
FRANKLIN PARISH SCHOOL BOARD

WINNSBORO, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

FRANKLIN PARISH SCHOOL BOARD

WINNSBORO, LOUISIANA

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FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

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WINNSBORO, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

The Members of the
Franklin Parish School Board
Winnsboro, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish School Board (School Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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 School Board, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in total other post-employment benefit liability and related ratios, the schedule of the proportionate share of the net pension liability, the schedule of contributions to each retirement system and the notes to the required supplemental information, on pages 4 through 10, pages 51 through 57, page 58, page 59, page 60 and 61, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other information identified in the table of contents as the combining non-major fund financial statements, the schedule of board members' compensation, and the schedules of compensation, benefits and payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and related notes presented on pages 74-75 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining non-major fund financial statements, the schedule of board members' compensation, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards and related notes 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. 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. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, 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 provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over compliance and financial reporting.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 15, 2021

Franklin Parish School Board

Winnsboro, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021

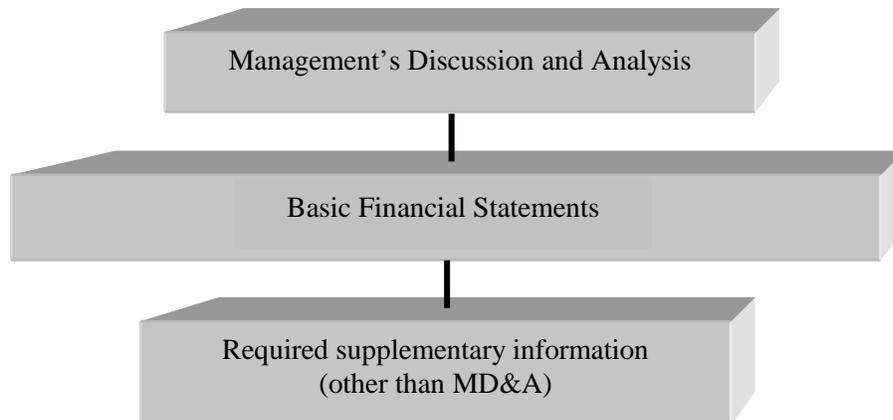
The Management’s Discussion and Analysis of the Franklin Parish School Board’s (the School Board) financial performance presents a narrative overview and analysis of Franklin Parish School Board’s financial activities as of and for the year ended June 30, 2021. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information (where available).

FINANCIAL HIGHLIGHTS

- ★ The Franklin Parish School Board’s liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2021 by \$43,606,095. This results in the School Board having an overall deficit net position.
- ★ Expenses exceeded revenues by \$80,197 for the 2021 fiscal year, thereby increasing the deficit in net position.
- ★ MFP Revenue, the School Board’s primary operating revenue source, decreased approximately \$494,000, or 2.4% due to a decrease in enrollment.
- ★ The Renovation Fund ended the fiscal year with a fund balance of \$5,216,270. \$2,030,156 of this amount is restricted for future debt service payments or reserves, while \$3,186,114 is available for facility renovations and other uses.
- ★ The Capital Projects 2017 Fund ended the year with a fund balance of \$988,991 that represents the balance of the unexpended bond proceeds which are restricted to major capital improvements.
- ★ The General Fund generated a net surplus, or change in fund balance of \$914,035, and ended the fiscal year with unassigned fund balance of \$6,689,059, thereby providing the system with unrestrained operating reserves of approximately 25% of annual expenditures. Total General Fund balance which includes amounts restricted to employee compensation and amounts committed for insurance purposes as well as unassigned amounts, equals \$8,324,875, or 31% of annual expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum reporting requirements established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



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

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021

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

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

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

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains dozens of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Title I Fund, Renovation Fund, and the ESSER Fund, all of which are considered major funds. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The School Board prepares annual budgets for the General Fund and Special Revenue Funds in accordance with state laws. In accordance with accounting standards, a budget to actual comparison is presented for the General Fund and the Renovation Fund combined with the Capital Projects 2017 Fund, the Title I fund, and the ESSER fund.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of outside parties such as other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The School Board has one fiduciary fund - the Sales Tax Collection Fund. The Sales Collection Tax Fund contains taxes collected on behalf of other governmental jurisdictions.

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

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Net Position
as of June 30, 2021 and 2020

	2021	2020
Assets		(Restated)
Cash and cash equivalents	\$ 13,456,824	\$ 14,273,833
Investments	1,120,171	1,120,171
Receivables	3,806,815	1,888,594
Prepaid expenses	4,096	4,096
Inventory	39,843	70,411
Capital assets	25,398,614	26,046,569
Total assets	43,826,363	43,403,674
Deferred Outflow of Resources		
Deferred amounts related to net pension liability	10,766,892	7,593,668
Deferred amount related to total post-employment benefit liability	9,837,871	13,064,949
Total Deferred Outflow of Resources	20,604,763	20,658,617
Liabilities		
Accounts, salaries and other payables	2,530,658	2,681,496
Accrued interest payable	64,872	73,800
Total post-employment benefit liability (OPEB)	53,661,137	53,358,685
Bonds payable and other long-term liabilities	10,518,787	12,082,025
Net pension liability	37,535,011	33,074,304
Total liabilities	104,310,465	101,270,310
Deferred Inflow of Resources		
Deferred amounts related to net pension liability	1,721,730	3,769,606
Deferred amounts related to total OPEB liability	2,005,026	2,548,273
Total Deferred Inflow of Resources	3,726,756	6,317,879
Net Position		
Net investment in capital assets	17,433,590	16,389,054
Restricted	6,633,627	5,539,695
Unrestricted	(67,673,312)	(65,454,647)
Total net position	\$ (43,606,095)	\$ (43,525,898)

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021

FINANCIAL ANALYSIS OF THE ENTITY (continued)

- Cash levels remained consistent with the prior year, comprising about 31% of total assets. The slight decrease can be attributed to expenditures from the Capital Projects 2017 Fund as the bond proceeds are used as intended to fund capital improvements.
- Capital assets, which are reported net of accumulated depreciation, account for approximately 58% of the total assets of the School Board. These assets decreased slightly by \$647,955 from the prior year, attributable primarily to the current year depreciation of approximately \$952,000 and current year acquisitions of approximately \$304,000.
- Receivables, including amounts due from other governments, increased by \$1,918,221 as a result of increases in funding from COVID-19 federal grants and the timing of receipt of those grants.
- The Net Pension Liability increased \$4,460,707 to \$37,535,011 as a result of changes in actuarial assumptions used to determine the future liability and as a result of decreases in the value of pension plan investments.
- Net position at June 30, 2021 shows a significant deficit of \$43,606,095, primarily because of the other postemployment liabilities totaling approximately \$53,661,000 and the net pension liability of \$37,535,011. These liabilities for promised future benefits are unfunded and must be paid for in future years.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Statements of Activities
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Program Revenues		
Charges for services	\$ 941,178	\$ 78,110
Operating grants	11,281,219	7,334,951
General revenues		
Property taxes	2,819,207	2,677,360
Sales taxes	6,146,296	5,543,815
Earnings on Investments	73,695	82,526
Minimum Foundation Program	20,157,128	20,650,695
Other	<u>294,640</u>	<u>614,943</u>
	<u>41,713,363</u>	<u>36,982,400</u>
Expenses		
Regular education	14,560,927	12,978,958
Special and other education	9,240,855	7,642,713
Pupil support	1,880,306	1,713,779
Instructional staff support	2,495,933	2,433,203
General administrative	931,609	1,014,722
School administrative	2,115,323	2,040,571
Business and central services	721,490	750,028
Plant operation and maintenance	3,727,552	3,821,334
Transportation	3,419,624	3,309,101
Food service	2,236,096	2,176,520
Central services	59,004	58,235
Community service and other	7,600	7,684
State appropriations	56,423	63,728
Interest expense	<u>340,818</u>	<u>384,545</u>
	<u>41,793,560</u>	<u>38,395,121</u>
Change in net position	\$(80,197)	\$(1,412,721)
Beginning net position	(43,525,898)	(44,004,171)
Effects of implementation of GASB 84 (note 1P)	<u>-</u>	<u>478,273</u>
Ending net position	<u>(43,606,095)</u>	<u>(43,525,898)</u>

Revenues

- Minimum Foundation Program revenue, which accounts for approximately 48% of total revenues, remained relatively consistent with the prior year with a decrease of \$493,567 or 2.4% due to a slight decrease in student enrollment.
- Local tax revenues consisting of sales and property taxes had an increase of \$744,328, or 9.1%.
- Operating grant revenues increased \$3,946,268, or 53.8% because of revenue received from ESSER grants in response to the COVID-19 pandemic.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Expenses

- Expenses across most functional areas experienced an increase. Budgeted operating expenditures increased only slightly at the funds level but mostly stayed constant as there were no major changes in enrollment or staffing. However, the pension and other retiree benefits costs over and above the amounts paid added to these fund level expenditures to cause a more significant increase in expenses at the government-wide level. Salary costs were controlled through careful allotment of positions through the budgeting process. A state mandated salary increase was granted, however, the overall cost increase held in-check through a reduced number of positions. Interest expense decreased due to a lower overall level of debt outstanding because of scheduled principal repayments on the 2017 revenue bonds that were previously issued for capital improvements.

Overall, while the School Board's change in net position decreased as expenses exceeded revenues in 2021; the total net position remains in a significant deficit position as a result of retirement benefit liabilities.

FUND ANALYSIS

- The General Fund experienced a net change in fund balance, or a surplus of \$914,035, and ended the fiscal year with a total fund balance of \$8,324,875. This operating surplus is more favorable than the budgeted results that were initially estimated; essentially a break-even budget.
- The Renovation Fund has accumulated \$5,216,270 for the purpose of payment of principal and interest on outstanding bonds, and funding facility renovations. \$2,030,156 of this fund balance is restricted for debt service or to a debt services reserve account.
- Most other non-major governmental funds account for expenditure driven grants for which the school system receives reimbursements for allowable costs. Accordingly, these funds report relatively minimal, if any, operating surplus or fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the Franklin Parish School Board had \$25,398,614 invested in a broad range of capital assets, including land, building, and equipment.

	<u>2021</u>	<u>2020</u>
Land and construction in progress	\$ 127,265	\$ 270,436
Buildings	24,425,569	24,880,518
Machinery and equipment	<u>845,780</u>	<u>895,615</u>
	<u>\$ 25,398,614</u>	<u>\$ 26,046,569</u>

Major additions in 2021 included various projects at Franklin Parish High School, including a new track, track building, and softball batting cages.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-term debt and liabilities

The School Board's long-term debt and liabilities consists of sales tax bonds and limited ad-valorem tax revenue bonds, totaling approximately \$9.78 million; a liability for compensated absences of \$.74 million, a liability for future retiree life and health benefits of \$53.7 million, and a net pension liability of \$37.5 million. The bonds were issued in 2017 to fund major school improvements. The liability for future retiree health benefits is significant, and will continue to increase unless plan changes are enacted. The net pension liability, although quite large, is being repaid through the monthly contributions to the Teachers' Retirement and School Employees' Retirement Systems as required by State law.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Amendments were adopted during the year ended June 30, 2021 for the General and the combined Renovation Fund and Capital Projects 2017 Fund. These amendments were adopted by the Board to more accurately reflect actual revenues and expenditures experienced throughout the year. Both the original and amended (final) budgets for the School Board's major funds are presented on pages 52-56 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The financial condition of the System continues to stabilize after overcoming many challenges that existed in previous years. The general fund has accumulated a total fund balance equal to 25% of its annual expenditures which provides for an operating reserve for periods of decreased revenue. Taxes that were approved by the parish in 2006 and 2016 for major renovation projects continue to be levied in order to retire the debt used to fund those renovations and to fund other facility improvements.

