



Morehouse Parish School Board

FINANCIAL STATEMENTS

June 30, 2021

Morehouse Parish School Board
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Independent Auditors' Report

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Morehouse Parish School Board (the "School Board") as of and for the year ended June 30, 2021, and 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 did not audit the financial statements of Beekman Alumni and Friends, Inc., which represent 18.35 percent, 4.94 percent, and 15 percent, respectively, of the assets, net position, and revenues of the School Board. Those financial statements were audited by other auditors, whose reports thereon were furnished to us, and our opinion, insofar as it relates to the amounts included for Beekman Alumni and Friends, Inc., is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Morehouse Parish School Board, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Employer's Proportionate Share of Net Pension Liability, and the Schedule of Employer's Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

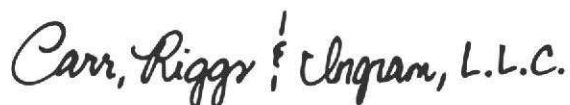
Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Schedule of Compensation Paid to Board Members, the Schedule of Compensation, Benefits and Other Payments to Agency Head, and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the accompanying other supplementary information, as listed in the table of contents, 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 March 31, 2022, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC
Shreveport, Louisiana

March 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

We offer readers of the Morehouse Parish School Board's financial statements this narrative overview and analysis of the financial activities of the Morehouse Parish School Board for the fiscal year ended June 30, 2021. It is designed to assist the reader in focusing on significant financial issues and identifying changes in the School Board's financial position.

Financial Highlights

Government-wide financial highlights for the 2021-21 fiscal year include the following:

- Statement of Net Position – The liabilities of the Morehouse Parish School Board exceeded its assets at the close of the most recent fiscal year by (\$73.4 million) (net deficit).
- Capital Assets – Total capital assets (net of depreciation) were \$14.3 million or 47% of the total assets. Morehouse Parish School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Obligations – The School Board's total obligations increased by approximately \$2.9 million.
- Statement of Activities – The total net position of the Morehouse Parish School Board increased by approximately \$2.3 million for the year ended June 30, 2021.

Morehouse Parish School Board ended the 2020-2021 fiscal year with a fund balance in the General Fund of approximately \$1.3 million.

- Governmental Funds Balance Sheet – As of the close of the 2020-2021 fiscal year, Morehouse Parish School Board's governmental funds reported combined ending fund balance of \$11.5 million, an increase of approximately \$2.8 million in comparison with the prior fiscal year. This fund balance is comprised of approximately (1) \$1.3 million in General Fund, (2) \$3.2 million in the school food service fund, (3) \$350,000 in the debt service fund, (4) \$5.5 million in the sales tax fund, and (5) \$1.1 million in the remaining special revenue and capital projects funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2021 for the governmental funds of Morehouse Parish School Board amounted to approximately \$52.8 million. Approximately 98% of this amount is received from four major revenue sources: (1) \$24.2 million from Minimum Foundation Program, (2) \$12.3 million from federal grants, (2) \$6.6 million from local ad valorem taxes and (3) \$7.8 million from local sales and use taxes.

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. Morehouse Parish School Board's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

- The Statement of Net Position presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Morehouse Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Morehouse Parish 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 Morehouse Parish 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 reported 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 at the end of the fiscal year. Such information may be useful in evaluating Morehouse Parish School Board near-term financing requirements.

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of Morehouse Parish School Board's near-term financing decision. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Morehouse Parish School Board maintains seventeen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Title 1, Sales Tax, and School Food Service funds, all of which are considered to be major funds. Data for the remaining thirteen governmental fund groups are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Morehouse Parish School Board adopts an annual appropriated budget for its General Fund and all Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside Morehouse Parish School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Morehouse Parish School Board's own programs. The School Board maintains one fiduciary fund named the School Activity Fund.

Notes to the basic 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.

Other supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

Financial Analysis of Government-wide Activities

The largest portion of Morehouse Parish School Board's total assets, totaling approximately \$14.3 million, net of depreciation, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment). The net investment in capital assets is less any related debt used to acquire those assets that are still outstanding of \$10.2 million for a net investment in capital assets of \$4.1 million. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although Morehouse Parish School Board's investment in its capital assets net position is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following analysis focuses on the net position of the School Board's governmental-wide activities:

<i>June 30,</i>	2021	2020	Variance
Current and other assets	\$ 16,335,022	\$ 11,416,922	\$ 4,918,100
Capital assets	14,307,049	15,230,728	(923,679)
Total assets	30,642,071	26,647,650	3,994,421
Deferred outflows of resources	25,027,656	40,235,550	(15,207,894)
Current and other liabilities	6,811,738	2,787,205	4,024,533
Long-term liabilities	113,861,422	111,001,712	2,859,710
Total liabilities	120,673,160	113,788,917	6,884,243
Deferred inflows of resources	8,764,269	29,014,843	(20,250,574)
Net position			
Net invested in capital assets	3,979,483	2,882,163	1,097,320
Restricted	9,699,152	7,935,414	1,763,738
Unrestricted	(87,446,337)	(86,738,137)	(708,200)
Total net position (deficit)	\$ (73,767,702)	\$ (75,920,560)	\$ 2,152,858

Restricted net position of \$9.7 million is reported separately to show the legal constraints for the payment of instructional costs, food services and outstanding long-term debt obligations and future construction projects and to limit the School Board from using these funds for day-to-day operations. The food service fund accounts for \$3.3 million of the total, instructional costs accounts for \$5.8 million of the total and the debt service fund accounting for \$350,000. The remaining balance of \$207,000 money restricted for capital projects and maintenance costs.

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

The following analysis focuses on the change in net position of the School Board's governmental activities:

<i>For the years ended June 30,</i>	Governmental Activities		
	2021	2020	Variance
Revenues			
Program revenues			
Charges for services	\$ 10,494	\$ -	\$ 10,494
Operating and capital grants and contributions	12,777,800	8,874,873	3,902,927
General revenues			
Ad valorem taxes	6,637,501	5,807,410	830,091
Sales taxes	7,774,290	6,911,687	862,603
Minimum foundation program	24,357,470	25,743,070	(1,385,600)
Other general revenues	1,346,235	911,870	434,365
Total revenues	52,903,790	48,248,910	4,654,880
Expenses			
Instruction			
Regular programs	11,347,782	9,600,793	1,746,989
Special programs	3,837,029	3,301,005	536,024
Other instructional programs	16,373,600	14,091,267	2,282,333
Support services			
Pupil support services	2,139,719	1,790,935	348,784
Instructional staff support	2,743,327	2,212,383	530,944
General administration	1,152,526	1,148,438	4,088
School administration	2,158,510	1,787,242	371,268
Business services	953,651	857,180	96,471
Plant services	4,029,447	2,883,902	1,145,545
Student transportation services	2,810,453	2,786,237	24,216
Central services	806,708	577,385	229,323
Other support services	2,131	2,172	(41)
School food services	2,176,735	2,461,392	(284,657)
Facility acquisition and construction	60,428	1,047,811	(987,383)
Debt service - interest on long-term obligations	382,003	420,169	(38,166)
Total expenses	50,974,049	44,968,311	6,005,738
Increase (decrease) in net position (deficit)	1,929,741	3,280,599	(1,350,858)
Net position (deficit) - beginning, as originally stated	(75,920,560)	(79,201,159)	3,280,599
Prior period adjustment	220,191	-	220,191
Net position (deficit) - beginning, as restated	(75,700,369)	(79,201,159)	3,500,790
Net position (deficit) - ending	\$ (73,770,628)	\$ (75,920,560)	\$ 2,149,932

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal 2021 totaled \$31,333,168, compared to a total of \$26,993,065 for 2020. The remaining functions are considered support services and relate to those functions that support the instructional services provided, such as pupil support, instructional staff support, administration, transportation, and plant services. Support services for fiscal 2021 totaled \$16,631,590 compared to \$14,045,874 for 2020.

The remaining expenditures of \$2,602,532 consist of \$60,428 for facility acquisition and construction, \$2,160,101 for food and service operations and \$382,003 for interest expense on long-term obligations.

In the table below, we have presented the cost of each of the School Board's six largest functions – regular programs, special programs, other instructional programs, plant services, student transportation services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

June 30,	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Regular programs	\$ 11,347,782	\$ 9,600,793	\$ 9,019,160	\$ 9,050,937
Special programs	3,837,029	3,301,005	3,158,829	2,741,389
Other instructional programs	16,373,600	14,091,267	11,361,186	10,999,491
Plant services	4,029,447	2,883,902	3,886,454	2,876,749
Student transportation services	2,810,453	2,786,237	2,628,089	2,729,974
Food services	2,176,735	2,461,392	483,863	111,618
All others	10,399,003	9,843,715	7,648,174	7,583,281
Totals	\$ 50,974,049	\$ 44,968,311	\$ 38,185,754	\$ 36,093,439

The related program revenues for fiscal year 2021 directly related to these expenses totaled \$12,777,800. The balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- **Minimum Foundation Program (MFP)** – MFP is the funding formula for the 69 school districts in the state of Louisiana. The School Board was allocated \$24,423,332 in MFP funds in fiscal year FY21; with \$87,587,845 passed through to the district's Type 3 Charter, Beekman Alumni and Friends, Inc. The net amount received by the School Board was \$16,835,487, which is 31.8% of the total revenues received by the School Board.
- **Federal grant revenues** – Federal grant revenues are the second largest source of revenue for the School Board, generating \$12,317,868 in revenue, or 23.3% of total revenue.
- **Sales Tax revenues** – Sales tax revenues are the third largest source of revenue for the School Board, generating \$7,816,955 in revenue, or 14.8% of total revenue
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the fourth largest source of revenues, accounts for \$56,594,836 in revenue, or 12.5% of total revenues.

