,240</u>
Fresh Fruit and Vegetable Program	10.582	LEA No. 054	11,479
Non-cash Assistance:			
Commodity Supplemental Food Program	10.565	LEA No. 054	29,172
Total United States Department of Agriculture			<u>357,891</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Special Education Cluster:			
Individuals with Disabilities Education Act	84.027	28-22-B1-54	236,770
Preschool Grants	84.173	28-22-P1-06	21,349
Total Special Education Cluster			<u>258,119</u>
Title I:			
Grants to Local Educational Agencies	84.010	28-21-TI-54	690,606
Redesign-1003a	84.010	28-18-RD19-54	32,324
Direct Student Services	84.010	28-22-DSS-54	26,337
Total Title I			<u>749,267</u>
Striving Readers Comprehensive Literacy:			
State Personnel Development			
SRCL Grades 3-5	84.371	28-18-SR05-54	297
SRCL Grades K-12	84.371	28-18-SR05-54	1,305
Comprehensive Literacy State Development			
CLSD Grades K-5	84.371	28-18-SR02-54	73,862
Total Striving Readers/Comprehensive Literacy			<u>75,464</u>
PBCS Teacher Incentive Funds	84.374	28-21-PBCS	102,950
Vocational Education - Basic Grants to States	84.048	28-22-02-54	4,360
Title II - Teacher & Principal Training and Recruiting	84.367A	28-22-50-54	24,846
Title IV - Student Support & Academic Enrichment	84.424	28-22-71-54	57,971
Education Stabilization Fund:*			
ESF - Education Stabilization Fund (ESF)	84.425A	28-21-REL2-54	65,320
ESSER II	84.425D	28-21-ES2F-54	1,163,400
ESSER III Formula	84.425D	28-21-ES3F-54	195,666
ESSER III EB Interventions	84.425U	28-21-ESEB-54	707,204
Governor's Emergency Education Relief Fund	84.425C	28-20-GERF-54	79,631
Total Education Stabilization Fund			<u>2,211,221</u>
Rural Education Assistance Program	84.358B	28-22-RLIS-54	11,595
Total United States Department of Education			<u>3,495,793</u>
Total Expenditures of Federal Awards			<u>\$ 3,853,684</u>

* Denotes major Federal program

The accompanying notes are an integral part of the basic financial statements.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Tensas Parish School Board under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Tensas Parish School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Tensas Parish School Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

The Tensas Parish School Board has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for the year ended June 30, 2022.

5. MATCHING REVENUES

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

6. NONCASH PROGRAMS

The commodities received from the food distribution program, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. Commodities valued at \$20,012 were received by the School Board and is included in National School Lunch Program.

COMPLIANCE
AND
INTERNAL CONTROL



Langley, Williams
& Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY
PHILLIP D. ABSHIRE, III
SARAH CLARK WERNER
ALEXIS H. O'NEAL
JESSICA LOTT-HANSEN

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

Tensas Parish School Board
St. Joseph, Louisiana

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, each major fund, and the aggregate remaining fund information of the Tensas Parish School Board, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Tensas Parish School Board's basic financial statements, and have issued our report thereon dated February 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tensas Parish 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 Tensas Parish School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tensas Parish 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-1(IC) 2022-2 (IC) and 2022-3(IC) that we consider to be significant deficiencies

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-1(C).

Tensas Parish School Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Tensas Parish School Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Tensas Parish School Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Joseph Williams Co., P.C.