As in recent years, the 2021-2022 general fund budgets meet the challenges of changes in Teacher's Retirement and School Employees Retirement System contributions rates along with anticipated minimal growth in the Minimum Foundation Program revenue from the State except for an increase to fund legislatively approved teacher pay raises. Health insurance costs will also increase for the school system. Local sales tax and property tax revenues are expected to remain constant, despite disruptions caused by the COVID-19 Pandemic. Funding from the Education Stabilization Fund authorized and renewed from federal stimulus and recovery programs since 2020 of approximately \$20 million is available for 2021-2022. Those funds can assist the district with maintaining staffing levels, continued costs of the Pandemic, and safely returning to schools.

The School Board has adopted a 2021-2022 General Fund budget that results in break-even operations for the year with no major changes in overall levels of revenue and expenditures. Close attention will be paid to the State's direction in the upcoming months to insure that the School Board makes the best decisions possible to keep the system operating to its fullest capacity.

CONTACTING THE FRANKLIN PARISH SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Rebecca Boquet, Business Manager, Franklin Parish School Board, 7293 Prairie Road, Winnsboro, LA 71295, 318-435-9046.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS and DEFERRED OUTFLOWS

ASSETS

Cash and cash equivalents	\$	13,456,824
Receivables		
Accounts		2,778
Sales and use taxes		510,980
Due from other governments		3,293,057
Investments in certificates of deposit		1,120,171
Inventory		39,843
Prepaid expenses		4,096
Capital assets		
Land and construction in progress		127,265
Buildings and equipment, net of accumulated depreciation		25,271,349
TOTAL ASSETS		43,826,363

DEFERRED OUTFLOW OF RESOURCES

Deferred amounts related to net pension liability		10,766,892
Deferred amounts related to total post employment benefit liability		9,837,871
TOTAL DEFERRED OUTFLOW OF RESOURCES		20,604,763

LIABILITIES and DEFERRED INFLOWS

LIABILITIES

Accounts and other payables		419,269
Salaries and benefits payable		2,102,047
Accrued interest payable		64,872
Unearned revenues		9,342
Long-term liabilities		
Due within one year (bonds and compensated absences)		1,579,199
Due in more than one year		8,939,588
Total post employment benefit liability		
Due within one year		2,351,220
Due in more than one year		51,309,917
Net pension liability		37,535,011
TOTAL LIABILITIES		104,310,465

DEFERRED INFLOW OF RESOURCES

Deferred amounts related to net pension liability		1,721,730
Deferred amounts related to total post employment benefit liability		2,005,026
TOTAL DEFERRED INFLOW OF RESOURCES		3,726,756

NET POSITION

Net Investment in capital assets		17,433,590
Restricted for:		
Debt service		1,465,284
Sales tax dedicated to compensation		531,720
Capital projects and maintenance		3,175,220
Workman's compensation loss reserve		100,000
Federal and State Grant Programs		856,281
Student activities		505,122
Unrestricted		(67,673,312)
TOTAL NET POSITION		\$ (43,606,095)

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit
<u>Functions/Programs</u>				
Instruction:				
Regular education programs	\$ 14,560,927	\$ -	\$ 2,796,776	\$ (11,764,151)
Special education programs	3,526,408	-	587,147	(2,939,261)
Other education programs	5,714,447	919,975	3,534,064	(1,260,408)
Support Services:				
Pupil support services	1,880,306	-	348,714	(1,531,592)
Instructional staff services	2,495,933	-	1,413,363	(1,082,570)
General administration services	931,609	-	18,034	(913,575)
School administration services	2,115,323	-	93,672	(2,021,651)
Business and central services	721,490	-	89,281	(632,209)
Plant operation and maintenance	3,727,552	-	161,840	(3,565,712)
Transportation	3,419,624	-	227,462	(3,192,162)
Food service	2,236,096	21,203	1,998,331	(216,562)
Central Services	59,004	-	12,510	(46,494)
Community Service Programs	7,600	-	25	(7,575)
State Appropriations	56,423	-	-	(56,423)
Interest Expense	340,818	-	-	(340,818)
Total Governmental Activities	<u>\$ 41,793,560</u>	<u>\$ 941,178</u>	<u>\$ 11,281,219</u>	(29,571,163)
General Revenues				
Taxes:				
Ad Valorem taxes				2,819,207
Sales and use taxes				6,146,296
Grants and contributions not restricted:				
Minimum Foundation Program				20,157,128
Interest and investment earnings				73,695
Other				294,640
				<u>29,490,966</u>
				(80,197)
				<u>(43,525,898)</u>
				<u>\$ (43,606,095)</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General	Title 1	Renovation Fund	ESSER	Non-major Governmental	Total
<u>ASSETS</u>						
Cash and cash equivalents	\$ 6,109,969	\$ -	\$ 5,101,195	\$ -	\$ 2,245,660	\$ 13,456,824
Receivables:						
Accounts	115	-	-	-	2,663	2,778
Sales tax	391,645	-	119,317	-	18	510,980
Due from other governments	45,883	605,645	-	1,936,235	705,294	3,293,057
Investments in certificates of deposit	1,120,171	-	-	-	-	1,120,171
Prepaid expenses	4,096	-	-	-	-	4,096
Due from other funds	2,767,168	7,381	-	-	-	2,774,549
Inventory	-	-	-	-	39,843	39,843
TOTAL ASSETS	<u>\$ 10,439,047</u>	<u>\$ 613,026</u>	<u>\$ 5,220,512</u>	<u>\$ 1,936,235</u>	<u>\$ 2,993,478</u>	<u>\$ 21,202,298</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts and other payable	\$ 280,269	\$ 7,381	\$ 4,242	\$ -	\$ 127,377	\$ 419,269
Salaries and benefits payable	1,795,986	98,280	-	8,598	199,183	2,102,047
Due to other funds	37,917	507,365	-	1,927,637	301,630	2,774,549
Unearned revenues	-	-	-	-	9,342	9,342
TOTAL LIABILITIES	<u>2,114,172</u>	<u>613,026</u>	<u>4,242</u>	<u>1,936,235</u>	<u>637,532</u>	<u>5,305,207</u>
Fund balances:						
Nonspendable	4,096	-	-	-	30,501	34,597
Spendable:						
Restricted						
Compensation	631,720	-	-	-	-	631,720
Debt service	-	-	2,030,156	-	-	2,030,156
Capital project and maintenance	-	-	3,175,220	-	994,543	4,169,763
Federal and State grant programs	-	-	-	-	825,780	825,780
Student activities	-	-	-	-	505,122	505,122
Committed	1,000,000	-	-	-	-	1,000,000
Assigned	-	-	10,894	-	-	10,894
Unassigned	6,689,059	-	-	-	-	6,689,059
TOTAL FUND BALANCES	<u>8,324,875</u>	<u>-</u>	<u>5,216,270</u>	<u>-</u>	<u>2,355,946</u>	<u>15,897,091</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,439,047</u>	<u>\$ 613,026</u>	<u>\$ 5,220,512</u>	<u>\$ 1,936,235</u>	<u>\$ 2,993,478</u>	<u>\$ 21,202,298</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balances at June 30, 2021- Governmental Funds		\$ 15,897,091
Cost of capital assets at June 30, 2021	41,044,650	
Less: Accumulated Depreciation as of June 30, 2021		
Buildings	(13,893,646)	
Movable property	<u>(1,752,390)</u>	25,398,614
Accrued interest payable on long-term debt		(64,872)
Long-term liabilities at June 30, 2021		
Compensated absences payable	(743,787)	
Notes and bonds payable	<u>(9,775,000)</u>	(10,518,787)
Total other post employment benefit liability balances in accordance with GASB 75		
Deferred outflow of resources - related to total other postemployment benefit liability	9,837,871	
Total post employment benefit liability	(53,661,137)	
Deferred inflow of resources - related to total other postemployment benefit liability	<u>(2,005,026)</u>	<u>(45,828,292)</u>
Net pension obligation balances in accordance with GASB 68		
Deferred outflow of resources - deferred pension contributions	4,645,193	
Deferred outflow of resources - related to net pension liability	6,121,699	
Net pension liability	(37,535,011)	
Deferred inflow of resources - related to net pension liability	<u>(1,721,730)</u>	<u>(28,489,849)</u>
Total net position at June 30, 2021 - Governmental Activities		<u>\$ (43,606,095)</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	General	Title 1	Renovation Fund	ESSER	Other Non-major Governmental	Total
<u>REVENUES</u>						
Local sources:						
Ad valorem taxes	\$ 1,619,207	\$ -	\$ 1,200,000	\$ -	\$ -	\$ 2,819,207
Sales and use taxes	4,580,193	-	1,566,103	-	-	6,146,296
Earnings on investments	50,648	-	17,030	-	6,017	73,695
Food services	-	-	-	-	21,203	21,203
Other	241,697	-	-	-	972,918	1,214,615
State sources:						
Minimum Foundation Program	20,132,509	-	-	-	24,619	20,157,128
Restricted grants-in-aid	138,953	-	-	-	117,566	256,519
Federal grants	52,223	2,343,231	-	3,697,922	4,931,324	11,024,700
TOTAL REVENUES	26,815,430	2,343,231	2,783,133	3,697,922	6,073,647	41,713,363
<u>EXPENDITURES</u>						
Current:						
Instruction:						
Regular education programs	11,244,708	227,988	-	1,853,000	446,775	13,772,471
Special education programs	2,812,312	-	165	206,729	325,053	3,344,259
Other education programs	1,450,318	1,553,071	59,811	542,063	1,993,072	5,598,335
Support:						
Pupil support services	1,468,377	-	6,381	40,532	275,916	1,791,206
Instructional staff services	1,189,216	368,662	966	98,764	745,328	2,402,936
General administration services	865,633	-	22,845	8,093	5,862	902,433
School administration services	1,867,250	-	-	80,508	-	1,947,758
Business and central services	601,686	-	2,345	17,146	63,185	684,362
Plant operation and maintenance	2,287,401	-	283,225	74,232	92,925	2,737,783
Transportation	2,713,490	-	26,251	100,074	100,982	2,940,797
Food services	213,787	-	-	92,665	1,890,438	2,196,890
Central services	36,911	-	7,354	11,401	-	55,666
Community services	7,644	-	-	-	-	7,644
Facility acquisition and construction	-	-	54,873	-	193,299	248,172
State appropriations	56,423	-	-	-	-	56,423
Debt Service						
Principal	-	-	1,455,000	-	-	1,455,000
Interest	-	-	346,746	-	-	346,746
Fees	-	-	3,000	-	-	3,000
TOTAL EXPENDITURES	26,815,156	2,149,721	2,268,962	3,125,207	6,132,835	40,491,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 274	\$ 193,510	\$ 514,171	\$ 572,715	\$ (59,188)	\$ 1,221,482