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

Financial Analysis of Governmental Funds

As noted earlier, Morehouse Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Morehouse Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Morehouse Parish School Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, Morehouse Parish School Board's governmental funds reported a combined ending fund balance of \$11,464,600; an increase of \$2,715,112 in comparison with the prior fiscal year.
- The General Fund is the chief operating fund of Morehouse Parish School Board. At the end of the current fiscal year, the fund balance of the General Fund is \$1,305,706.
- The Special Revenue Funds, including nonmajor special revenue funds, have a total fund balance of \$9,602,027 of which \$178,175 is nonspendable, \$5,787,113 is restricted for instructional costs, \$2,990,410 is restricted for food services, \$364,762 is restricted for construction and maintenance costs, and \$281,567 is restricted for student activity funds.
- The Debt Service Funds have a total fund balance of \$349,651 all of which is restricted for the payment of debt service.
- The Capital Projects Funds have a fund balance of \$207,216 all of which is restricted for construction projects.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), Morehouse Parish School Board must adopt a budget for the General Fund and all Special Revenue funds prior to September 15th. The original budget for the School Board was adopted on September 15, 2020.

The original General Fund Budget projected an ending fund balance of \$783,741, with the amended budget projecting to end the year with a positive balance of \$804,929. The actual ending balance for the General Fund came in at \$1,334,173.

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

Capital Assets and Debt Administration

Capital Assets: Morehouse Parish School Board's capital assets as of June 30, 2021 amounts to \$14,307,049 (net of accumulated depreciation). This includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

<i>June 30,</i>	2021	2020
Land	\$ 319,013	\$ 319,013
Buildings and improvements	11,285,759	12,126,900
Furniture and equipment	2,702,277	2,784,815
	<u>\$ 14,307,049</u>	<u>\$ 15,230,728</u>

Long-Term Debt: At the end of the current fiscal year, Morehouse Parish School Board had total debt outstanding of \$11.4 million. Of the amount, \$9.2 million comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2021 and 2020.

<i>June 30,</i>	2021	2020
General Obligation Bonds		
Series 2011, refunding	\$ 4,100,000	\$ 5,095,000
Series 2012, refunding	2,300,000	2,775,000
Series 2016, refunding	2,810,000	3,240,000
Limited Tax Bonds		
Series 2016, refunding	1,010,000	1,120,000
Capital Leases		
Bus Leases	1,186,725	1,554,088
Equipment Lease	-	256,743
Total outstanding debt	<u>\$ 11,406,725</u>	<u>\$ 14,040,831</u>

Morehouse Parish School Board Management's Discussion and Analysis (Unaudited)

Future Operations

The School Board adopted a General Fund budget for 2021-2022 with a projected operating surplus of \$122,100, bringing the district's fund balance to \$1,722,085. For the upcoming fiscal year, listed below are several factors considered for 2021-2022 operations and budget preparations.

- The 2021-2022 Minimum Foundation Program funding is projected to remain the same as last year with the exception of the reduction of approximately \$400,000 (before adding Level 4 funding or reductions for local funds transferred to other LEAs) primarily due to starting the year with a lower student enrollment based on last year's February 1st student count and less an estimate of 150 students.
- Property tax collections for the 2021 calendar year are anticipated to be higher than the prior year due to 2020 being a scheduled reassessment year and rolling forward in 2021.
- Teachers Retirement System of Louisiana employer contribution rate will decrease from 25.8% to 25.2% for FY2022.
- Louisiana School Employees' Retirement System employer contribution rate will remain the same for FY2022.
- Office of Group Benefits released rate increases that are effective January 1, 2022.
- Substitute costs are expected to increase with the uncertainty that will be placed on schools and the Central Office of when and if staff will be unable to work due to COVID-19. Due to substitutes being hard to find during the pandemic, the daily rate has increased from \$55/day to \$60/day. ESSER funding has allowed for static substitutes to be placed at schools for the following positions: teachers, cafeteria staff, custodial staff, and bus drivers.
- COVID-19 will have an uncalculated effect on K-12 education this year and for the years to come.

Contacting the School Board's Financial Management

If you have questions about this report or need additional financial information, contact Ersula Downs of Morehouse Parish School Board, P.O. Box 872, Bastrop, LA 71221-0872, or call at (318) 281-5784.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Morehouse Parish School Board

Statement of Net Position

	Primary Government Governmental Activities	Component Unit Beekman Alumni and Friends, Inc.
<i>June 30, 2021</i>		
Assets		
Cash and cash equivalents	\$ 11,897,284	\$ 4,631,677
Restricted cash	-	266,622
Investments	79,846	-
Receivables		
Ad valorem taxes	8,513	-
Sales and use taxes	645,145	-
Federal grants	3,102,325	269,686
State grants	222,281	-
Other	143,893	-
Inventories	235,735	-
Other assets	-	29,380
Capital assets, net	14,307,049	2,626,215
Total assets	30,642,071	7,823,580
Deferred outflows of resources		
Deferred outflows related to pensions	11,656,765	-
Deferred outflows related to OPEB	13,370,891	-
Total deferred outflows of resources	25,027,656	
Liabilities		
Accounts payable	2,412,869	106,561
Salaries and wages payable	2,356,276	1,004,594
Deferred revenue	101,278	-
Interest payable	107,514	55
Long-term liabilities		
Due within one year	1,833,801	214,990
Due in more than one year	113,861,422	381,565
Total liabilities	120,673,160	1,707,765
Deferred inflows of resources		
Deferred inflows related to pensions	5,799,400	-
Deferred inflows related to OPEB	2,967,795	-
Total deferred inflows of resources	8,767,195	
Net position		
Net investment in capital assets	3,979,483	2,626,215
Restricted for		
Instructional costs	5,787,113	-
Capital projects	207,216	-
Debt service	349,651	-
School food service	2,990,410	-
Instructional and maintenance costs	364,762	-
Student activity funds	-	266,622
Unrestricted	(87,449,263)	3,222,978
Total net position (deficit)	\$ (73,770,628)	\$ 6,115,815

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

Morehouse Parish School Board

Statement of Activities

For the year ended June 30, 2021	EXPENSES	Primary Government PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION	Component Unit
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		
Functions/programs					
Governmental Activities					
Instructional services					
Regular programs	\$ 11,347,782	\$ -	\$ 2,328,622	\$ (9,019,160)	
Special education programs	3,837,029	-	678,200	(3,158,829)	
Vocational programs	863,559	-	332,078	(531,481)	
Other instructional programs	11,265,056	-	621,424	(10,643,632)	
Special programs	4,243,719	-	4,058,912	(184,807)	
Adult/continuing education	1,266	-	-	(1,266)	
Support services					
Pupil support services	2,139,719	-	219,685	(1,920,034)	
Instructional staff support services	2,743,327	-	1,795,219	(948,108)	
General administration	1,152,526	-	319,023	(833,503)	
School administration	2,158,510	-	236,961	(1,921,549)	
Business services	953,651	-	26,051	(927,600)	
Plant services	4,029,447	-	142,993	(3,886,454)	
Student transportation services	2,810,453	-	182,364	(2,628,089)	
Central services	806,708	-	153,890	(652,818)	
Other support services	2,131	-	-	(2,131)	
Noninstructional services					
Food service operations	2,176,735	10,494	1,682,378	(483,863)	
Facility acquisition and construction	60,428	-	-	(60,428)	
Debt service					
Interest and fiscal charges on long-term obligations	382,003	-	-	(382,003)	
Total Primary Government	\$ 50,974,049	\$ 10,494	\$ 12,777,800	\$ (38,185,755)	
Component Unit					
Beekman Alumni and Friends, Inc.	\$ 8,287,412	\$ 150	\$ 295,733	\$ -	\$ (7,991,529)
General revenues					
Taxes					
Ad valorem taxes levied for					
General purposes				5,079,684	-
Debt service purposes				1,557,817	-
Sales taxes levied for general purposes				7,774,290	-
Grants and contributions not restricted to specific programs					
Minimum foundation program				24,357,470	9,133,813
State revenue sharing				330,301	-
Interest and investment earnings				5,656	5,496
Student Activity Funds				236,881	48,857
Other				773,397	1,541
Total general revenues				40,115,496	9,189,707
Changes in net position				1,929,741	1,198,178
Net position (deficit) at beginning of year				(75,920,560)	4,917,637
Prior period adjustment				220,191	-
Net position (deficit) at beginning of year, restated				(75,700,369)	4,917,637
Net position (deficit) at end of year				\$ (73,770,628)	\$ 6,115,815