Lake Charles, Louisiana
February 24, 2023



Langley, Williams
& Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

LESTER LANGLEY, JR.
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JESSICA LOTT-HANSEN

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

Tensas Parish School Board
St. Joseph, Louisiana

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited Tensas Parish School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Tensas Parish School Board's major federal programs for the year ended June 30, 2022. Tensas Parish School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tensas Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Tensas Parish School Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Tensas Parish School Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Tensas Parish School Board's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Tensas Parish School Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Tensas Parish School Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Tensas Parish School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Tensas Parish School Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Tensas Parish School Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Lake Charles, Louisiana
February 24, 2023

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over compliance:

- Material weaknesses identified? No
- Reportable conditions identified that are not considered to be material weaknesses? No

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program of Cluster</u>
84.425A	Education Stabilization Fund
84.425D	Education Stabilization Fund
84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

Current year – 06/30/2022

Internal Control

Finding 2022-1(IC) – Segregation of Duties

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

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

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

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

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

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

Finding 2022-2(IC) – Stale-Dated Checks

Finding: There were a number of stale-dated checks being carried on the bank reconciliations.

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

Cause: We were unable to determine a cause for this finding.

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

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

Management's Response and Corrective Action: The School Board will implement the auditor's recommendation.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS – (Continued)

Current year – 06/30/2022 – (Continued)

Internal Control – (Continued)

Finding 2022-3(IC) – Timely remittance of payroll taxes

Finding: Instances of payroll taxes not being remitted on time.

Criteria: The Internal Revenue Service and the Louisiana Department of Revenue have guidelines on when payroll tax deposits are due.

Cause: Adequate internal controls were not in place over payroll tax deposits.

Effect: Penalties could be incurred due to the payroll tax deposits not being made timely.

Recommendation: We recommend that controls be established to ensure that the accounting personnel in charge review the payment of payroll taxes after each payroll for timeliness.

Management's Response and Corrective Action: Instances happened when a new payroll clerk was hired and there was confusion on the new hiree part on who was remitting payroll tax deposits. Management has corrected this issue and all payroll tax deposits are being paid timely. All payroll tax deposits are paid up to date as of the date of this audit report.

Compliance

Finding 2022-1(C) – Budget Law

Finding: Budgeted revenues in the Education Stabilization Fund was exceeded actual revenues by more than 5%.

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

Cause: The unfavorable variance in the Education Stabilization Fund was caused by less than anticipated revenues for the year.

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

Recommendation: The School Board should monitor and amend their budget when there are signs of less than anticipated revenues.

Management's Response and Corrective Action: The School Board will implement the auditor's recommendation.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS – (Continued)

Prior year – 06/30/2021

Internal Control

Finding 2021-1(IC) – Segregation of Duties

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

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

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

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

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

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

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Finding: There were a number of stale-dated checks being carried on the bank reconciliations.

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

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

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

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

Management's Response and Corrective Action: The School Board will implement the auditor's recommendation.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS – (Continued)

Prior year – 06/30/2021 – (Continued)

Internal Control – (Continued)

Finding 2021-3(IC) – School Food Service reimbursement requests

Finding: The School Board did not request reimbursements totaling \$70,183 for March and April meals.

Criteria: Good internal control requires written procedures enumerating actions to be performed and when they should be performed.

Effect: By the time that the auditor communicated the error and the School Board requested reimbursement, only one of the months was able to be recovered, resulting in lost revenue of \$26,277.

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

Recommendation: I recommend that the School Board create a checklist of procedures to be performed each month by the Finance Department to ensure that necessary actions are performed.

Management's Response and Corrective Action: The School Board will implement the auditor's recommendation.

Finding 2021-4(IC) – Undeposited funds

Finding: The School Board received two cashier's checks totaling \$79,590 for bank accounts closed in January; however, the checks were not deposited until July. Additionally, a check written from the main account to School Food service in the amount of \$20,000 that was issued in June was not deposited until September.

Criteria: Good internal control requires that receipts be deposited timely. The Legislative Auditor strongly suggests that receipts be deposited within one business day.

Effect: Not depositing receipts timely risks checks being lost. Additionally, such funds are not earning interest.

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

Recommendation: I recommend that all receipts be deposited within one business day as recommended by the Legislative Auditor.