(continued)

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	General	Title 1	Renovation Fund	ESSER	Other Non-major Governmental	Total
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	\$ 913,761	\$ -	\$ -	\$ -	\$ -	\$ 913,761
Transfers out	-	(193,510)	-	(572,715)	(147,536)	(913,761)
TOTAL OTHER FINANCING SOURCES (USES)	913,761	(193,510)	-	(572,715)	(147,536)	-
<u>NET CHANGES IN FUND BALANCE</u>	914,035	-	514,171	-	(206,724)	1,221,482
Fund balances, June 30, 2020 (Restated)	7,410,840	-	4,702,099	-	2,562,670	14,675,609
FUND BALANCES, JUNE 30, 2021	<u>\$ 8,324,875</u>	<u>\$ -</u>	<u>\$ 5,216,270</u>	<u>\$ -</u>	<u>\$ 2,355,946</u>	<u>\$ 15,897,091</u>

(concluded)

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net Changes in Fund Balance		\$ 1,221,482
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 304,401	
Loss on disposal of assets for the year ended June 30, 2021	-	
Depreciation expense for year ended June 30, 2021	<u>(952,356)</u>	(647,955)
Long Term Debt:		
Principal portion of debt service	1,455,000	
Change in compensated absences payable	<u>108,238</u>	1,563,238
Change in accrued interest payable		8,928
Net change in total other post employment benefits liability and deferred outflows and inflows in accordance with GASB 75		(2,986,283)
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68		<u>760,393</u>
Change in Net Position - Governmental Activities		<u><u>\$ (80,197)</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Sales Tax Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 432,217</u>
<u>LIABILITIES</u>	
Due to others	<u>3,533</u>
<u>NET POSITION</u>	
Restricted for individuals and other governments	<u><u>\$ 428,684</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Sales Tax Fund</u>
<u>ADDITIONS</u>	
Sales tax collections for other governments	\$ 9,906,070
Interest income	4,181
Total additions	<u>9,910,251</u>
<u>DEDUCTIONS</u>	
Administrative expenses	203,937
Payments of sales tax to other governments	9,653,434
Total deductions	<u>9,857,371</u>
Change in fiduciary net position	<u>52,880</u>
Net position - beginning of year, restated	<u>375,804</u>
Net position - end of year	<u><u>\$ 428,684</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Franklin Parish School Board (School Board) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The School Board applies all GASB pronouncements, technical bulletins, and interpretations to all levels of financial reporting.

A. **REPORTING ENTITY**

The Franklin Parish School Board was created by Louisiana Revised Statute LSA-R S 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from seven districts for terms of four years.

The School Board operates seven schools within the parish with a total enrollment of approximately 3,100 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.

The basic criterion established by the Governmental Accounting Standards Board for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary government unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity if there is a financial benefit/burden relationship. The financial statements present the Franklin Parish School Board which is considered to be a primary government. Based on the aforementioned criteria, there are no component units included in the School Board's reporting entity.

B. **BASIS OF PRESENTATION AND ACCOUNTING**

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements present all of the School Board's non-fiduciary activities and are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Sales taxes are recognized when the underlying sales transactions occur, and property taxes are recognized for the year levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Government-Wide Financial Statements (GWFS) (continued)

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. This statement demonstrates the degree to which direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the school board's general revenues. Charges for services are primarily derived from cafeteria food sales and to the self-generated revenue. Operating grants and contributions consist of the many educational and food service grants received from the federal and state government.

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.

Fund Financial Statements (FFS)

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are maintained consistent with legal and managerial requirements.

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

Governmental Fund Type

Governmental Funds are used to account for the School Board's general government activities, including the collection and disbursement of restricted, committed, or assigned monies, the acquisition or construction of fixed assets, and the servicing of long-term debt. The School Board reports the following fund categories as governmental funds types in accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed as defined by GASB54, to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant and entitlement programs established for various educational objectives.

Debt Services Funds- Debt Service Funds are established to meet requirements of bond ordinances, and are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Governmental Fund Type (continued)

Capital Projects Fund – Capital Projects Funds are established to account for capital improvements, including construction of new facilities and renovations.

The Franklin Parish School Board reports the following funds as major:

- General Fund – primary fund used to account for the operations of the School System.
- Renovation Fund – used to account for the proceeds of a half-cent sales tax and a portion of a 15.67 mil ad-valorem tax, both of which are restricted to repayment of long-term debt and to funding capital improvements and major repairs.
- Title 1 – The Title 1 fund accounts for the Title 1 grants. The purpose of these grants are to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. These grants function by providing compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.
- ESSER – The ESSER fund accounts for the Elementary and Secondary School Emergency Relief (ESSER) grants. The purpose of these grants is provide funds to the school districts to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the Nation’s students.

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “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 government generally considers property and sales tax revenues to be available if collected within 60 days after year-end and grant revenues to be available if collected within six months after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest 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.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Under Governmental Accounting Standards Board Statement No. 34, the reporting focus is on major funds. Major funds are reported separately within the basic financial statements while non-major funds are reported in the aggregate.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Governmental Fund Type (continued)

Revenues

Ad valorem taxes are recognized in the period for which they are levied and the resources are available.

Sales and use taxes are recognized when the underlying exchange transaction occurs and the resources are available.

Intergovernmental revenues (which include the state Minimum Foundation Program revenue, state revenue sharing, and federal and state grants) are recorded as grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as earned. Salaries for nine-month employees are accrued at June 30.

Other expenditures are recorded as the service or goods have been delivered by the vendor.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid, capital lease transactions, sale of fixed assets, debt extinguishments, and long-term debt proceeds are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary (Custodial) Funds These funds are used to account for assets held in a trustee capacity. These funds are custodial in nature and held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the School Board. The fiduciary fund consists of the collection and disbursement of sales taxes in its capacity as the collection agent for the parish. Fiduciary funds are accounted for on the accrual basis of accounting. These funds are not incorporated into the government-wide financial statements.

C. **CASH AND INVESTMENTS**

Cash and investments include amounts in demand deposits and interest-bearing demand deposits. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

D. **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 interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

E. **ELIMINATION 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.

F. **INVENTORY**

Inventory of the school 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 and all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost using first-in, first-out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

G. **CAPITAL ASSETS**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a \$5,000 threshold level for capitalizing assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated lives. 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. Useful lives vary from 3 to 10 years for vehicles and equipment and 20 to 40 years for buildings and improvements.

H. **COMPENSATED ABSENCES**

All 12-month employees earn up to ten days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated and up to 25 days can be carried forward. Upon separation, all unused vacation is paid to the employee.

All School Board employees earn a certain amount of sick leave each year, depending upon the length of service and employment status. 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 to 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 sick leave can be used in the retirement computation as earned service.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

H. **COMPENSATED ABSENCES** (continued)

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

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

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

Liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach.

I. **RESTRICTED NET POSITION**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation or tax propositions.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

J. **FUND EQUITY OF FUND FINANCIAL STATEMENTS**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

Nonspendable - represent permanently nonspendable balances that are not expected to be converted to cash.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

J. **FUND EQUITY OF FUND FINANCIAL STATEMENTS** (continued)

Spendable

Restricted - represent balances where constraints have been established by parties outside the School Board or enabling legislation, similar to the constraints for restricted net position.

Committed - represent balances where constraints have been established by formal action of the School Board. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Assigned - represent balances where informal constraints have been established by the School Board or committee or delegate thereof, but are not restricted nor committed.

Unassigned - represent balances for which there are no constraints.

Minimum fund balance- the School Board has a policy to maintain a minimum fund balance in the general fund of ten percent of annual expenditures and not to exceed fifteen percent of annual expenditures. The School Board must approve causing the fund balance going below the minimum ten percent limit but only for unanticipated or unforeseen events of a non-recurring nature.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

K. **INTERFUND ACTIVITY**

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. **SALES AND USE TAXES**

The voters of Franklin Parish authorized the School Board to levy and collect three separate sales and use taxes:

- 1% tax for compensation was authorized on April 29, 1968 and does not expire.
- ½% tax for teaching supplies, equipment, and operations was authorized January 7, 2020 and expires on June 30, 2030.
- ½% tax for construction and renovation was authorized April 9, 2016 and expires on June 30, 2027.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

M. **USE OF ESTIMATES**

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

N. **DEFERRED OUTFLOWS, DEFERRED INFLOWS AND NET POSITION**

Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

O. **PENSION PLANS**

The Franklin Parish School Board is a participating employer in two defined benefit pension plans (plans) as described in Note 6. 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 each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

P. **NEWLY ADOPTED ACCOUNTING STANDARDS**

The School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the current year. This Statement establishes criteria and designations for reporting fiduciary activities in the financial statement of state and local governments. The Agency Fund title was renamed to Custodial Fund for which the standard specified can only be reported as a fiduciary activity if the activity meets certain criteria. The requirements of this Statement apply to the financial statements of all state and local governments and is applicable for reporting periods beginning after December 15, 2019. In addition, the School Board adopted paragraphs 4 and 5 of GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The paragraphs adopted are amendments to GASB 84 and reverses the criteria in GASB 84 to include certain defined contribution retirement plans without a board in the financial statements of state and local governments.

The implementation of these new accounting standards required the School Board to change the way school activity funds are reported. Previously, school activity funds in Louisiana were reported as fiduciary agency funds; however, under the new criteria established by GASB 84, student activity funds as funds held for the benefit of individuals, can only be reported as fiduciary custodial funds if no administrative involvement exists. Since school activity funds are required to be administered in accordance with the provisions of Louisiana Revised Statute 17.414.3 et. Seq., this statute establishes that the School Board has administrative involvement, therefore, the school activity funds are no longer considered fiduciary funds. Alternatively, they are now reported in these financial statements as a governmental – special revenue fund. Additionally, GASB 84 changed the method of recognizing liabilities of fiduciary funds so that only amounts compelled to be disbursed are recognized, rather than the entire balance of funds. As a result of this change, net position and changes thereof are now recognized and reported.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

P. **NEWLY ADOPTED ACCOUNTING STANDARDS** (continued)

The adoption of GASB 84 required a restatement of the June 30, 2020 net position and fund balance. The net effect to the School Board's Governmental Activities Net Position and Governmental Funds – Fund Balance for the prior year that resulted from the adoption of GASB 84 is as follows:

	<u>Governmental Activities</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Total Net Position/Fund Balance, June 30, 2020, as previously reported	\$ (44,004,171)	\$ 14,197,336	\$ -
Record effect of implementing GASB 84	478,273	478,273	375,804
Total Net Position/Fund Balance, June 30, 2020, restated	<u>\$ (43,525,898)</u>	<u>\$ 14,675,609</u>	<u>\$ 375,804</u>

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Excess of Expenditures Over Appropriations in Individual Funds. The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2021:

<u>Fund Name</u>	<u>Financial Statement Caption</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	Regular Education	\$ 11,219,212	\$ 11,244,708	\$ (25,496)
General	Other Education	1,360,517	1,450,318	(89,801)
General	Instructional Staff Services	1,140,235	1,189,216	(48,981)
General	General Administration Services	790,063	865,633	(75,570)
Title 1	Regular Education	1,284	227,988	(226,704)
Title 1	Other Education	1,545,910	1,553,071	(7,161)
Title 1	Instructional Staff Services	238,684	368,662	(129,978)
ESSER	General Administration Services	7,679	8,093	(414)

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. **AD VALOREM TAXES**

The School Board levies taxes on real and business personal property located within Franklin Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Franklin Parish Tax Assessor and approved by the Louisiana Tax Commission.