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

FUND FINANCIAL STATEMENTS

Morehouse Parish School Board Balance Sheet – Governmental Funds

	MAJOR FUNDS					AGGREGATE REMAINING FUNDS	
	GENERAL	SPECIAL REVENUE		SCHOOL FOOD	DEBT	NONMAJOR	
June 30, 2021	FUND	TITLE I	SALES TAX	SERVICE	SERVICE	GOVERNMENTAL	TOTAL
Assets							
Cash and cash equivalents	\$ 2,348,049	\$ -	\$ 5,323,878	\$ 2,702,801	\$ 347,624	\$ 1,174,932	\$ 11,897,284
Investments	79,846	-	-	-	-	-	79,846
Accounts receivable	287,313	683,278	647,315	444,983	2,027	2,057,241	4,122,157
Internal balances	2,286,476	31,296	-	197	-	2,224	2,320,193
Inventory	57,560	-	-	178,175	-	-	235,735
Total assets	<u>\$ 5,059,244</u>	<u>\$ 714,574</u>	<u>\$ 5,971,193</u>	<u>\$ 3,326,156</u>	<u>\$ 349,651</u>	<u>\$ 3,234,397</u>	<u>\$ 18,655,215</u>
Liabilities and fund balances							
Liabilities							
Accounts payable	\$ 2,141,129	\$ 62,628	\$ -	\$ 21,410	\$ -	\$ 198,154	\$ 2,423,321
Salaries and wages payable	1,580,916	138,957	433,590	100,453	-	113,774	2,367,690
Internal balances	31,493	511,630	5,639	18,809	-	1,752,622	2,320,193
Other liabilities	-	1,359	-	16,899	-	61,153	79,411
Total liabilities	<u>3,753,538</u>	<u>714,574</u>	<u>439,229</u>	<u>157,571</u>	<u>-</u>	<u>2,125,703</u>	<u>7,190,615</u>
Fund balances							
Nonspendable							
Inventory and other assets	57,560	-	-	178,175	-	-	235,735
Restricted for							
Instructional costs	-	-	5,531,964	-	-	255,149	5,787,113
Student activity funds	-	-	-	-	-	281,567	281,567
Construction and maintenance costs	-	-	-	-	-	364,762	364,762
Food services	-	-	-	2,990,410	-	-	2,990,410
Debt service	-	-	-	-	349,651	-	349,651
Capital projects	-	-	-	-	-	207,216	207,216
Unassigned	1,248,146	-	-	-	-	-	1,248,146
Total fund balances	<u>1,305,706</u>	<u>-</u>	<u>5,531,964</u>	<u>3,168,585</u>	<u>349,651</u>	<u>1,108,694</u>	<u>11,464,600</u>
Total liabilities and fund balances	<u>\$ 5,059,244</u>	<u>\$ 714,574</u>	<u>\$ 5,971,193</u>	<u>\$ 3,326,156</u>	<u>\$ 349,651</u>	<u>\$ 3,234,397</u>	<u>\$ 18,655,215</u>

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

Morehouse Parish School Board
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position

Total fund balances - governmental funds	\$	11,464,600
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in government funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs is reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	48,432,579	
Accumulated depreciation	(34,125,530)	14,307,049

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Long-term liabilities		
Compensated absences payable	(938,097)	
General obligation bonds payable	(9,210,000)	
Capital lease payable	(1,186,726)	
Sales tax bonds payable	(1,010,000)	
Other post employment benefits	(67,839,910)	
Bond premium	(107,566)	
Interest payable	(107,514)	
Net pension obligations	(35,402,925)	(115,802,738)

Deferred outflows of resources related to pensions (from pension schedule)	11,656,765	
Deferred outflows of resources related to OPEB	13,370,891	25,027,656

Deferred inflows of resources related to pensions (from pension schedules)	(5,799,400)	
Deferred inflows of resources related to OPEB	(2,967,795)	(8,767,195)

Net Position (Deficit)	\$	(73,770,628)
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The accompanying notes are an integral part of the financial statements.

Morehouse Parish School Board

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds**

	MAJOR FUNDS					AGGREGATE	
	GENERAL FUND	SPECIAL REVENUE			DEBT SERVICE	REMAINING FUNDS	TOTAL
		TITLE 1	SALES TAX	SCHOOL FOOD SERVICE		NONMAJOR	
						GOVERNMENTAL	
For the year ended June 30, 2021							
REVENUES							
Local sources							
Ad valorem taxes	\$ 2,931,689	\$ -	\$ 1,469,163	\$ -	\$ 1,557,817	\$ 636,167	\$ 6,594,836
Sales and use taxes	-	-	7,816,955	-	-	-	7,816,955
Earnings on investments	2,772	-	2,517	-	126	241	5,656
Cash payments for meals	-	-	-	10,494	-	-	10,494
Student activity fund receipts	-	-	-	-	-	330,064	330,064
Other local revenue	710,615	-	-	30,000	-	-	740,615
State sources							
State equalization	24,251,623	-	-	30,409	-	-	24,282,032
Revenue sharing	153,411	-	-	-	-	-	153,411
Other unrestricted revenue	22,044	-	-	-	-	487,901	509,945
Other restricted revenue	22,704	-	-	-	-	-	22,704
Federal sources							
Federal restricted grants-in-aid	-	4,090,980	-	1,540,666	-	6,686,222	12,317,868
Total revenues	28,094,858	4,090,980	9,288,635	1,611,569	1,557,943	8,140,595	52,784,580
EXPENDITURES							
Current							
Instructional services							
Regular programs	14,287,985	-	3,958,386	-	-	2,159,874	20,406,245
Special education programs	2,391,486	-	694,308	-	-	712,888	3,798,682
Vocational programs	452,420	-	123,479	-	-	258,150	834,049
Other instructional programs	970,850	-	100,758	-	-	826,061	1,897,669
Special programs	107,471	3,042,125	156,249	-	-	703,678	4,009,523
Adult/Continuing education programs	-	-	1,266	-	-	-	1,266
Support services							
Pupil support services	1,506,664	-	373,376	-	-	203,369	2,083,409
Instructional staff support	529,847	595,864	199,840	-	-	1,080,972	2,406,523
General administration	757,995	-	277,518	-	49,591	299,887	1,384,991
School administration	1,513,494	-	353,746	-	-	226,932	2,094,172
Business services	777,777	-	138,581	-	-	22,844	939,202
Plant services	2,548,093	-	340,189	143	-	169,040	3,057,465
Student transportation services	1,813,041	-	800,132	-	-	187,022	2,800,195
Central services	568,989	116,662	74,017	-	-	22,036	781,704
Other support services	-	-	2,131	-	-	-	2,131
Noninstructional services							
Food service operations	154,240	-	250,700	1,636,572	-	78,442	2,119,954
Debt service							
Principal	187,408	-	-	-	965,000	55,000	1,207,408
Interest	120,661	-	-	-	233,981	43,773	398,415
Capital outlay	-	-	24,720	-	-	-	24,720
Total expenditures	28,688,421	3,754,651	7,869,396	1,636,715	1,248,572	7,049,968	50,247,723
Excess (deficiency) of revenues over expenditures	(593,563)	336,329	1,419,239	(25,146)	309,371	1,090,627	2,536,857
OTHER FINANCING SOURCES (USES)							
Transfers in	1,125,636	31,296	-	-	8,111	-	1,165,043
Payments to bond escrow	-	-	-	-	(39,108)	-	(39,108)
Transfers out	(31,296)	(429,040)	-	-	-	(704,707)	(1,165,043)
Total other financing sources (uses)	1,094,340	(397,744)	-	-	(30,997)	(704,707)	(39,108)
Net change in fund balances	500,777	(61,415)	1,419,239	(25,146)	278,374	385,920	2,497,749
Fund balances as originally stated	804,929	61,415	4,112,725	3,193,731	71,277	502,583	8,746,660
Prior period adjustment	-	-	-	-	-	220,191	220,191
Fund balances at beginning of year	804,929	61,415	4,112,725	3,193,731	71,277	722,774	8,966,851
Fund balances at end of year	\$ 1,305,706	\$ -	\$ 5,531,964	\$ 3,168,585	\$ 349,651	\$ 1,108,694	\$ 11,464,600

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

Morehouse Parish School Board

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**

Total net change in fund balances - Governmental Funds \$ 2,497,749

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of
of Activities, the cost of those assets is allocated over their estimated useful lives.

Capital assets:

Capital expenditures	374,000	
Depreciation	(1,297,679)	(923,679)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the
governmental funds because interest is recognized as an expenditure in the funds when it is due, and
thus requires the use of current financial resources. In the Statement of Activities, interest expense is
recognized as the interest accrues, regardless of when it is due.

Excess of interest accrued over interest paid	9,429
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Change in deferred inflows of resources - pension plans	(14,932,638)
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Change in deferred outflows of resources - pension plans	19,583,630
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Change in deferred inflows of resources - other post-employment benefits	(275,257)
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Change in deferred outflows of resources - other post-employment benefits	664,018
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The issuance of long-term debt provides current financial resources of governmental funds, while the
repayment of the principal of the long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net position.

Changes in long-term debt

Principal portion of debt service payments	1,020,000	
Principal portion of capital lease payments	186,793	
Change in bond premiums	10,999	
Net change in other post-employment benefits	(2,545,176)	
Net change in net pension liability	(3,359,975)	
Net change in compensated absences	(6,152)	(4,693,511)

Change in net position of governmental activities	\$ 1,929,741
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The accompanying notes are an integral part of the financial statements.