Management's Response and Corrective Action: The School Board will implement the auditor's recommendation.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS – (Continued)

Prior year – 06/30/2021 – (Continued)

Compliance

Finding 2021-1(C) – Budget Law

Finding: The actual expenditures in the School Food Service Fund and the Education Stabilization Fund exceeded budgeted expenditures by more than 5%.

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

Cause: The unfavorable variance in the Education Stabilization Fund was caused by additional accounts payable recorded as a result of the audit (see Finding 2021-5(IC)). I was unable to determine the cause for the School Food Service variance.

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

Recommendation: The School Board should ensure that unpaid invoices relating to the current year's budget should be included in the final revised budget.

Management's Response and Corrective Action: The School Board will implement the auditor's recommendation.

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Current year – 06/30/2022

Internal Control

There were no findings with regards to internal controls.

Compliance

There were no findings with regards to compliance.

Prior year – 06/30/2021

Internal Control

Special Education Cluster (No questioned costs)

Finding 2020-1(FIC) – Review and approval of time logs submitted by outside professional services

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

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

Cause: Policy was not followed consistently.

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

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

Management's Response and Corrective Action: The School Board implemented the recommendation. No exceptions were noted during testing of disbursements in the current year.



Langley, Williams
& Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Tensas Parish School Board
St. Joseph, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Tensas Parish School Board for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the Tensas Parish School Board is responsible for its performance and statistical data.

The Tensas Parish School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

There were no exceptions noted as a result of applying this procedure.

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.

There were no exceptions noted as a result of applying this procedure.

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 properly classified on the PEP data or equivalent listing prepared by management.

There were no exceptions noted as a result of applying this procedure.

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).

Exception: 24 out of the 25 individuals salaries and extra compensation did not match what was recorded on the June 30th PEP data submitted to the Department of Education.

Management's response: Per discussion with management, it was stated that the settings on the report used to fill out the PEP data submitted to the Department of Education did not have all compensation items marked to include. Management has corrected the issue and will monitor the next report to make sure all required compensation is included.

We were engaged by the Tensas Parish School Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Tensas Parish School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Tensas Parish School Board, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Langley, Williams & Co., LLC

Langley, Williams & Co, LLC
Lake Charles, Louisiana
February 27, 2023

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

**Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data) As of
and for the Year Ended June 30, 2022**

**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 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, 2022**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,013,153	
Other Instructional Staff Activities	183,645	
Instructional Staff Employee Benefits	734,125	
Purchased Professional and Technical Services	228,054	
Instructional Materials and Supplies	34,893	
Instructional Equipment	23,558	
Total Teacher and Student Interaction Activities		\$ 2,217,428
Other Instructional Activities		15,470
Pupil Support Activities	153,223	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		153,223
Instructional Staff Services	193,011	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		193,011
School Administration	352,582	
Less: Equipment for School Administration	-	
Net School Administration		352,582
Total General Fund Instructional Expenditures (Total of Column B)		\$ 2,931,714
Total General Fund Equipment Expenditures		\$ 23,558
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 381,114
Renewable Ad Valorem Tax		1,841,567
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		72,807
Sales and Use Taxes		1,005,100
Total Local Taxation Revenue		\$ 3,300,588
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 26,846
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		\$ 26,846
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 14,265
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		\$ 14,265
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -

TENSAS PARISH SCHOOL BOARD
St. Joseph, Louisiana
Class Size Characteristics
As of October 1, 2021

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	72.1%	44	19.7%	12	8.2%	5	0.0%	0
Elementary Activity Classes	57.1%	4	28.6%	2	14.3%	1	0.0%	0
Middle/Jr. High	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Middle/Jr. High Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0
High	100.0%	89	0.0%	0	0.0%	0	0.0%	0
High Activity Classes	100.0%	11	0.0%	0	0.0%	0	0.0%	0
Combination	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Combination Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Other	0.0%	0	0.0%	0	0.0%	0	0.0%	0

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



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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Tensas Parish School Board
St. Joseph, Louisiana

We have performed the procedures enumerated below, which were agreed to by Tensas Parish School Board ("TPSB") 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 from July 1, 2021 through June 30, 2022. The Entity'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
There were no exceptions noted as a result of applying this procedure.
 - 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.
There were no exceptions noted as a result of applying this procedure.
 - c) ***Disbursements***, including processing, reviewing, and approving
There were no exceptions noted as a result of applying this procedure.
 - 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).
There were no exceptions noted as a result of applying this procedure.