The Franklin Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly. The progression of the property tax collection process follows the calendar below:

	<u>Property Tax Calendar</u>
Millage rates adopted	September, 2020
Levy date	September, 2020
Tax bills mailed	November, 2020
Due date	December 31, 2020
Lien date	February, 2021
Collection date	May, 2021

Total assessed value was approximately \$139,206,000 in calendar year 2020. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was approximately \$30,411,000 of the assessed value leaving a taxable value of approximately \$108,795,000.

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

All property taxes are recorded on the basis explained in Note 1. 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 and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
<u>Parish-wide taxes:</u>			
Constitutional School Tax	4.61	4.62	N/A
Aid-To-Education	4.53	4.54	2028
Renovate, Improve, and Operate	15.64	15.67	2026

4. **DEPOSITS AND INVESTMENTS**

Deposits and investments include demand deposits and certificates of deposit at local financial institutions, classified in the financial statements as cash and cash equivalents and investments, respectively. The carrying amount of the School Board's deposits with the financial institutions (including certificates of deposit) was \$14,488,759. In addition, there is \$520,453 that is held in a Federated Hermes Treasury obligation.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. **DEPOSITS AND INVESTMENTS** (continued)

The Federated Hermes Treasury obligation is a money market mutual fund seeking to provide current income consistent with stability of principal by investing in a portfolio of U.S. Treasury securities maturing in 397 days or less, and repurchase agreements collateralized fully by U.S. Treasury securities. The Federated Hermes Treasury obligation had a credit risk rating of AAAm from Standard & Poors, and a rating of Aaa-mf from Moody's.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the School Board's deposits may not be returned. The School Board does not have a written policy regarding custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The School Board's bank balances of these deposits totaling \$18,751,288 were fully collateralized or FDIC insured and therefore were not exposed to custodial credit risk as of June 30, 2021.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and political subdivisions.

5. **CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 83,226	\$ -	\$ -	\$ 83,226
Construction in progress	187,210	229,889	(373,060)	44,039
Total capital assets not being depreciated	<u>270,436</u>	<u>229,889</u>	<u>(373,060)</u>	<u>127,265</u>
Capital assets being depreciated:				
Building and improvements	37,946,155	373,060	-	38,319,215
Machinery and equipment	2,697,348	74,512	(173,690)	2,598,170
Total assets being depreciated	<u>40,643,503</u>	<u>447,572</u>	<u>(173,690)</u>	<u>40,917,385</u>
Total capital assets at cost	<u>40,913,939</u>	<u>677,461</u>	<u>(546,750)</u>	<u>41,044,650</u>
Less accumulated depreciation for:				
Building and improvements	13,065,637	828,009	-	13,893,646
Machinery and equipment	1,801,733	124,347	(173,690)	1,752,390
Total accumulated depreciation	<u>14,867,370</u>	<u>952,356</u>	<u>(173,690)</u>	<u>15,646,036</u>
Total capital assets being depreciated (net)	<u>25,776,133</u>	<u>(504,784)</u>	<u>-</u>	<u>25,271,349</u>
Total capital assets (net)	<u>\$ 26,046,569</u>	<u>\$ (274,895)</u>	<u>\$ (373,060)</u>	<u>\$ 25,398,614</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **CAPITAL ASSETS** (continued)

Depreciation expense of \$952,356 for the year ended June 30, 2021 was charged to the following governmental functions:

Regular Education	\$ 223
Special Education	1,189
Other Educational Programs	9,359
Pupil Support Services	-
Instructional Staff Services	-
General Administrative Services	-
School Administrative Services	-
Business and Central Services	-
Plant Operation and Maintenance	847,954
Transportation	76,621
Food Service	10,260
Central Services	<u>6,750</u>
	<u>\$ 952,356</u>

6. **DEFINED BENEFIT PENSION PLANS**

The Franklin Parish School Board (the School Board) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS) (the Systems). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

TRSL:	LSERS:
8401 United Plaza Blvd.	8660 United Plaza Blvd.
P. O. Box 94123	Baton Rouge, LA 70804
Baton Rouge, Louisiana 70804-9123	(225) 925-6484
(225) 925-6446	www.lasers.net
www.trsl.org	

The School Board applies Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the School Board to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:761.

Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:1141.

A brief summary of eligibility and benefits of the plans are provided in the following table:

Final average salary	TRSL	LSERS
	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹
Years of service required and/or age eligible for benefits	30 years any age ⁴ 25 years age 55 20 years any age ² 5 years age 60 ⁵ 5 years age 62 ⁶	30 years any age 25 years age 55 20 years any age ² 5-10 years age 60 ⁵
Benefit percent per years of service	2% to 3.0% ³	2.5% to 3.33% ³

¹ Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

² With actuarial reduced benefits

³ Benefit percent varies depending on when hired

⁴ For school food service workers, hired on or before 6-30-15, 30 years at age

⁵ Five to ten years of creditable service at age 60 depending upon the plan or

⁶ Hired on or after 7/1/15, age eligibility is 5 years at age 62

Cost of Living Adjustments

The pension plans in which the School System participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to these systems, (TRSL and LSERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to funded status and interest earnings.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In accordance with state statute, TRSL receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2021, for the School Board and covered employees were as follows:

	School Board	Employees
Teachers' Retirement System:		
Regular Plan	25.80%	8.00%
Plan A	25.80%	9.10%
School Employees' Retirement System	28.70%	7.50%- 8.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	2021	2020	2019
Teachers' Retirement System:			
Regular Plan	\$ 4,162,055	\$ 3,893,127	\$ 3,858,041
School Employees' Retirement System	483,138	461,680	440,955

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2020 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2021 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 rate. 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.

	Net Pension Liability at June 30, 2020	Rate at June 30, 2020	Increase (Decrease) from June 30, 2019 Rate
Teachers' Retirement System	\$ 33,249,686	0.29891%	0.00348%
School Employees' Retirement System	4,285,325	0.53336%	0.000289%
	\$ 37,535,011		

The following schedule list each pension plan's recognized pension expense to the School Board for the year ended June 30, 2021:

Teachers' Retirement System	\$ 3,283,978
School Employees' Retirement System	600,822
	\$ 3,884,800

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

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

At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (639,220)
Changes of assumptions	2,003,565	-
Net difference between projected and actual earnings on pension plan investments	3,219,156	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	898,978	(1,082,510)
Employer contributions subsequent to the measurement date	4,645,193	-
Total	<u>\$ 10,766,892</u>	<u>\$ (1,721,730)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 9,604,057	\$ (1,596,457)
School Employees' Retirement System	1,162,835	(125,273)
	<u>\$ 10,766,892</u>	<u>\$ (1,721,730)</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

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

The School Board reported a total of \$4,645,193 as deferred outflow of resources related to pension contributions made subsequent to the measurement date of June 30, 2020 which will be recognized as a reduction in 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	\$ 4,162,055
School Employees' Retirement System	483,138
	\$ 4,645,193

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

Year	TRSL	LSERS	Total
2022	\$ 523,424	\$ 39,169	\$ 562,593
2023	1,154,031	167,947	1,321,978
2024	1,083,343	198,105	1,281,448
2025	1,084,747	149,203	1,233,950
	\$ 3,845,545	\$ 554,424	\$ 4,399,969

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions

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

	TRSL	LSERS
Valuation Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions: Expected Remaining		
Service Lives	5 years	3 years
Investment Rate of Return	7.45% net of investment expenses (a change from 2019 rate of 7.55%)	7.000% net of pension plan investment expense, including inflation
Inflation Rate	2.3% per annum	2.50%
Mortality	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.	Mortality assumptions were set based on the RP-2014 Health Annuitant Tables. RP-2014 Sec Distinct Mortality Table. RP-2014 Disabled Lives Mortality Table.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions (continued)

	TRSL	LSERS
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2012-June30, 2017) experience study of the System's members.	
Salary Increases	3.1% - 4.6% varies depending on duration of service	Salary increases were projected based on the 2012-2017 experience study 3.25%
Cost of Living Adjustments	None.	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT399 of 2014.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions (continued)

The following schedule lists the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>TRSL</u>	<u>LSERS</u>
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing / diversification. The resulting expected long-term rate of return was 8.17% for 2020.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/ diversification. The resulting long-term arithmetic nominal expected return is 8.38%.</p>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2020:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Cash	-	-	-	-
Domestic equity	27.00%	-	4.60%	-
International equity	19.00%	-	5.54%	-
Equity	-	39.00%	-	2.82%
Domestic fixed income	13.00%	-	0.69%	-
International fixed income	5.50%	-	1.50%	-
Fixed income	-	26.00%	-	0.92%
Alternatives	-	23.00%	-	1.95%
Alternative - private equity	25.50%	-	8.62%	-
Alternative - other equity	10.00%	-	4.45%	-
Real assets	-	12.00%	-	0.69%
Real assets	-	-	-	-
Total	100.00%	100.00%		
Inflation				2.00%
Expected Arithmetic Nominal Return				8.38%
n/a - amount not provided by Retirement System				

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions (continued)

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, each of 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 7.45% and 7.00%, respectively, for the year ended June 30, 2020.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.450%	7.450%	8.450%
FPSB Share of NPL	\$ 43,404,657	\$ 33,249,686	\$ 24,701,178
LSERS			
Rates	6.000%	7.000%	8.000%
FPSB Share of NPL	\$ 5,613,142	\$ 4,285,325	\$ 3,149,698

Payables to the Pension Plan

The Franklin Parish School Board had no amounts payable to the TRSL or LSERS at June 30, 2021.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. **OTHER POSTEMPLOYMENT BENEFITS**

General Information about the OPEB Plan

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

Benefits Provided – Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The OGB plan is a fully insured arrangement in which Franklin Parish School Board is a participating employer. The OPEB plan in this valuation is a Defined Benefit Single Employer Plan for financial reporting purposes. Medical benefits are provided to employees upon actual retirement or the end of the D.R.O.P., if applicable. The employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees hired on or after January 1, 2011 must have attained at least age 60 at retirement (or D.R.O.P. entry) to avoid actuarial reduction in the retirement benefit.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is used. The employer pays 50% of the cost of the retiree life insurance based on that blended rate. Insurance coverage amounts are reduced by 25% at age 65 and by an additional 25% at age 70 according to the OGB plan provisions.