Morehouse Parish School Board
Discretely Presented Component Unit – Beekman Alumni and Friends, Inc.
Statement of Financial Position

June 30, 2021

Assets

Current assets	
Cash	\$ 4,631,677
Restricted cash	266,622
Receivables	269,686
Other assets	29,380
Total current assets	5,197,365
Capital assets, net of accumulated depreciation	2,626,215
Total assets	\$ 7,823,580

Liabilities

Current liabilities	
Accounts payable	\$ 106,561
Salaries and wages payable	1,004,594
Accrued interest payable	55
Current portion of long term debt	178,547
Current portion of compensated absences	36,443
Total current liabilities	1,326,200
Non-current liabilities	
Long term debt, non-current	63,053
Compensated absences, non-current	318,512
Total liabilities	1,707,765

Net Assets

Without Donor Restrictions	
Undesignated	5,849,193
With Donor Restrictions	266,622
Total net assets	6,115,815
Total liabilities and net assets	\$ 7,823,580

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

Morehouse Parish School Board
Discretely Presented Component Unit – Beekman Alumni and Friends, Inc.
Statement of Activities

For the year ended June 30, 2021

Expenses	
Instructional	\$ 5,074,638
Support services	3,212,774
Total expenses	8,287,412
Program Revenues	
Charges for services	150
Operating grants and contributions	295,733
Total program revenues	295,883
Net program expense	7,991,529
General Revenues	
Grants not restricted to specific purposes	
Minimum Foundation Program	9,133,813
Interest and investment earnings	5,496
Student activity funds	48,857
Other revenue	1,541
Total general revenues	9,189,707
Change in net position	1,198,178
Net Position at beginning of year	4,917,637
Net Position at end of year	\$ 6,115,815

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

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Morehouse Parish School Board (the "School Board") was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Morehouse Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own governance 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 five schools within the parish with a total enrollment of approximately 3,600 students. 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.

Financial Reporting Entity

The School Board is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The accompanying financial statements present the School Board and its component unit, an entity for which the School Board is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the School Board. The accounting policies of the School Board conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The more significant accounting policies are described below.

In evaluating the School Board as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

Discretely Presented Component Unit

The School Board has one component unit, Beekman Alumni and Friends, Inc. Beekman Alumni and Friends, Inc. is a legally separately entity and, as such, appoints its own Board. Beekman Alumni and Friends, Inc. is a Type 3 Charter School that opened in the Fall of 2013. It has a June 30 fiscal year-end. Complete financial statements of this component unit can be obtained from Beekman Alumni and Friends, Inc. or the School Board. The School Board and its component unit represent the reporting entity. Additionally, the School Board is a legally separate elected governing body and does not meet the definition of a component unit of any other entity.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The School Board does not have any business-type activity funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements. Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue sources (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School Board.

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

As discussed earlier, the School Board has one discretely presented component unit. While the Beekman Alumni and Friends, Inc. is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the School Board's funds. Separate statements for each fund category is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School Board reports the following major governmental funds:

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 a separate fund. The General Fund is always a major fund.

Special Revenue Funds – Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are major funds:

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

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

Sales Tax is designed to account for the collection and distribution of the sales tax levies to provide additional support to the School Board to include funding of capital improvements and employee salaries.

Debt Service Fund – Revenues received from ad valorem taxes and interest earnings are used to make principal and interest payments on bond indebtedness.

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest-bearing demand deposits as well as short-term investments with a maturity date within three months of the date acquired. Short-term investments are stated at cost, which approximates fair value.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate “book” cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, “Due to Other Funds.” The balance of these amounts will be paid primarily through collections of grants receivable reimbursements from the Federal and State Departments of Education.

Investments

Investments for the School Board include certificates of deposits, which are stated at cost, which approximates fair value.

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales taxes, and grants.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, grants, and other similar intergovernmental revenues since they are usually both measureable and available.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. These amounts are eliminated in the governmental columns of the statement of net position, except for the net residual amounts due from other governmental agencies and due to vendors in the normal course of business.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies, purchased food and commodities. The cost of such inventories is recorded as expenditures/expense when consumed rather than when purchased.

Restricted Assets

Certain assets of the School Board are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited assets as follows:

Bond debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital Assets, which include land, buildings, and equipment, are reported in the governmental-wide financial statements. The School Board considers assets with an initial individual cost of \$5,000 or more and an estimated life of one year or more as a capital asset.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following useful lives:

Buildings	40 years
Furniture and equipment	3-15 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The School Board has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to pension* and *deferred outflows related to other post-employment benefits*, both reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting for Benefits Not Provided through Trusts that Meet Specified Criteria – Defined Benefit*. The deferred outflows related to pensions and other post-employment benefits will be recognized as either pension expense or other post-employment benefit expense or a reduction in the net pension liability in future reporting periods.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The School Board has two (2) items that qualify for reporting as deferred inflows of resources.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting for Benefits Not Provided through Trusts that Meet Specified Criteria – Defined Benefit*. The deferred inflows related to pensions and other post-employment benefits will be recognized as a reduction to pension expense or other post-employment benefits expense in future reporting periods.

Compensated Absences

All employees receive ten sick days each year, with any unused portion being carried forward. Upon retirement, employees with twenty years of service or more are paid for up to 25 days of accumulated sick leave. Only employees who work 12 calendar months per year earn vacation days. The School Board's policy regarding payment of accumulated vacation days is to allow for a maximum accumulation and payment of no more than 30 days with persons credited with days in excess of 30 as of the effective date (July 1, 1994) being grandfathered in at their then-current accumulation.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Categories and Classification of Fund Equity

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

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

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

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The School Board itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School Board's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the School Board that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the School board for specific purposes but do not meet the criteria to be classified as committed. The School Board may also assign fund balance as it does when appropriate fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues, and Expenditures / Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2022 and determined there were no events that occurred that require disclosure.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Newly Adopted Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The School Board has implemented GASB Statement No. 84, *Fiduciary Activities*. The School Board has evaluated these criteria and determined that the School Activity Funds previously reported as agency funds should now be classified as special revenue funds. Additional information can be found in Note 7.

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Early implement is allowed.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, GASB Statement No. 92, *Omnibus 2020*, was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this statement are effective periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing Interbank Offered Rates with other reference rates. The reliability and relevance of reporting information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounting for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an Interbank Offer Rate. The requirements of this Statement are effective for periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirement of this Statement are effective for fiscal years beginning after December 15, 2021.

The School Board is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Custodial credit risk - deposits. The School Board's cash and cash equivalents and investments consist of deposits with financial institutions. State statutes govern the School Board's investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, savings accounts or savings certificates of savings and loan associations, and repurchase agreements. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance.

Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

The following is a schedule of the School Board's cash and cash equivalents at June 30, 2021.

	School Board Book Balances	Bank Balance
Cash on deposit	\$ 11,897,184	\$ 13,076,877
Petty cash	100	-
Total cash and cash equivalents	\$ 11,897,284	\$ 13,076,877

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance	\$ 482,733
Pledged Securities	13,818,673
<hr/>	
Total collateralized deposits	\$ 14,301,406

The School Board's investments at June 30, 2021, consist of a certificate of deposit with a carrying and market value of \$79,846. It is held by the School Board's agent in the School Board's name and is collateralized.

Credit risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The School Board's investment policy limits investments to securities with specific ranking criteria.

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosure of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The School Board's investment policy does not address concentration risk.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School Board has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The School Board holds a certificate of deposit with a fair value in the amount of \$79,846 based on the Level 1 fair value hierarchy.

The certificate of deposit matured in August 2021 and was renewed to mature in August 2022.

Receivables

Receivables consisted of the following at June 30, 2021:

	General	Title I	School Food Service	Sales Tax	Debt Service	Nonmajor Governmental	Total
Taxes:							
Ad Valorem	\$ 3,998	\$ -	\$ -	\$ 2,170	\$ 2,027	\$ 318	\$ 8,513
Sales Tax	-	-	-	645,145	-	-	645,145
Intergovernmental - grants:							
Federal	-	683,278	444,983	-	-	1,974,064	3,102,325
State	139,422	-	-	-	-	82,859	222,281
Other	143,893	-	-	-	-	-	143,893
Total	\$ 287,313	\$ 683,278	\$ 444,983	\$ 647,315	\$ 2,027	\$ 2,057,241	\$ 4,122,157

Capital Assets

The following is a summary of changes in capital assets during the year ended June 30, 2021:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 319,013	\$ -	\$ -	\$ -	\$ 319,013
Total capital assets not being depreciated	319,013	-	-	-	319,013
Capital assets being depreciated					
Buildings and improvements	38,105,548	-	-	-	38,105,548
Furniture and equipment	9,634,019	374,000	-	-	10,008,019
Total capital assets being depreciated	47,739,567	374,000	-	-	48,113,567
Less accumulated depreciation					
Building and improvements	25,978,648	841,141	-	-	26,819,789
Furniture and equipment	6,849,204	456,538	-	-	7,305,742
Total accumulated depreciation	32,827,852	1,297,679	-	-	34,125,531
Total capital assets being depreciated, net	14,911,715	(923,679)	-	-	13,988,036
Governmental activities capital assets, net	\$ 15,230,728	\$ (923,679)	\$ -	\$ -	\$ 14,307,049

Morehouse Parish School Board
Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

Instructional services:	
Regular programs	\$ 22,388
Special education programs	3,019
Vocational programs	3,542
Other instructional programs	3,009
Special programs	65,342
Support services:	
Pupil support services	1,437
Instructional staff support services	803
General administration	322
Business services	158
Plant services	894,424
Student transportation services	284,170
Central services	778
Noninstructional services:	
Food service operations	18,287
Total depreciation expense	<u>\$ 1,297,679</u>

Long-Term Debt and Liabilities

In fiscal year 2012, the School Board issued \$7,775,000 in general obligation bonds to provide resources for the refunding of \$7,550,000 in Series 2003 General Obligation Bonds. The amount paid to the escrow agent exceeded the bonds refunded by \$472,537. This amount is being netted against the new bonds and amortized over the remaining life of the refunded bonds, which is shorter than the life of the new bonds. The School Board refunding resulted in a reduction of \$545,863 in future debt service payments for an economic benefit of \$427,076. The amount outstanding as of June 30, 2021 was \$4,610,000.