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

Exception: TPSB does not have a payroll / personnel policy.

- 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.

Exception: TPSB does not have a contracting policy.

- 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).

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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.

Exception: The TPSB has an ethics policy but it does not address items 3 and 4 above.

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

Exception: The TPSB has a debt service policy but it does not address items 2, 3 and 4 above.

- k) ***Information Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

There were no exceptions noted as a result of applying this procedure.

- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

There were no exceptions noted as a result of applying this procedure.

Management's response: Per discussion with management, they will work on updating their policies and procedures to include all of the items listed above.

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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

The unassigned fund balance in the general fund per the prior year audit report was not negative.

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:

We obtained a list of bank accounts from management and management's representation that the list was complete. Once obtained we selected the month of September for testing for all accounts.

- 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);

Exception: One out of the five bank accounts selected was not reconciled within 2 months of the related statement closing date.

Management response: Per discussion with management, they will make sure that all bank reconciliations are done within 2 months of the related statement closing date.

- 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

There were no exceptions noted as a result of applying this procedure.

- 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.

Exception: Three accounts had outstanding checks for more than twelve months without documentation reflecting that it has researched the reconciling items.

Management's response: Per discussion with management, they will research the outstanding checks and remitted to the state.

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).

Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.

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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

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

All employees who have access to cash are covered by the TPSB's Blanket Policy.

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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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).

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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).

Obtained a listing of locations that process payments and management's representation that the listing is complete.

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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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.

Obtained a listing of all active credit cards and 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.)]

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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).

There were no exceptions noted as a result of applying this procedure.

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:

Obtained a listing of all travel and travel-related expense reimbursements and management's representation that the listing is complete.

- 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).

When applicable to the sample selected, there were no exceptions noted as a result of applying this procedure.

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

When applicable to the sample selected, there were no exceptions noted as a result of applying this procedure.

- 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).

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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:

Obtained a listing of all agreements/contracts for the fiscal period and management's representation that the listing is complete.

- 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.

When applicable to the sample selected, there were no exceptions noted as a result of applying this procedure.

- 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).

There were no exceptions noted as a result of applying this procedure.

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

None of the selected contracts were amended during the fiscal period making this procedure not applicable.

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

There were no exceptions noted as a result of applying these procedures.

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.

Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete.

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.)

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

There were no exceptions noted as a result of applying this procedure.

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.

Exception: Management has stated that not all employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were paid by required deadlines during the period.

Management response: TPSB hired a new payroll clerk and during the period and they had confusion on who was paying the liabilities. At the time of this report all liabilities are paid up to date and are being paid by required deadlines.

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.

There were no exceptions noted as a result of applying this procedure.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

There were no exceptions noted as a result of applying this procedure.

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.

This procedure is not applicable due to no bonds/notes issued during the fiscal period.

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.

There were no exceptions noted as a result of applying this procedure.

Fraud

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.

Management has asserted that TPSB did not have any misappropriations of public funds or assets.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

There were no exceptions noted as a result of applying this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

There were no exceptions noted as a result of applying this procedure.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

There were no exceptions noted as a result of applying this procedure.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;
- e. Amount of time it took to resolve each complaint.

Exception: The report was not filed for the year ending June 30, 2022.

Management response: Per discussion with management, the report will be filed timely going forward.

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.



Langley, Williams & Co. LLC
Lake Charles, Louisiana
February 27, 2023