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	309
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>323</u>
	<u><u>632</u></u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. **OTHER POSTEMPLOYMENT BENEFITS** (continued)

Total OPEB Liability

The School Board's total OPEB liability of \$53,661,137 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	2.21% annually (Beginning of Year)
	2.16% annually (As of End of Year)
Healthcare cost trend rates	5.5% annually until 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 53,358,685
Changes for the year:	
Service cost	778,453
Interest	1,154,483
Differences between expected and actual experience	176,003
Changes in assumptions	432,770
Benefit payments and net transfers	(2,239,257)
Net changes	<u>302,452</u>
Balance at June 30, 2021	<u>\$ 53,661,137</u>

The total OPEB liability is presented within the Statement of Net Position as follows:

Amounts due within one year	\$ 2,351,220
Amounts due in more than one year	51,309,917
Balance at June 30, 2021	<u>\$ 53,661,137</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. **OTHER POSTEMPLOYMENT 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 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	<u>1.0% Decrease</u> <u>(1.16%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(2.16%)</u>	<u>1.0% Increase</u> <u>(3.16%)</u>
Total OPEB liability	\$ 64,852,343	\$ 53,661,137	\$ 45,022,967

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	<u>1.0% Decrease</u> <u>(4.5%)</u>	<u>Current</u> <u>Trend</u> <u>(5.5%)</u>	<u>1.0% Increase</u> <u>(6.5%)</u>
Total OPEB liability	\$ 46,109,561	\$ 53,661,137	\$ 63,533,467

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

For the year ended June 30, 2021, the School Board recognized OPEB expense of \$5,225,540. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 264,921	\$ (1,210,873)
Changes in assumption	<u>9,572,950</u>	<u>(794,153)</u>
Total	\$ <u><u>9,837,871</u></u>	\$ <u><u>(2,005,026)</u></u>

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

Years ending June 30:	
2021	3,292,604
2022	3,292,604
2023	1,501,172
2024	(65,896)
2025	(187,639)
Thereafter	<u>-</u>
	<u>\$ 7,832,845</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. LONG-TERM LIABILITIES

The following is a summary of the long-term debt activity for the year ended June 30, 2021:

Due	Balance			Balance	Amount
	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>	<u>Within 1</u>
<u>Year</u>					
Bonds Payable	\$ 11,230,000	\$ -	\$ 1,455,000	\$ 9,775,000	\$ 1,510,000
Compensated Absences	<u>852,025</u>	<u>267,908</u>	<u>376,146</u>	<u>743,787</u>	<u>69,199</u>
Total	<u>\$ 12,082,025</u>	<u>\$ 267,908</u>	<u>\$ 1,831,146</u>	<u>\$10,518,787</u>	<u>\$ 1,579,199</u>

The compensated absences liability will be liquidated by the General Fund. The Revenue Bonds and Certificates of Indebtedness will be liquidated primarily through the Renovation Fund which accounts for dedicated tax revenues.

A schedule of the individual issues outstanding as of June 30, 2021 is as follows:

<u>Bond Issue</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
<u>Direct Placements:</u>						
Limited Tax Revenue Bonds, Series 2016:	Dec 8, 2016	\$ 1,500,000	0.1 - 4%	Nov. 1, 2026	\$112,929	\$1,155,000
Limited Tax Revenue Bonds, Series 2017:	Feb 16, 2017	7,500,000	3.225 - 3.625%	Oct. 19, 2026	566,637	5,135,000
Sales Tax Bonds, Series 2016:	Dec 8, 2016	5,000,000	3.025 – 3.25%	Oct. 19, 2026	<u>343,747</u>	<u>3,485,000</u>
					<u>\$1,023,313</u>	<u>\$9,775,000</u>

All principal and interest requirements for the limited tax revenue bonds are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish for which \$1,645,144 of revenue was recognized during the year ended June 30, 2021. The principal and interest requirements for the 2016 sales tax revenue bonds are funded by the proceeds of a one half cent sales tax levied within the parish for which \$1,566,103 of revenue was recognized during the year ended June 30, 2021. The School Board accounts for a majority of these taxes' proceeds within the Renovation Fund which includes a restricted account for debt service and debt service reserves. At June 30, 2021, the School Board has accumulated \$5,216,270 in the Renovation Fund; \$2,030,156 of which is restricted for future debt service requirements and required debt service reserves, and \$3,175,220 of which is restricted for capital improvements and major maintenance. \$10,894 within the Renovation Fund has been assigned for capital improvements and major maintenance.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. LONG-TERM LIABILITIES (continued)

Future debt service requirements are as follows:

<u>Year Ending</u> <u>June 30</u>	Direct Placements		
	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2022	\$ 1,510,000	\$ 300,846	\$ 1,810,846
2023	1,555,000	252,134	1,807,134
2024	1,600,000	201,050	1,801,050
2025	1,655,000	147,339	1,802,339
2026	1,700,000	90,922	1,790,922
2027	1,755,000	31,022	1,786,022
	<u>\$ 9,775,000</u>	<u>\$ 1,023,313</u>	<u>\$ 10,798,313</u>

In accordance with Louisiana Revised Statute 39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the net assessed value of taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2021, the net assessed value of taxable property for the parish was \$108,795,000, which would result in a \$38,078,250 long-term bonded debt limit.

The Sales Tax Bonds, Series 2016 contain events of default with financial consequences if principal and interest is not paid when due or if there are any unscheduled withdrawals from the debt service reserve funds. Remedies available to the bondholder in an event of default that is not remedied within 30 days include those allowed under Louisiana law for such defaults, but do not include subjective acceleration clauses or termination events.

The Series 2017 and 2016 Limited Tax Revenue bonds' terms of default are not explicitly defined. However, in the event of non-payment, all remedies allowed under Louisiana law would be available to the bondholders, but do not include subjective acceleration clauses or termination events.

9. INTERFUND TRANSACTIONS

Interfund receivable/payable:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Governmental funds		Governmental funds	
General	\$ 2,767,168	General Fund	\$ 37,917
Title 1	7,381	Title 1	507,365
ESSER	-	ESSER	1,927,637
Non-major	-	Non-major	301,630
Total	<u>\$ 2,774,549</u>	Total	<u>\$ 2,774,549</u>

The primary purpose of inter-fund receivable/payable is to cover expenditures on cost reimbursement programs until reimbursements are received.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. INTERFUND TRANSACTIONS (continued)

Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 913,761	\$ -
Title 1	-	193,510
ESSER	-	572,715
Non-major	-	147,536
Totals:	<u>\$ 913,761</u>	<u>\$ 913,761</u>

The primary purpose of inter-fund transfers is to cover administrative and overhead expenditures of the general fund through indirect cost recoveries charged to grant programs.

10. RISK MANAGEMENT

The School Board manages its exposure under general liability, fleet, and errors and omissions through the purchase of commercial insurance. Qualifying employees and retirees may participate in the state group medical and life insurance plan. Risk of loss under workers' compensation statutes is self-insured by the School Board for up to \$400,000 per occurrence, with an insurance policy in force for losses in excess of that amount. The self-insured plan is administered by a third party, with the claims under the self-insured amount paid by the General Fund; certain Special Revenue funds may reimburse the General Fund for payment of their claims. Consistent with the provisions of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the School Board uses the General Fund to account for its risk financing activities. Claims outstanding at June 30, 2021 of approximately \$210,000 have been recorded as liabilities in the accompanying general fund and government-wide financial statements.

11. LITIGATION AND CONTINGENCIES

At June 30, 2021, the School Board was a defendant in several lawsuits. These suits, arising from various claims are mostly covered through insurance. However, the School Board is exposed to certain uninsured claims and deductibles. Based upon the opinion of the School Board's legal counsel, the ultimate resolution of these matters, as well as other claims not covered by insurance policies, is not expected to materially impact the operations of the School Board.

In the normal course of operations, the School System receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

12. LEASE OBLIGATIONS

The School Board leased 45 buses during the fiscal year under an operating lease for a term of five years. Lease expenditures were approximately \$705,603 for June 30, 2021. Future minimum payments under this lease are:

2022	\$699,000
2023	699,000
2024	682,500
2025	436,500
2026	436,500
Thereafter	<u>226,000</u>
	<u>\$787,500</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

13. SALES TAX COLLECTIONS AND REMITTANCES

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (b) to provide required financial statement note disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year 2020-2021.

<u>Jurisdiction</u>	<u>Tax</u>	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final or pending Distributions</u>
Police Jury	1%	\$ 3,089,549	\$ (41,544)	\$ 3,048,005
Police Jury	1/2%	1,544,773	(20,778)	1,523,995
		<u>4,634,322</u>	<u>(62,322)</u>	<u>4,572,000</u>
Franklin Sheriff	1/2%	1,544,794	(20,779)	1,524,015
City of Winnsboro	1%	1,709,657	(23,051)	1,686,606
City of Winnsboro 2007	1/2%	854,828	(11,518)	843,310
City of Winnsboro 2009	1/2%	854,828	(11,518)	843,310
		<u>3,419,313</u>	<u>(46,087)</u>	<u>3,373,226</u>
Town of Gilbert		53,591	(772)	52,819
Town of Wisner		101,495	(1,341)	100,154
Town of Baskin		31,687	(467)	31,220
Revenue Recovery Audits		10,259	-	10,259
Held in Escrow Pending Suit		27,504	-	27,504
		<u>-</u>	<u>-</u>	<u>-</u>
TOTALS		<u>\$ 9,822,967</u>	<u>\$ (69,446)</u>	<u>\$ 9,691,197</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

14. CURRENT ACCOUNTING STANDARDS SCHEDULED TO BE IMPLEMENTED

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

GASB Statement 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The School Board will include the requirements of this standard, as applicable, in its June 30, 2022 financial statement. All of the School Board lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the School Board are unknown at this time.

15. SUBSEQUENT EVENTS

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the School Board's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the School Board's, vendors and employees, all of which are uncertain and cannot be predicted. The ultimate extent to which the COVID-19 pandemic may directly or indirectly impact the School Board's financial condition or results of operations cannot be reasonably estimated at this time.

For the year ended June 30, 2022, the COVID-19 pandemic continues to impact the School Board. However, major disruptions to budgets, operations and its ability to execute its educational mission have been avoided. The School Board has been awarded substantial grant relief from the Education Stabilization Fund as created under the CARES Act, renewed and expanded under subsequent Acts of the US Congress, and administered through the Louisiana Department of Education. Approximately \$20 million is available for certain eligible activities.

REQUIRED SUPPLEMENTAL INFORMATION

Franklin Parish School Board

Winnsboro, Louisiana

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

MAJOR FUND DESCRIPTIONS
BUDGETARY COMPARISON SCHEDULES

General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets

GENERAL FUND. The General Fund accounts for all activities of the School Board except those that are accounted for in other funds.

COMBINED RENOVATION FUND AND CAPITAL PROJECTS 2017 FUND. The Combined Renovation Fund and Capital Projects 2017 Fund accounts combines two funds for budget reporting purposes. The Renovation Fund accounts for a portion of the proceeds of a 15.64 mil ad-valorem tax that is restricted to debt service and for the proceeds of a half-cent sales tax restricted to debt service, major capital improvements, and repairs. The Capital Projects 2017 Fund accounts for the proceeds of the 2017 and 2016 bonds and their use towards capital projects. These funds are combined for budgetary reporting purposes.