In fiscal year 2013, the School Board issued \$3,885,000 in general obligation bonds for the purpose of providing resources for the refunding of \$3,635,000 in Series 2004 General Obligation Bonds. The net proceeds of \$3,865,424 (including a \$76,043 bond premium and after \$95,619 in bond issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments of the refunded bonds. As a result, the Series 2004 General Obligation Bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The amount outstanding as of June 30, 2021 was \$2,540,000.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

In fiscal year 2016, the School Board issued \$3,725,000 in general obligation refunding bonds to advance refund \$3,565,000 of the Series 2007 general obligation bonds to reduce total future debt service payments. The net proceeds of the bonds of \$3,714,615 (including a \$110,938 premium and after \$121,323 in issuance costs) were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded general obligation bonds. The refunding resulted in a present value savings of \$454,097. The amount outstanding as of June 30, 2021 was \$3,025,000. As a result, the Series 2007 General Obligation Bonds are considered defeased, and the liability for those bonds has been removed from the statement of net position.

In fiscal year 2016, the School Board issued \$1,270,000 of Limited Tax Bonds, Series 2016 of Consolidated School District No.12 for the purpose of refunding and extending the School Board's outstanding \$925,000 Limited Tax Bonds, Series 2014 and acquiring, constructing, improving or equipping public elementary and secondary schools as authorized in the proposition approved by the voters on May 3, 2014, and paying the costs of issuance of the bonds. The amount outstanding as of June 30, 2021 was \$1,010,000.

The School Board has pledged future collections of the 10 mills (such rate being subject to adjustment from time to time due to reassessment) District 12 ad valorem tax to repay the Limited Tax Bonds, Series 2016 of Consolidated School District No. 12. For the year ended June 30, 2020, the School Board received \$136,896 from the collection of the 10 mills. See current year refunding note above for additional information related to the bond issuance. The annual required principal and interest payments are expected to be 89.9% of the tax revenue over the remaining life of the bonds.

Long-term liability activity for the year ended June 30, 2021, was as follows for governmental activities:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation debt	\$ 10,175,000	\$ -	\$ 965,000	\$ 9,210,000	\$ 995,000
Limited tax bond	1,065,000	-	55,000	1,010,000	55,000
Bond premium	118,565		10,999	107,566	10,999
Other liabilities:					
Capital lease payable	1,373,518	-	186,793	1,186,725	193,234
Compensated absences	931,945	581,919	575,767	938,097	579,568
Workers' Compensation IBNR	-	-	-	-	-
Net pension liability	32,042,950	3,359,975	-	35,402,925	-
Other post employment benefits	65,294,734	2,545,176	-	67,839,910	-
Total long-term obligations	\$ 111,001,712	\$ 6,487,070	\$ 1,793,559	\$ 115,695,223	\$ 1,833,801

Compensated absences, other post-employment benefits and the net pension liability will be liquidated in future periods primarily by the General Fund for governmental activities.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

The following is a summary of governmental activities bonds payable for the year ended June 30, 2021:

Bonds Payable	Original Issue	Interest Rate	Range of Maturities	Principal	Interest
Limited Tax Bonds					
Series 2016, refunding	\$ 1,270,000	1.50 - 5.00%	2016 - 2035	\$ 1,010,000	\$ 374,314
General Obligation Bonds					
Series 2011, refunding	\$ 7,775,000	3.17%	2012 - 2028	4,100,000	537,949
Series 2012, refunding	\$ 3,885,000	1.25 - 3.50%	2012 - 2029	2,300,000	364,938
Series 2016, refunding	\$ 3,725,000	1.00 - 3.00%	2016 - 2032	2,810,000	519,550
Total				\$ 10,220,000	\$ 1,796,751

Debt service requirements on all School Board bonds and certificates of indebtedness outstanding are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,050,000	\$ 322,542	\$ 1,372,542
2023	1,080,000	293,525	1,373,525
2024	1,115,000	262,124	1,377,124
2025	1,150,000	229,306	1,379,306
2026	1,190,000	193,876	1,383,876
2027-2031	3,960,000	441,392	4,401,392
2032-2036	675,000	53,986	728,986
Total	\$ 10,220,000	\$ 1,796,751	\$ 12,016,751

Deferred Outflows of Resources and Deferred Inflows of Resources

The balances of deferred inflows and outflows of resources as of June 30, 2021 consist of:

	Deferred Outflows	Deferred Inflows
Net Pension Liabilities (GASB 68):		
Teachers' Retirement System of Louisiana (TRSL)	\$ 10,321,265	\$ 5,492,480
Louisiana School Employees' Retirement System (LSERS)	1,335,500	306,920
Other Post-employment Benefits (GASB 75)	13,370,891	2,967,795
Total	\$ 25,027,656	\$ 8,767,195

Morehouse Parish School Board
Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Receivables, Payables and Transfers

Individual internal balance amounts at June 30, 2021, are as follows:

	Due From	Due To
Major Funds:		
General Fund	\$ 2,286,476	\$ 31,493
Special Revenue:		
Title I	31,296	511,630
Sales Tax	-	5,639
School Food Service	197	18,809
Non-major Funds:		
Special Revenue:		
Special Education	-	124,507
Title II	-	20,510
JAG / Vocational Education	-	36,373
LA 4	-	175
8 (g)	-	14,919
21st Century Grant	-	277,886
ROTC	2,224	-
Education Stabilization Fund	-	1,145,661
East Morehouse Parish Tax District	-	10,678
Miscellaneous Grants	-	121,913
Total	\$ 2,320,193	\$ 2,320,193

Morehouse Parish School Board
Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Receivables, Payables and Transfers (Continued)

Transfers to/from other funds for the year ended June 30, 2021 were as follows:

Operating Transfers	Tranfers		Net
	In	Out	
Major Funds			
General Fund	\$ 1,125,636	\$ (31,296)	\$ 1,094,340
Title I	31,296	(429,040)	(397,744)
Debt Service	8,111	-	8,111
Nonmajor Funds			
Special Education	-	(112,979)	(112,979)
21st Century Grant	-	(74,516)	(74,516)
Rural Education Achievement	-	(6,669)	(6,669)
Education Stabilization Fund	-	(465,244)	(465,244)
East Morehouse Parish Tax District	-	(974)	(974)
Miscellaneous Grants	-	(44,325)	(44,325)
Total	\$ 1,165,043	\$ (1,165,043)	\$ -

Capital Leases

In June 2016, the School Board entered into a noncancellable lease purchase agreement for \$1,361,730 for the purpose of acquiring fifteen new school buses that expires in 2025. The net book value at June 30, 2021 was \$477,914.

In July 2018, the School Board entered into a noncancellable lease purchase agreement for \$788,495 for the purpose of acquiring seven new school buses that expires in July 2027. The net book value at June 30, 2021 was \$464,462.

Morehouse Parish School Board
Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Leases (Continued)

Future minimum lease payments under capital leases are as follows:

Year ending June 30,	
2022	\$ 235,000
2023	235,000
2024	235,000
2025	235,000
2026	235,000
Thereafter	157,701
Total minimum lease payments	1,332,701
Less amount representing interest	145,976
Present value of minimum lease payments	\$ 1,186,725

Ad Valorem Taxes

The Sheriff of Morehouse Parish, as provided by State law, bills and collects property taxes on behalf of the School Board using the assessed values determined by the tax assessor of Morehouse Parish. For the year ended June 30, 2021, taxes of 54.09 mills were levied on property with assessed valuations totaling \$147,662,673 and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	5.96	5.77	Statutory
Maintenance and operation	6.45	6.25	2024
Special leeway maintenance and operations	6.01	5.82	2024
Special 1998 capital program tax	10.00	7.4	2023
General obligation bonds debt service	Variable	9.68	2028
District taxes:			
School District No. 12 Consolidated	10.00	9.44	2048
East Morehouse School District	9.95	9.73	2024
Total millages		<u>54.09</u>	

The School Board's portion of the total taxes originally levied was \$7,987,074 of which \$6,879,604 was assessed on property owners and \$1,107,470 was assessed under Homestead Exemption. The School Board collected \$6,637,501 through June 30, 2021, of which a nominal amount was for prior year(s) levies. Approximately 85% of the homestead exemption is not appropriated by the State of Louisiana and therefore is not collected. Collections are remitted to the School Board monthly.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Ad Valorem Taxes (Continued)

Below is the property tax calendar in effect for the year ended June 30, 2021:

	<u>Property Tax Calendar</u>	
	<u>Parish (Except City of Bastrop)</u>	<u>City of Batrop</u>
Tax bills mailed	December 1, 2020	December 2020
Total taxes are due	December 31, 2020	December 31, 2020
Lien date	July 2020	July 2020
Penalties and interest are added	January 1, 2021	January 1, 2021
Tax sale date(s)	June 2021	June 2021

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

10% land	25% public service properties, excluding la
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

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

Note 3: PENSION AND RETIREMENT PLANS

The School Board maintains two contributory cost-sharing multiple-employer defined benefit plans (Plans) that provide for retirement, deferred retirement option (DROP), disability, and survivor's benefits as described below. These Plans are:

Teachers' Retirement System of Louisiana (TRSL)
Louisiana School Employees' Retirement system (LSERS)

Each plan is administered by a separate board of trustees. Each board of trustees is empowered to hire its own attorneys and consultants at the pension fund's expense, and to bring and defend lawsuits. The authority to establish and amend the benefit terms of TRSL and LSERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL and LSERS each issue publicly available financial reports that can be obtained at www.trsl.org, www.lasers.net, and www.lasersonline.org, respectively.