TITLE 1 FUND. The Title 1 fund accounts for the Title 1 grants. The purpose of these grants are to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. These grants function by providing compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

ESSER FUND. The ESSER fund accounts for the grants received by the School Board under the Elementary and Secondary School Emergency Relief (ESSER) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act, through the Louisiana Department of Education. The purpose of these grants are to provide funding to State educational agencies and school districts to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the Nation's students.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources	\$ 5,150,000	\$ 6,321,923	\$ 6,491,745	\$ 169,822
State sources	20,889,470	20,234,361	20,271,462	37,101
Federal sources	-	52,223	52,223	-
Total revenues	<u>26,039,470</u>	<u>26,608,507</u>	<u>26,815,430</u>	<u>206,923</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	11,100,000	11,219,212	11,244,708	(25,496)
Special education programs	2,814,000	2,812,316	2,812,312	4
Other education programs	1,599,000	1,360,517	1,450,318	(89,801)
Support services:				
Pupil support services	1,425,150	1,468,382	1,468,377	5
Instructional staff services	1,339,000	1,140,235	1,189,216	(48,981)
General administration services	700,000	790,063	865,633	(75,570)
School administration services	1,795,000	1,867,246	1,867,250	(4)
Business administration services	602,000	601,686	601,686	-
Plant operation and maintenance	2,155,000	2,287,268	2,287,401	(133)
Transportation	2,750,000	2,713,489	2,713,490	(1)
Food services	190,000	213,788	213,787	1
Central services	52,850	36,909	36,911	(2)
Community services	7,644	7,644	7,644	-
Appropriations				
Charter Schools	171,100	56,423	56,423	-
Facility acquisition and construction	-	-	-	-
Total expenditures	<u>26,700,744</u>	<u>26,575,178</u>	<u>26,815,156</u>	<u>(239,978)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (661,274)</u>	<u>\$ 33,329</u>	<u>\$ 274</u>	<u>\$ (33,055)</u>

(continued)

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Other financing sources (uses):</u>				
Operating transfers in	\$ 661,274	\$ 913,761	\$ 913,761	\$ -
Total other financing sources (uses)	661,274	913,761	913,761	-
Net changes in fund balances	-	947,090	914,035	(33,055)
Fund balances, June 30, 2020	6,000,000	7,327,953	7,410,840	82,887
FUND BALANCES, JUNE 30, 2021	\$ 6,000,000	\$ 8,275,043	\$ 8,324,875	\$ 49,832 (concluded)

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

RENOVATION FUND and CAPITAL PROJECTS 2017 FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021

	RENOVATION FUND and CAPITAL PROJECTS 2017 FUND			
	Original Budget	Final Budget	Budgetary Basis Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:	\$ 2,500,000	\$ 2,784,280	\$ 2,783,133	\$ (1,147)
Total revenues	<u>2,500,000</u>	<u>2,784,280</u>	<u>2,783,133</u>	<u>(1,147)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	-	-	-	-
Special education programs	-	165	165	-
Other education programs	-	59,811	59,811	-
Support services:				
Pupil Support	-	6,378	6,381	(3)
Instructional staff services	-	964	966	(2)
General administrative services	-	22,845	22,845	-
School administration	-	-	-	-
Business services	-	2,346	2,345	1
Plant operation and maintenance	250,000	308,425	308,420	5
Student transportation	-	26,251	26,251	-
Food services	-	-	-	-
Central services	50,000	7,352	7,354	(2)
Facilities acquisition and construction	1,000,000	265,158	248,172	16,986
Debt Service	1,802,000	1,900,000	1,804,746	95,254
Total expenditures	<u>3,102,000</u>	<u>2,599,695</u>	<u>2,487,456</u>	<u>112,239</u>
Excess (deficiency) of revenues over expenditures	(602,000)	184,585	295,677	111,092
Fund balances, June 30, 2020	<u>3,250,000</u>	<u>3,355,906</u>	<u>5,904,072</u>	<u>2,548,166</u>
FUND BALANCES, JUNE 30, 2021	<u>\$ 2,648,000</u>	<u>\$ 3,540,491</u>	<u>\$ 6,199,749</u>	<u>\$ 2,659,258</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

TITLE I FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	Title 1 Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Federal sources:	\$ 1,905,050	\$ 1,946,061	\$ 2,343,231	\$ 397,170
Total revenues	1,905,050	1,946,061	2,343,231	397,170
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	-	1,284	227,988	(226,704)
Special education programs	-	-	-	-
Other education programs	1,466,888	1,545,910	1,553,071	(7,161)
Special and adult education programs				
Support services:				
Pupil Support	-	-	-	-
Instructional staff services	266,707	238,684	368,662	(129,978)
General administrative services	-	-	-	-
School administration	-	-	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Central services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	1,733,595	1,785,878	2,149,721	(363,843)
Excess (deficiency) of revenues over expenditures	171,455	160,183	193,510	33,327
<u>Other financing sources (uses):</u>				
Operating transfers out	(171,455)	(160,183)	(193,510)	(33,327)
Total other financing sources (uses)	(171,455)	(160,183)	(193,510)	(33,327)
Net changes in fund balance	-	-	-	-
Fund balances, June 30, 2020	-	-	-	-
FUND BALANCES, JUNE 30, 2021	\$ -	\$ -	\$ -	\$ -

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

ESSER FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	ESSER Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>Revenues:</u>				
Federal sources:	\$ 1,900,661	\$ 3,697,921	\$ 3,697,922	\$ 1
Total revenues	<u>1,900,661</u>	<u>3,697,921</u>	<u>3,697,922</u>	<u>1</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	1,035,124	1,853,001	1,853,000	1
Special education programs	157,147	206,728	206,729	(1)
Other education programs	218,488	542,067	542,063	4
Special and adult education programs				
Support services:				
Pupil Support	10,100	40,539	40,532	7
Instructional staff services	4,500	98,765	98,764	1
General administrative services	-	7,679	8,093	(414)
School administration	27,228	80,915	80,508	407
Business services	27,226	17,145	17,146	(1)
Plant operation and maintenance	78,616	74,227	74,232	(5)
Student transportation	-	100,075	100,074	1
Food services	31,472	92,663	92,665	(2)
Central services	-	11,402	11,401	1
Facilities acquisition and construction	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	<u>1,589,901</u>	<u>3,125,206</u>	<u>3,125,207</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	310,760	572,715	572,715	-
<u>Other financing sources (uses):</u>				
Operating transfers out	<u>(310,760)</u>	<u>(572,715)</u>	<u>(572,715)</u>	<u>-</u>
Total other financing sources (uses)	<u>(310,760)</u>	<u>(572,715)</u>	<u>(572,715)</u>	<u>-</u>
Net changes in fund balance	-	-	-	-
Fund balances, June 30, 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2021

BUDGETS

Budget Practices. The School Board follows these procedures in establishing the budgetary data reflected in the financial statements.

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

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

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

Formal Budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the Board and as amended by the Board.

Encumbrances. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting. All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP), with the exception of the combined renovation and capital projects 2017 fund, which combines these two funds which are separated for GAAP reporting. 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 budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT
BENEFIT LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2021

Financial statement reporting date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost	\$ 778,453	\$ 713,566	\$ 434,402	\$ 562,602
Interest	1,154,483	1,552,006	1,383,950	1,354,009
Difference between actual and expected experience	176,003	(1,778,042)	310,299	(259,283)
Changes of assumptions or other inputs	432,770	9,613,318	8,646,860	(1,429,473)
Benefit payments	(2,239,257)	(2,170,368)	(2,216,596)	(2,360,098)
Net change in total OPEB liability	302,452	7,930,480	8,558,915	(2,132,243)
Total OPEB liability - beginning	53,358,685	45,428,205	36,869,290	39,001,533
Total OPEB liability - ending	\$ 53,661,137	\$ 53,358,685	\$ 45,428,205	\$ 36,869,290
Covered employee payroll	\$ 11,900,216	\$ 11,835,383	\$ 11,380,716	\$ 11,933,877
Total OPEB liability as a percentage of covered payroll	450.93%	450.84%	399.17%	308.95%

Notes to Schedule:

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

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

Benefit Changes.

Measurement date

6/30/2021

There were no changes to the benefit terms that affected the total OPEB liability

Changes of Assumptions.

The changes in assumptions balance was a result of changes in the discount rate, and change in the assured commenced of benefits. The following are the discount rates used for in each measurement of total OPEB liability

Measurement		
Date	Rate	Change
6/30/2021	2.16%	-0.05%
6/30/2020	2.21%	-1.29%
6/30/2019	3.50%	-0.37%
6/30/2018	3.87%	0.29%
6/30/2017	3.58%	

The commencement of benefits changed to 3 years from eligibility for retirement benefits to 5 years in 2019.

Franklin Parish School Board
Schedule of the Proportionate Share of the Net Pension Liability
Cost Sharing Plans Only
For the Year Ended June 30, 2021 (*)

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Teachers Retirement System of Louisiana						
	2021	0.2982%	\$ 33,249,686	\$ 14,997,386	221.7032%	65.61%
	2020	0.2954%	29,320,195	14,466,381	202.6782%	68.57%
	2019	0.3129%	30,749,123	14,662,036	209.7193%	68.17%
	2018	0.3070%	31,471,110	14,283,093	220.3382%	65.55%
	2017	0.2993%	35,124,224	13,944,475	251.8863%	59.90%
	2016	0.3108%	33,420,336	12,762,427	261.8651%	62.50%
	2015	0.3058%	31,259,190	12,633,434	247.4323%	63.70%
Louisiana School Employees Retirement System						
	2021	0.5334%	4,285,325	1,573,007	272.4289%	69.67%
	2020	0.5363%	3,754,109	1,545,101	242.9685%	73.49%
	2019	0.5356%	3,578,577	1,547,339	231.2730%	74.44%
	2018	0.5356%	3,427,742	1,534,716	223.3470%	75.03%
	2017	0.4994%	3,766,893	1,417,298	265.7799%	70.09%
	2016	0.4748%	3,011,133	1,315,313	228.9290%	74.49%
	2015	46.8900%	2,718,050	1,310,969	207.3314%	76.18%

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

(*) The amounts presented have a measurement date of June 30th of the previous year identified.

Franklin Parish School Board
Schedule of Contributions to Each Retirement System
Cost Sharing Plans Only
For the Year Ended June 30, 2021

<u>Pension Plan:</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll³</u>	<u>Contributions as a % of Covered Payroll</u>
Teachers Retirement System of Louisiana						
	2021	\$ 4,162,055	\$ 4,162,055	\$ -	\$ 16,131,974	25.8000%
	2020	3,893,127	3,893,127	-	14,997,386	25.9587%
	2019	3,858,041	3,858,041	-	14,466,381	26.6690%
	2018	3,909,022	3,909,022	-	14,662,036	26.6608%
	2017	3,636,403	3,636,403	-	14,283,093	25.4595%
	2016	3,667,397	3,667,397	-	13,944,475	26.3000%
	2015	3,940,665	3,940,665	-	12,762,427	30.8771%
Louisiana School Employees Retirement System						
	2021	483,138	483,138	-	1,686,884	28.6409%
	2020	461,680	461,680	-	1,573,007	29.3502%
	2019	440,955	440,955	-	1,545,101	28.5389%
	2018	428,043	428,043	-	1,547,339	27.6632%
	2017	419,757	419,757	-	1,534,716	27.3508%
	2016	428,024	428,024	-	1,417,298	30.2000%
	2015	438,899	438,899	-	1,315,313	33.3684%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered payroll*

² *Actual employer contributions remitted to Retirement Systems*

³ *Employer's covered employee payroll amount for the year ended June 30 of each year*

Franklin Parish School Board
Notes to Required Supplementary Information -
Retirement Systems
For the Year Ended June 30, 2021

Changes in benefit terms:

TRSL:

2015 - A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session

2016 - Members employed on or after July 1, 2015 – can retire at age 62 with a 2.5% benefit factor with at least 5 years of service credit or at any age after 20 years of service credit (actuarially reduced)

2017 - A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session

LSERS:

2016 - Act 93 of the 2016 provides for an up to 2.0% COLA on the first

Changes in assumptions:

The following discount rate changes were made to the pension plans identified in the following table:

Dicount Rate:			Dicount Rate:		
Year (*)	Rate	Change	Year (*)	Rate	Change
TRSL			LSERS		
2020	7.450%	-0.100%	2020	7.0000%	0.000%
2019	7.550%	-0.100%	2019	7.0000%	-0.063%
2018	7.650%	-0.050%	2018	7.0625%	-0.063%
2017	7.700%	-0.050%	2017	7.1250%	0.000%
2016	7.750%	0.000%	2016	7.1250%	0.125%
2015	7.750%		2015	7.0000%	

The following inflation rate changes were made to the pension plans identified in the following table:

Inflation Rate:		
Year (*)	Rate	Change
LSERS		
2020	2.500%	0.000%
2019	2.500%	0.000%
2018	2.500%	-0.125%
2017	2.625%	0.000%
2016	2.625%	-0.125%
2015	2.750%	

The following changes to projected salary increases were made to the pension plans identified in the following table:

Salary Increases:				
Year (*)	Range			
TRSL		LSERS		
2020	No Changes		2020	No Changes
2019	No Changes		2019	No Changes
2018	3.30 to 4.80% for various member types		2018	3.25%
2017	3.50 to 10.0% for various member types		2017	3.075% to 5.375%
2016	3.50 to 10.0% for various member types		2016	3.200% to 5.500%

Mortality table:

Year (*)	
TRSL:	
2020	No Changes
2019	No Changes
2018	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables. Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.
2017	
LSERS:	
2020	No Channges
2019	No Channges
2018	RP-2014 Healthy Annuitant, Sex Distinct Employee, Sex Distinct Disabled Tables
2017	RP-2000 Sex Distinct Mortality and Disabled Lives Mortality Tables

(*) The amounts presented have a measurement date of the previous fiscal year end.

FRANKLIN PARISH SCHOOL BOARD

SUPPLEMENTAL INFORMATION

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

Headstart The Head Start fund accounts for the Head Start federal grant. The purpose of this grant is to provide a comprehensive child development program for 3 and 4-year-old children from low income families. The program serves both the child and the family.

School Lunch The school lunch fund accounts for activities of the school board's food service program.

Capital Projects 2017 Fund This fund accounts for the proceeds of the series 2016 and 2017 tax revenue bonds.

Title II Increases student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools. The program also holds local educational agencies and schools accountable for improvements in student academic achievement.

Special Education *The Individuals with Disabilities Act (IDEA)* is a federally financed program providing free, appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.

Other Federal Accounts for the proceeds of miscellaneous federal grants.

State and Local Grants Used to account for special grants received from various departments of the state of Louisiana and other non-federal sources.

Student Activities Used to account for monies collected and used in support of co-curricular and extra-curricular student activities.

Capital Projects Fund This fund accounts for the unexpended proceeds of various initiatives for capital improvements, including issuance of debt.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Headstart	School Lunch	Capital Project 2017 Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 50	\$ 559,010	\$ 988,991
Receivables:			
Accounts	-	2,663	-
Sales tax	-	-	-
Ad valorem tax	-	-	-
Prepaid expenses	-	-	-
Investments in certificates of deposit	-	-	-
Due from other funds	-	-	-
Due from other governments	133,782	210,463	-
Inventory	-	39,843	-
	\$ 133,832	\$ 811,979	\$ 988,991
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 52,592	\$ 2,359	\$ -
Retainages	-	-	-
Salaries and benefits payable	81,190	63,760	-
Due to other funds	50	-	-
Unearned revenues	-	9,342	-
	133,832	75,461	-
Fund balances:			
Nonspendable	-	30,501	-
Spendable, Restricted	-	706,017	988,991
	-	736,518	988,991
 TOTAL LIABILITIES AND FUND BALANCES	\$ 133,832	\$ 811,979	\$ 988,991

<u>Title II</u>	<u>Special Education</u>	<u>Other Federal</u>	<u>State and Local Grants</u>	<u>Student Activities</u>	<u>Capital Project</u>	<u>Total</u>
\$ -	\$ -	\$ 2	\$ 119,763	\$ 572,292	\$ 5,552	\$ 2,245,660
-	-	-	-	-	-	2,663
-	18	-	-	-	-	18
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
23,232	168,631	92,259	76,927	-	-	705,294
-	-	-	-	-	-	39,843
<u>\$ 23,232</u>	<u>\$ 168,649</u>	<u>\$ 92,261</u>	<u>\$ 196,690</u>	<u>\$ 572,292</u>	<u>\$ 5,552</u>	<u>\$ 2,993,478</u>
\$ -	\$ 5,256	\$ -	\$ -	\$ 67,170	\$ -	\$ 127,377
-	-	-	-	-	-	-
-	31,319	16,959	5,955	-	-	199,183
23,232	132,074	75,302	70,972	-	-	301,630
-	-	-	-	-	-	9,342
<u>23,232</u>	<u>168,649</u>	<u>92,261</u>	<u>76,927</u>	<u>67,170</u>	<u>-</u>	<u>637,532</u>
-	-	-	-	-	-	30,501
-	-	-	119,763	505,122	5,552	2,325,445
-	-	-	119,763	505,122	5,552	2,355,946
<u>\$ 23,232</u>	<u>\$ 168,649</u>	<u>\$ 92,261</u>	<u>\$ 196,690</u>	<u>\$ 572,292</u>	<u>\$ 5,552</u>	<u>\$ 2,993,478</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2021

	Headstart	School Lunch	Capital Project 2017 Fund
<u>REVENUES</u>			
Local sources:			
Earnings on investments	\$ -	\$ 505	\$ 5,512
Food Services	-	21,203	-
Other	-	-	-
State sources:			
Unrestricted grants-in-aid, MFP	-	24,619	-
Restricted grants-in-aid	-	-	-
Federal grants	1,230,996	1,882,908	-
TOTAL REVENUES	1,230,996	1,929,235	5,512
<u>EXPENDITURES</u>			
Current:			
Instruction:			
Regular education programs	-	-	-
Special education programs	-	-	-
Other education programs	691,935	-	-
Support:			
Pupil support services	149,636	-	-
Instructional staff services	138,757	-	-
General administration services	5,862	-	-
School administration services	-	-	-
Business and central services	63,185	-	-
Plant operation and maintenance	67,730	-	25,195
Technical support	-	-	-
Transportation	100,982	-	-
Debt Services	-	-	-
Food services	12,909	1,877,529	-
Central services	-	-	-
Facility acquisition and construction	-	-	193,299
Other	-	-	-
Debt service - Principal	-	-	-
Debt service - Interest	-	-	-
TOTAL EXPENDITURES	1,230,996	1,877,529	218,494
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	51,706	(212,982)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
<u>NET CHANGES IN FUND BALANCE</u>	-	51,706	(212,982)
Fund balances, June 30, 2020	-	684,812	1,201,973
FUND BALANCES, JUNE 30, 2021	\$ -	\$ 736,518	\$ 988,991

<u>Title II</u>	<u>Special Education</u>	<u>Other Federal</u>	<u>State and Local Grants</u>	<u>Student Activities</u>	<u>Capital Project</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,017
-	-	-	-	-	-	21,203
-	-	-	52,943	919,975	-	972,918
-	-	-	-	-	-	24,619
-	-	-	117,566	-	-	117,566
<u>168,105</u>	<u>920,400</u>	<u>586,565</u>	<u>142,350</u>	<u>-</u>	<u>-</u>	<u>4,931,324</u>
<u>168,105</u>	<u>920,400</u>	<u>586,565</u>	<u>312,859</u>	<u>919,975</u>	<u>-</u>	<u>6,073,647</u>
-	86,386	278,110	82,279	-	-	446,775
-	274,452	50,601	-	-	-	325,053
-	62,942	149,442	195,627	893,126	-	1,993,072
-	126,280	-	-	-	-	275,916
153,999	293,029	68,627	90,916	-	-	745,328
-	-	-	-	-	-	5,862
-	-	-	-	-	-	-
-	-	-	-	-	-	63,185
-	-	-	-	-	-	92,925
-	-	-	-	-	-	-
-	-	-	-	-	-	100,982
-	-	-	-	-	-	-
-	-	-	-	-	-	1,890,438
-	-	-	-	-	-	-
-	-	-	-	-	-	193,299
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>153,999</u>	<u>843,089</u>	<u>546,780</u>	<u>368,822</u>	<u>893,126</u>	<u>-</u>	<u>6,132,835</u>
<u>14,106</u>	<u>77,311</u>	<u>39,785</u>	<u>(55,963)</u>	<u>26,849</u>	<u>-</u>	<u>(59,188)</u>
<u>(14,106)</u>	<u>(77,311)</u>	<u>(39,785)</u>	<u>(16,334)</u>	<u>-</u>	<u>-</u>	<u>(147,536)</u>
<u>(14,106)</u>	<u>(77,311)</u>	<u>(39,785)</u>	<u>(16,334)</u>	<u>-</u>	<u>-</u>	<u>(147,536)</u>
-	-	-	(72,297)	26,849	-	(206,724)
-	-	-	192,060	478,273	5,552	2,562,670
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,763</u>	<u>\$ 505,122</u>	<u>\$ 5,552</u>	<u>\$ 2,355,946</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2021

Eddie Ray Bryan	\$ 4,200
Dr. Jacqueline Johnson	4,200
Danny Davis, Chaplain	4,200
Richard Kelly, President	4,800
Mia Liki Dunn	4,200
Tim Eubanks	4,200
Alaina Nichols	4,200
	<hr/>
	<u>\$ 30,000</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE 6-MONTH PERIOD ENDED DECEMBER 31, 2020

<u>Dr. Lanny Johnson</u>	
Salary	\$ 6,343
Benefits - retirement	-
Benefits - Medicare	92
Car allowance	-
Dues	-
	<hr/>
Total Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	<u>\$ 6,435</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2021

<u>John Gullatt</u>	
Salary	\$ 143,549
Benefits - insurance	6,590
Benefits - retirement	39,512
Benefits - Medicare	2,190
Other	2,764
Car allowance	<u>9,600</u>
 Total Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	 <u><u>\$ 204,205</u></u>



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

Franklin Parish School Board
Winnsboro, 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 Franklin Parish School Board (School Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 15, 2021



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

Franklin Parish School Board
Winnsboro, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Franklin Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2021. The School Board's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on the School Board's major federal program is not modified with respect to this matter.



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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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

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

A handwritten signature in black ink that reads 'Postlethwaite & Netterville' in a cursive script.