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (All Plans)

Basis of Accounting

The Plans' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Member and employer contributions are recognized when due, pursuant to formal commitments as well as statutory or contractual requirements. State appropriations are recognized in the period appropriated. Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis. Administrative costs are funded through investment earnings and are subject to budgetary control by the Board of Trustees and approval of the Joint Legislative Committee on the Budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

Method Used to Value Investments (TRSL)

GASB Statement No. 72 (GASB 72) was implemented for fiscal year ended June 30, 2016. As required by GASB 72, investments are reported at fair value which is described as an exit price. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). These disclosures are located in Note 1.

Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate.

All derivative financial instruments are reported at fair value in the Statements of Fiduciary Net Position. Gains and losses are reported in the Statements of Changes in Fiduciary Net Position as net appreciation (depreciation) in fair value of investments during the period the instruments are held and when the instruments are sold or expire. The nature and use of derivative instruments is discussed in Note 1.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (All Plans)

Method Used to Value Investments (TRSL) (Continued)

The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private equity, real estate, and tangible assets) has been recorded based on the investment's capital account balance which is reported at fair value, at the closest available reporting period, and adjusted for subsequent contributions, distributions, and management fees.

Investments that do not have an established market are reported at estimated fair value. Unrealized gains and losses are included as investment earnings in the Statements of Changes in Fiduciary Net Position.

Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term.

Method Used to Value Investments (LSERS)

The System's investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which requires investments to be valued at fair value, described as an exit price, using valuation techniques that are appropriate under the circumstances and for which sufficient data is available. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement established a hierarchy of inputs to valuation techniques used to measure fair value which includes three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs – other than quoted prices – that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability.

Fair value of short-term investments approximates cost. Fair value of securities traded on a national or international exchange is calculated using the last reported sales price at current exchange rates. Fair value of mutual funds not traded on a national or international exchange is calculated using the net asset value reported by the mutual funds. Fair value of investments in partnerships is calculated as the Fund's percentage of ownership of the partner's capital reported by the partnership.

The System reports securities lent through the securities lending program as assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Liabilities resulting from securities lending transactions are reported as well.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (All Plans)

Method Used to Value Investments (LSERS) (Continued)

The System invests in foreign currency forward contracts. The changes in the market value of these investment derivative instruments are reported as gains and losses in the period in which the change occurs.

The real estate held for investment consists of the leasing of office space and in real estate funds. The investments are valued at fair market value which is based upon appraised value.

Funding Requirements (TRSL)

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSACX) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2021 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	26.0%	8.0%
Plan A	26.0%	9.1%
Plan B	26.0%	5.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2021, was 26.0% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the School Board were \$3,828,929 for the year ended June 30, 2021.

Funding Requirements (LSERS)

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2021 was 30.3%. The actual employer rate for the year ended June 30, 2021 was 28.5%. A difference may exist due to the State statute that requires the rate to be calculated in advance.

Morehouse Parish School Board
Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

Funding Requirements (LSERS)

Contributions to the pension plan from the School Board were \$496,127 for the year ended June 30, 2021.

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

The net pension liabilities were measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2021, and the change compared to the June 30, 2020 proportion:

	Net Pension Liability at June 30, 2021	Proportion at June 30, 2021	Increase (Decrease) to June 30, 2020 Proportion
LSERS	\$ 4,674,062	0.581744%	-0.042281%
TRSL	30,728,863	0.276250%	-0.002600%
	<u>\$ 35,402,925</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2021:

	Pension Expense	Amortization	Total
LSERS	\$ 640,371	\$ (1,938)	\$ 638,433
TRSL	3,078,269	(665,088)	2,413,181
	<u>\$ 3,718,640</u>	<u>\$ (667,026)</u>	<u>\$ 3,051,614</u>

Morehouse Parish School Board
Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT 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:

LSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ -	\$ 115,059
Investment Earnings	711,667	-
Assumptions	27,854	-
Change in Proportions	99,852	188,935
Employer Contributions	496,127	-
	\$ 1,335,500	\$ 303,994

TRSL	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ -	\$ 493,266
Investment Earnings	2,372,085	-
Assumptions	1,828,063	-
Change in Proportions	2,292,128	4,999,214
Employer Contributions	3,828,989	-
	\$ 10,321,265	\$ 5,492,480

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
LSERS	\$ 1,335,500	\$ 306,920
TRSL	10,321,265	5,492,480
	\$ 11,656,765	\$ 5,799,400

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

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

The following table lists the pension contributions made subsequent to the measure period for each pension plan:

	Subsequent Contributions
LSERS	\$ 496,127
TRSL	3,828,989
	\$ 4,325,116

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2021.

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

<i>June 30,</i>	2022	2023	2024	2025	Total
TRSL	\$ (381,927)	\$ 682,191	\$ 82,534	\$ 1,023,754	\$ 1,406,552
LSERS	55,342	98,298	216,075	162,738	532,453
	\$ (326,585)	\$ 780,489	\$ 298,609	\$ 1,186,492	\$ 1,939,005

Actuarial Assumptions

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

	LSERS	TRSL
Valuation Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed
Actuarial Assumptions:		
Expected Remaining Service Lives	3 years	5 years
Investment Rate of Return	7.00% net of investment expenses	7.45% net of investment expenses
Inflation Rate	2.50%	2.50% per annum.
Projected Salary Increases	3.25% based on a 2013-2017 experience study of the System's members	3.1% - 4.6% varies depending on duration of service

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

	LSERS	TRSL
Cost of Living Adjustments	Cost of living raises may be granted from the None 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 outlined by ACT 399 of 2014.	
Mortality	Mortality rates based on the RP-2014 Healthy Mortality rates based on MP-2017 generational Annuitant Tables, the RP-2014 Sex Distinct improvement table with continued future Employee Tables, and the RP-2014 Sex Distinct mortality improvement projected using the MP-Disabled Tables.	2017 generational mortality improvement tables.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members. 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.	Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members. 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 and an adjustment for the effect of rebalancing/diversification.

Morehouse Parish School Board
Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2021:

Asset Class	Target Allocation		Long-Term Expected Portfolio Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic equity	27.0%	39.0%	4.60%	1.07%
International equity	19.0%	-	5.54%	-
Domestic fixed income	13.0%	26.0%	0.69%	2.93%
International fixed income	5.5%	-	1.50%	-
Private assets	25.5%	-	8.62%	-
Alternative investments	10.0%	23.0%	4.45%	1.95%
Real assets	-	12.0%	-	0.69%
Total	100.0%	100.0%	n/a	6.38%
International fixed income				2.00%
Expected Arithmetic Nominal Return				8.38%

n/a – amount not provided by Retirement System

Discount Rate

The discount rates used to measure the total pension liability for TRSL and LSERS, were 7.45% and 7.00%, respectively, for the year ended June 30, 2021.

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

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 3: PENSION AND RETIREMENT PLANS (Continued)

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
LSERS			
Discount rate	6.00%	7.00%	8.00%
Share of NPL	\$ 6,122,329	\$ 4,674,062	\$ 3,435,418
TRSL			
Discount rate	6.45%	7.45%	8.45%
Share of NPL	\$ 40,113,935	\$ 30,728,863	\$ 22,828,459

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2021, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$119,205 for its participation in TRSL. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2021.

Pension Plans Fiduciary Net Position

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

As of June 30, 2021, the School Board had no payables due to the pension plans. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions.

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 4: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The School Board's 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, multiple employer arrangement and has been deemed to be an agent multiple-employer plan (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement from either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS). The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 5 years of service. For membership after January 1, 2011, the earliest allowable retirement age without actuarial reduction in benefits is age 60.

Life insurance coverage under the OGB program is available to retirees by election and the employer pays 50% of the cost of the retiree life insurance based on the blended active/retired OGB rates. Since GASB 45 requires the use of "unblended" rates, the 1994 Group Annuity Reserving mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Net OPEB Liability

The components of the net other post-employment benefits (OPEB) liability of the School Board at June 30, 2021, were as follows:

Total OPEB liability	\$ 67,839,910
Plan fiduciary net position	-
School Board's net OPEB liability	<u>\$ 67,839,910</u>

The School Board's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 4: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00%
Discount rates	2.16%
Healthcare cost trend rates	5.50%

Mortality Rate

The RP-2014 mortality table is used, without projections, and with TRSL modifications. This is a recent published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has been used since this table contains sufficiently conservative margin for the population involved in this valuation.