Baton Rouge, Louisiana
December 15, 2021

Franklin Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

FEDERAL DEPARTMENT/PASS-THROUGH ENTITY/PROGRAM	Federal Assistance Listing #	Grant #	EXPENDED
<u>United States Department of Education</u>			
<i>Passed through the Louisiana Department of Education</i>			
Title I 19/20	84.010A	2820T121	\$ 1,946,063
Title I 19/20 Direct Student Services	84.010A	2820DSS21	7,820
Title I Redesign 1003A	84.010A	2819RD1921	389,348
IDEA 19/20	84.027A ¹	2820B121	857,551
IDEA Pre-School 20/21	84.173A ¹	2821P121	62,849
Vocational Education - Federal	84.048A	28200221	24,872
Title V-B	84.358B	2820RE21	17,828
Title II FY 20/21	84.367A	28205021	168,105
Teacher Incentive Fund	84.374A	2821TP21	27,337
Teacher Incentive Fund - PBCS	84.374C	2818PBCS21	87,678
Title IV	84.424A	28217121	110,020
Striving Readers - Birth to age 5	84.371C	2818SRO121	22,231
Striving Readers - Grades K to 2	84.371C	2818SR0521	69,371
Striving Readers - Grades 3 to 5	84.371C	2818SR0621	123,215
Elementary and Secondary Education School Emergency Relief Funds (ESSER)			
ESSER - Formula - COVID-19	84.425D	2820ESRF21	1,544,213
ESSER - Incentive - COVID-19	84.425D	2820ESRI21	133,816
ESSER II - Formula - COVID-19	84.425D	2821ES2F21	1,335,394
GEERF - COVID-19	84.425C	2820GERF21	132,172
ESSER III EB Interventions - COVID-19	84.425U	2821ESEB21	552,327
<i>Passed through the Louisiana Workforce Commission</i>			
State Vocational Rehabilitation Services	84.126A	H126A140025 - 14C	50,601
Total United States Department of Education			<u>7,662,811</u>
<u>United States Department of Health and Human Services</u>			
<i>Direct funding</i>			
Head Start	93.600 ⁴	06 CH01108202	1,111,478
Head Start - COVID-19	93.600 ⁴	06 CH01108202C3	119,518
Early Childhood Child Care and Development Block Grant	93.575 ³	2819CO2	16,452
Early Childhood Child Care and Development Block Grant - COVID-19	93.575 ³	2821CCCR21	142,350
<i>Passed through the Louisiana Department of Education</i>			
Jobs for America's Graduates - Pets	93.558	2819JS21	36,960
Total United States Department of Health and Human Services			<u>1,426,758</u>
<u>United States Department of Agriculture</u>			
<i>Passed through the Louisiana Department of Education</i>			
National School Breakfast Program	10.553 ²	N/A	437,449
National School Lunch Program	10.555 ²	N/A	896,025
National School Lunch Program - COVID-19	10.555 ²	N/A	342,146
<i>Passed through the Louisiana Department of Agriculture and Forestry</i>			
Food Distribution	10.555 ²	N/A	163,693
Child Nutrition Cluster Total			<u>1,839,313</u>
<i>Passed through the Louisiana Department of Education</i>			
Fresh Fruit and Vegetable Program	10.582	N/A	43,595
Total United States Department of Agriculture			<u>1,882,908</u>
<u>United States Department of Defense</u>			
<i>Direct Funding</i>			
Reserve Officer Training Corps	12.xxx		52,223
Total United States Department of Defense			<u>52,223</u>
Total Expenditures			<u>\$ 11,024,700</u>
¹ . Special Education Cluster	\$ 920,400		
² . Child Nutrition Cluster	1,839,313		
³ . CCDF Cluster	158,802		
⁴ . Head Start Cluster	1,230,996		

See accompanying notes to this schedule.

FRANKLIN PARISH SCHOOL BOARD

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Franklin Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. During the year ended June 30, 2021, the School Board received commodities valued at \$163,693. At June 30, 2021, the School Board had food commodities totaling \$18,547 in inventory.

NOTE C – DE MINIMUS COST RATE

During the year ended June 30, 2021, the Franklin Parish School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance. Instead the School Board has an indirect cost rate that is provided by the Louisiana Department of Education.

NOTE D – RECONCILIATION TO THE BASIC FINANCIAL STATEMENT

The Federal Expenditures reported on the SEFA of \$11,024,700, are reported in the School Board’s financial statements by fund as follows:

General Fund	\$	52,223
Title I		2,343,231
ESSER		3,697,922
Headstart		1,230,996
School Lunch		1,882,908
Title II		168,105
Special Education		920,400
Other Federal Fund and Capital Projects Fund		728,915
Total to Basic Financial Statements	<u>\$</u>	<u>11,024,700</u>

FRANKLIN PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes _____ none reported

Type of auditor's 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)? x yes _____ no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund
84.010	Title I

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

The Franklin Parish School Board was determined to be a low-risk auditee.

FRANKLIN PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

B. Findings – Financial Statement Audit

- None

C. Findings and Questioned Costs – Major Federal Award Programs

2021-001 Special Tests and Provisions

Questioned Cost: None

U.S. DEPARTMENT OF EDUCATION

passed through the Louisiana Department of Education

84.010 Title I

Criteria: 34 CFR §200.19(b) requires that an LEA must report graduation rate data for all public high schools at the school, LEA, and state levels using the four-year adjusted cohort rate. To remove a student from the cohort, a school or LEA must confirm, in writing, that the student transferred out, emigrated to another country, transferred to a prison or juvenile facility, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. A student who is retained in grade, enrolls in a GED program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort

Condition: In testing internal controls and compliance with respect to 34 CFR §200.19(b), 1 of 24 leavers had an exception to the required documentation set forth by the Louisiana Administrative Code Title 28, Part LXXXIII, Chapter 6, §611, the pass-through agency's regulation for the program (LDOE). This rate of exception indicates that the School System internal control procedures may not be sufficient to ensure that all documentation is maintained contemporaneously with the removal of the student to support the removal from a cohort.

Effect: Without maintenance of required documentation for exiting students, the School System is at risk for non-compliance and potentially loss of Title 1 funding. The compliance effects of this finding are mitigated by documentation obtained from the LDOE prior to the release of this report.

Cause: This appears to be the result of oversight.

Recommendation: All documentation to support removal of a student from the graduation cohort calculation should be maintained. Safeguards and controls to ensure files are complete and that cohort rates include only students with required documentation should be employed.

Views of Responsible Officials:

School officials will follow up on securing documentation of students who are dropped from school rosters to ensure proper documentation and accurate calculation of the graduation cohort rate.

FRANKLIN PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2020-001

Hiring process

- Criteria: Best practices in internal controls over hiring involve procedures to ensure that employees hired are properly screened and meet School System qualifications for their job. Best practices generally call for such screening activities to be conducted by a central human resource office.
- Condition: While professional employees are subjected to the central HR process, certain non-instructional personnel, such as Booster Club employees, do not undergo such screening.
- Effect: Without appropriate due diligence and screening in the hiring process, unqualified and unauthorized personnel could come onto the School System payrolls. Violations of various state laws and regulations could occur.
- Cause: The School Board's administration has made a cost-benefit decision that part-time employees do not need to undergo the screening process of the human resources office.
- Recommendation: All employee hires should undergo the centralized HR screening process. The payroll department should ensure that proper approvals from HR occur prior to entry into the payroll system.

Views of Responsible Officials: Bingo workers are hired as substitutes. They are not interviewed by Human Resources staff due to the high turnover of Bingo employees and also due to their part-time status. Central Office staff will screen Bingo employees to ensure they are eligible for employment. The Bingo manager handles, money, payroll and financial records. In the future the Bingo manager will go through the interview process prior to being employed.

Current status: Office of Charitable Gaming requires background checks on all Bingo employees. No potential employee is hired until the Office of Charitable Gaming has completed the background check and their approval of the hire has been granted. Franklin Parish School Board central office staff will interview applicants for the position of Bingo manager.

FRANKLIN PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2020-001

Hiring process

- Criteria: Best practices in internal controls over hiring involve procedures to ensure that employees hired are properly screened and meet School System qualifications for their job. Best practices generally call for such screening activities to be conducted by a central human resource office.
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Current status: Office of Charitable Gaming requires background checks on all Bingo employees. No potential employee is hired until the Office of Charitable Gaming has completed the background check and their approval of the hire has been granted. Franklin Parish School Board central office staff will interview applicants for the position of Bingo manager.

FRANKLIN PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

C. Findings and Questioned Costs – Major Federal Award Programs

2020-002 Cash Management

Questioned Cost: None

U.S. DEPARTMENT OF AGRICULTURE
passed through the Louisiana Department of Education

10.555 Child Nutrition Cluster

10.553

Criteria: The Uniform Guidance requires non-federal grant recipient to minimize the level of federal funds on-hand and for pass-through entities to monitor cash levels of its subrecipients. This guidance also requires financial reports of program activity to be filed accurately. The Louisiana Department of Education (LDE) requires annual reports from subrecipients (SFS-8b) in its efforts to monitor available operating cash of subrecipients and limiting their cash levels to three months operating needs.

Condition: While the School System filed the annual report which showed it to be materially compliant with the 3-month available cash limit, the report that was filed with the LDOE contained a material error. The reported cash for June 30, 2020 per the SFS-8b was \$51,173, while our audited amount came to \$623,743.

Effect: Again, the School Board appears to be compliant with 3-month cash level limit, but inaccurate reporting and tracking of these levels can result in future non-compliance.

Cause: The SFS-8b reports are being completed by Child Nutrition Program staff without input or review from the accounting department.

Recommendation: We recommend for the accounting department either prepare the form SFS-8b or review and approve the form prior to filing. Amounts reported should be derived from the general ledger and/or approved budgets.

Views of Responsible Officials: The SFS-8b reports will be reviewed by the Business Manager prior to submission to the Louisiana Department of Education to ensure that accurate general ledger information is reported.

Current Status: SFS-8b reports are currently being reviewed and approved by the Superintendent and the Business Manager.



**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

To the Members of the
Franklin Parish School System,
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Franklin Parish School System for the fiscal year ended June 30, 2021; 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 Franklin Parish School System is responsible for its performance and statistical data.

The Franklin Parish School System 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

No differences noted.

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.

No differences noted.

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

No differences noted.

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).

No exceptions noted.

We were engaged by the Franklin Parish School System 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 Franklin Parish School System 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 Franklin Parish School System, 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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 15, 2021

FRANKLIN PARISH SCHOOL SYSTEM

BATON ROUGE, LOUISIANA

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

As of and for the Year Ended June 30, 2021

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

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

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2021**

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 8,897,597	
Other Instructional Staff Activities	721,029	
Employee Benefits	5,446,373	
Purchased Professional and Technical Services	117,826	
Instructional Materials and Supplies	331,851	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		15,514,676
Other Instructional Activities		140,166
Pupil Support Activities	1,468,382	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,468,382
Instructional Staff Services	1,280,131	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,280,131
School Administration	1,867,246	
Less: Equipment for School Administration	-	
Net School Administration		1,867,246
Total General Fund Instructional Expenditures		<u>\$ 20,270,601</u>
Total General Fund Equipment Expenditures		<u>\$ -</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ 501,814	
Renewable Ad Valorem Tax	2,195,171	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	122,222	
Sales and Use Taxes	6,146,296	
Total Local Taxation Revenue		<u>\$ 8,965,503</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$ 30,359	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property		<u>\$ 30,359</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	71,110	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>\$ 71,110</u>
Nonpublic Textbook Revenue		<u>\$ 12,100</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

Class Size Characteristics
As of October 1, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	81%	761	15%	145	2%	22	1%	11
Elementary Activity Classes	63%	52	17%	14	14%	12	6%	5
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	54%	155	34%	97	11%	32	1%	2
High Activity Classes	78%	38	18%	9	4%	2	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	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 grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.