Discount Rate

Although this plan is a defined benefit OPEB plan, which meets the requirements of paragraph 4 of GASB Statement No. 75, the funded ratio is 0% and the total actual and deemed employer contributions are well below the actuarially determined contribution. We have therefore used a discount rate which would be applicable had the requirements of paragraph 4 not been met. 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.

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Plan		
	Fiduciary		
	Total OPEB Liability	Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 65,294,734	\$ -	\$ 65,294,734
Service cost	802,534	-	802,534
Interest on total OPEB liability	1,411,874	-	1,411,874
Effect on economic/demographic gains or losses	2,630,348	-	2,630,348
Effect of assumptions changes or inputs	518,447	-	518,447
Benefit payments	(2,818,027)	-	(2,818,027)
Net change	2,545,176	-	2,545,176
Balance at June 30, 2021	\$ 67,839,910	\$ -	\$ 67,839,910

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 4: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The following represents the net OPEB liability of the School Board, as well as what the School Board's net 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:

	1.0% Decrease (1.16%)	Current Discount Rate (2.16%)	1.0% Increase (3.16%)
Net OPEB liability	\$ 81,988,145	\$ 67,839,910	\$ 56,919,294

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following represents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.50%) or 1-percentage point higher (6.50%) than the current healthcare trend rates:

	1.0% Decrease (4.50%)	Current Trend Rate (5.50%)	1.0% Increase (6.50%)
Net OPEB liability	\$ 58,292,997	\$ 67,839,910	\$ 80,320,786

OPEB expense, 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 \$4,870,684. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,616,803	\$ 1,821,197
Changes in assumptions	10,754,088	1,146,598
Total	\$ 13,370,891	\$ 2,967,795

Morehouse Parish School Board Notes to the Basic Financial Statements

Note 4: OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (Continued)

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

Year ended June 30:

2022	\$	2,760,034
2023	\$	2,760,034
2024	\$	2,760,034
2025	\$	1,972,835
2026	\$	150,189
Thereafter	\$	-

Payable to the OPEB Plan

At June 30, 2021, the School Board reported no payables for outstanding contributions to the OPEB Plan required for the year ended June 30, 2021.

Funded Status and Funding Progress

The School Board has not made any contributions to a postemployment benefits plan trust. Therefore, the plan has no assets, and has a funded ratio of zero.

Note 5: RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy.

Note 6: LITIGATION AND CONTINGENCIES

The School Board is involved as a defendant in certain litigation through the normal course of its operations. Management and legal counsel for the School Board believe that the potential claims against the School Board, not covered by insurance, would not adversely affect the School Board's financial position. As a result, no amounts have been accrued in the financial statements as of June 30, 2021.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts not recorded, if any to be immaterial.

Morehouse Parish School Board

Notes to the Basic Financial Statements

Note 7: PRIOR PERIOD ADJUSTMENT

In fiscal year 2021, School Board implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the School Board recorded a prior period adjustment of \$220,191, which was required for restating the prior period balance of fiduciary net position. The June 30, 2020 net position was previously reported on agency fund financial statements instead of custodial net position as required under GASB Statement No. 84. The previously reported agency funds are now reported as a non-major special revenue fund in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Morehouse Parish School Board
Budgetary Comparison Schedule – General Fund (Unaudited)
June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 804,929	\$ 804,929	\$ 804,929	\$ -
Resources (inflows)				
Local sources				
Ad valorem tax	2,885,070	2,929,508	2,931,689	2,181
Interest earnings	20,129	2,707	2,772	65
Other	345,275	566,556	710,615	144,059
State sources				
Equalization	17,853,810	16,813,191	16,436,156	(377,035)
Other	306,108	198,032	198,159	127
Other sources				
Transfers in	1,187,431	1,067,909	1,125,636	57,727
Total resources	22,597,823	21,577,903	21,405,027	(172,876)
 Amounts available for appropriations	 23,402,752	 22,382,832	 22,209,956	 (172,876)
Charges to appropriations (outflows)				
Current				
Instruction				
Regular programs	6,841,787	6,473,284	6,472,518	(766)
Special education programs	2,478,941	2,375,334	2,391,486	16,152
Vocational programs	420,435	415,686	452,420	36,734
Other instructional programs	994,547	977,986	970,850	(7,136)
Special programs	22,465	107,138	107,471	333
Support Services				
Pupil support services	1,481,687	1,506,664	1,506,664	-
Instructional staff support	485,648	529,526	529,847	321
General administration	922,011	757,992	757,995	3
School administration	1,503,600	1,513,492	1,513,494	2
Business services	828,520	777,777	777,777	-
Plant services	2,593,289	2,548,090	2,548,093	3
Student transportation services	2,282,779	1,829,188	1,813,041	(16,147)
Central services	459,263	568,994	568,989	(5)
Food service operations	199,076	154,240	154,240	-
Capital outlay	60,000	-	-	-
Debt service				
Principal retirement	368,550	57,393	187,408	130,015
Interest and bank charges	250,612	250,675	120,661	(130,014)
Other sources (uses)				
Transfers out	322,000	-	31,296	31,296
Total charges to appropriations	22,515,210	20,843,459	20,904,250	29,495
Budgetary Fund Balances, Ending	\$ 887,542	\$ 1,539,373	\$ 1,305,706	\$ (202,371)

See notes to budgetary comparison schedules.

Morehouse Parish School Board
Budgetary Comparison Schedule – Title I (Unaudited)
June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 61,415	\$ 61,415	\$ 61,415	\$ -
Resources (inflows)				
Federal sources	3,067,168	4,083,654	4,090,980	7,326
Total federal sources	3,067,168	4,083,654	4,090,980	-
Other sources				
Transfers in	-	-	31,296	-
Total other sources	-	-	31,296	-
Total resources	3,067,168	4,083,654	4,122,276	38,622
Amounts available for appropriations	3,128,583	4,145,069	4,183,691	7,326
Charges to appropriations (outflows)				
Current				
Instruction				
Special programs	1,715,802	2,949,413	3,042,125	92,712
Support services				
Instructional staff support	914,743	595,868	595,864	(4)
Student transportation services	173	-	-	-
Central services	126,421	116,659	116,662	3
Other uses				
Transfers out	310,029	421,714	429,040	7,326.00
Total charges to appropriations	3,067,168	4,083,654	4,183,691	100,037
Budgetary Fund Balances, Ending	\$ 61,415	\$ 61,415	\$ -	\$ (92,711)

See notes to budgetary comparison schedules.

Morehouse Parish School Board
Budgetary Comparison Schedule – School Food Service (Unaudited)
June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 3,193,731	\$ 3,193,731	\$ 3,193,731	\$ -
Resources (inflows)				
Local sources				
Food services	-	-	10,494	10,494
Other	-	-	30,000	
State sources				
Other local revenue	34,706	30,409	30,409	-
Federal sources	2,349,776	1,372,601	1,540,666	168,065
Total resources	2,384,482	1,403,010	1,611,569	178,559
Amounts available for appropriations	5,578,213	4,596,741	4,805,300	178,559
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	813	-	-	-
Special education programs	1,460	-	-	-
Support services				
Plant services	1,568	144	143	(1)
Student transportation services	8,282	-	-	-
Non-Instructional services				
Food service operations	1,701,922	1,088,294	1,636,572	548,278
Total charges to appropriations	1,714,045	1,088,438	1,636,715	548,277
Budgetary Fund Balances, Ending	\$ 3,864,168	\$ 3,508,303	\$ 3,168,585	\$ (369,718)

See notes to budgetary comparison schedules.

Morehouse Parish School Board
Budgetary Comparison Schedule – Sales Tax (Unaudited)
June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ 4,112,725	\$ 4,112,725	\$ 4,112,725	\$ -
Resources (inflows)				
Local sources				
Sales and Use Taxes	6,120,000	7,774,469	7,816,955	42,486
Renewable tax	1,469,163	1,511,828	1,469,163	(42,665)
Interest on Investments	14,920	2,517	2,517	-
Total resources	7,604,083	9,288,814	9,288,635	(179)
 Amounts available for appropriations	 11,716,808	 13,401,539	 13,401,360	 (179)
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	2,270,119	2,458,406	2,458,386	(20)
Special education programs	581,299	694,306	694,308	2
Vocational programs	112,617	123,475	123,479	4
Other instructional programs	98,599	100,754	100,758	4
Special programs	95,716	156,249	156,249	-
Adult/Continuing education programs	1,266	1,266	1,266	-
Support services				
Pupil support services	281,127	373,380	373,376	(4)
Instructional staff support	139,959	199,843	199,840	(3)
General administration	251,844	277,519	277,518	(1)
School administration	292,227	353,742	353,746	4
Business services	114,863	138,579	138,581	2
Plant services	298,809	340,187	340,189	2
Student transportation services	392,086	800,152	800,132	(20)
Central services	81,208	74,058	74,017	(41)
Other support services	2,172	2,131	2,131	-
Noninstructional services				
Food service operations	233,357	250,699	250,700	1
Capital outlay	18,850	24,720	24,720	-
Transfers out	1,500,000	1,500,000	1,500,000	-
 Total charges to appropriations	 6,766,118	 7,869,466	 7,869,396	 (70)
 Budgetary Fund Balances, Ending	 \$ 4,950,690	 \$ 5,532,073	 \$ 5,531,964	 \$ (109)

See notes to budgetary comparison schedules.

Morehouse Parish School Board
Notes to Budgetary Comparison Schedule (Unaudited)
June 30, 2021

Note A – BUDGETS

General Budget Policies

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

In July, the Superintendent submits to the School Board proposed annual appropriated budgets for the General Fund and the Special Revenue Funds for the fiscal year commencing July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopts 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. The budget is revised periodically throughout the year, when deemed appropriate, but a balanced budget is always approved.

All budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

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

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the School Board members. 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 School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The effects of budget revisions to the general fund passed during the year were insignificant.

Morehouse Parish School Board
Notes to Budgetary Comparison Schedule (Unaudited)
June 30, 2021

Note B - Budget to GAAP Reconciliation

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

	<u>General Fund</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 22,209,956
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(804,929)
State equalization revenue received and transferred to charter schools but is not a current year expense for financial reporting purposes	7,815,467
Other financing sources including proceeds from sale of assets, proceeds from issuance of debt and transfers in of indirect costs from other funds	(1,125,636)
<hr/> Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<hr/> \$ 28,094,858 <hr/>
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 20,904,250
State equalization revenue received and transferred to charter schools but is not a current year expense for financial reporting purposes	7,815,467
Other financing sources including proceeds from sale of assets, proceeds from issuance of debt and transfers in of indirect costs from other funds	(31,296)
<hr/> Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<hr/> \$ 28,688,421 <hr/>

Morehouse Parish School Board
Notes to Budgetary Comparison Schedule (Unaudited)
June 30, 2021

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

	<u>Title I</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 4,183,691
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(92,711)
 Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 4,090,980
 <u>Charges to appropriations:</u>	
from the Budgetary Comparison Schedule	\$ 4,183,691
Other financing uses including transfers out of direct costs to General Fund	(429,040)
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 3,754,651

Morehouse Parish School Board
Notes to Budgetary Comparison Schedule (Unaudited)
June 30, 2021

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

	<u>School Food Service</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 4,805,300
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,193,731)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 1,611,569
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,636,715
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 1,636,715
	<u>Sales Tax</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 13,401,360
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(4,112,725)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 9,288,635
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 7,869,396
Other financing uses including transfers out of direct costs to Debt Service Fund	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 7,869,396

Morehouse Parish School Board
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2021

For the Year Ended June 30,	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 802,534	\$ 647,207	\$ 649,516	\$ 624,535
Interest	1,411,874	1,864,401	1,934,322	1,908,695
Differences between expected and actual experience	2,630,348	(2,113,796)	1,030,469	(741,595)
Changes of assumptions	518,447	13,049,794	2,664,625	(2,063,878)
Benefit payments	(2,818,027)	(2,842,936)	(3,142,699)	(2,978,862)
Net change in total OPEB liability	2,545,176	10,604,670	3,136,233	(3,251,105)
Total OPEB liability - beginning	65,294,734	54,690,064	51,553,831	54,804,936
Total OPEB liability - ending (a)	\$ 67,839,910	\$ 65,294,734	\$ 54,690,064	\$ 51,553,831
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a)-(b)	\$ 67,839,910	\$ 65,294,734	\$ 54,690,064	\$ 51,553,831
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%
Covered payroll	\$ 12,564,557	\$ 12,081,305	\$ 14,933,849	\$ 14,359,470
Net OPEB liability as a percentage of covered payroll	540%	540%	366%	359%

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

Morehouse Parish School Board
Schedule of Employer's Proportionate Share of Net Pension Liability
June 30, 2021

Fiscal Year*	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana School Employees' Retirement System					
2020	0.581744%	\$ 4,674,062	\$ 1,825,571	256%	69.7%
2019	0.624025%	\$ 4,368,560	\$ 1,861,125	235%	62.5%
2018	0.578072%	\$ 3,862,315	\$ 1,667,469	232%	62.5%
2017	0.591239%	\$ 3,783,498	\$ 1,691,871	224%	62.5%
2016	0.615521%	\$ 4,643,166	\$ 1,643,169	283%	62.5%
2015	0.621001%	\$ 3,693,777	\$ 1,748,324	211%	76.2%
2014	0.582450%	\$ 3,599,896	\$ 1,643,169	219%	74.5%
Teachers' Retirement System of Louisiana					
2020	0.276250%	\$ 30,728,863	\$ 13,678,018	225%	65.6%
2019	0.278850%	\$ 27,674,390	\$ 15,385,676	180%	62.5%
2018	0.347510%	\$ 34,153,549	\$ 16,738,375	204%	62.5%
2017	0.328990%	\$ 33,727,753	\$ 16,790,919	201%	62.5%
2016	0.356450%	\$ 41,836,724	\$ 17,210,387	243%	62.5%
2015	0.351020%	\$ 37,742,321	\$ 20,688,256	182%	63.7%
2014	0.420120%	\$ 42,942,391	\$ 18,044,523	238%	62.5%

Morehouse Parish School Board
Schedule of Employer's Contributions
June 30, 2021

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana School Employees' Retirement System					
2021	\$ 496,127	\$ 496,127	\$ -	\$ 1,771,882	28.0%
2020	\$ 511,160	\$ 511,160	\$ -	\$ 1,825,571	28.0%
2019	\$ 513,670	\$ 513,670	\$ -	\$ 1,861,125	27.6%
2018	\$ 460,212	\$ 460,212	\$ -	\$ 1,667,469	27.6%
2017	\$ 462,058	\$ 462,058	\$ -	\$ 1,691,871	27.3%
2016	\$ 527,995	\$ 527,995	\$ -	\$ 1,643,169	33.0%
2015	\$ 668,898	\$ 668,898	\$ -	\$ 1,748,324	30.2%
Teachers' Retirement System of Louisiana					
2021	\$ 3,828,989	\$ 3,828,989	\$ -	\$ 14,340,781	26.7%
2020	\$ 3,652,031	\$ 3,652,031	\$ -	\$ 13,678,018	26.7%
2019	\$ 4,160,476	\$ 4,160,476	\$ -	\$ 15,385,676	27.0%
2018	\$ 5,466,376	\$ 5,466,376	\$ -	\$ 16,738,375	32.7%
2017	\$ 5,197,237	\$ 5,197,237	\$ -	\$ 16,790,919	31.0%
2016	\$ 4,653,492	\$ 4,653,492	\$ -	\$ 17,210,387	28.0%
2015	\$ 5,484,551	\$ 5,484,551	\$ -	\$ 20,688,256	27.0%

*Amounts presented were determined as of the end of the fiscal year.

Morehouse Parish School Board
Notes to Required Supplementary Information
June 30, 2021

Changes of Benefit Terms

Louisiana School Employees' Retirement System

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

Teachers' Retirement System of Louisiana

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

Changes of Assumptions

Louisiana School Employees' Retirement System

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

For the actuarial valuation for the year ended June 30, 2019, the discount rate was decrease from 7.0625% to 7.0%.

Teachers' Retirement System of Louisiana

For the actuarial valuation for the year ended June 30, 2018, the discount rate was increased from 7.70% to 7.65%.

For the actuarial valuation for the year ended June 30, 2019, the discount rate was increased from 7.65% to 7.55%.

For the actuarial valuation for the year ended June 30, 2020, the discount rate was increased from 7.55% to 7.45%.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR FUNDS

Morehouse Parish School Board Nonmajor Funds Fund Descriptions

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds are primarily established for specific educational purposes and funded through the United States Department of Education or the Louisiana Department of Education.

- A. The Special Education funds is a Federal program that provides free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.
- B. Title II is designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.
- C. JAG/Vocational Education is a Federal program to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.
- D. LA4 is a State program to provide financial assistance to develop educational programs for preschool children that are socially and economically deprived.
- E. 8(g) is a grant program used to improve student academic achievement or vocational-technical skills. Other uses are the purchase of superior textbooks and providing support for teachers in critical shortage areas.
- F. 21st Century Grant (Community Learning Center) is a program providing assistance and targeted remediation, academics such as arts and technology, and recreational activities in an effort to provide safe, enriched environments to school communities.
- G. ROTC is a grant providing financial assistance to keep Reserve Officer Training Corps programs in high schools.
- H. Education Stabilization Funds are federal programs that provides local educational agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools. Authority for creation of this fund is the Education Stabilization Fund, a component of the recently enacted Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021.
- I. East Morehouse Parish Tax District is a fund for ad valorem taxes used for maintenance and construction of school buildings and other school related facilities in East Morehouse Tax District.
- J. Miscellaneous Grants includes various small federal and state grants, such as Educational Excellence and the Believe and Prepare Grant.

Morehouse Parish School Board Nonmajor Funds Fund Descriptions

Capital Projects Funds:

Capital Projects Funds account for the financial resources received and used for the acquisition, construction or improvements of capital facilities not reported in other governmental funds.

- A. School District 12 Construction is a capital project fund used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.
- B. School District 12 Bond Beekman is a capital project fund used for the purpose of acquiring, constructing, improving, maintaining, or equipping public elementary and secondary schools in the district.

Morehouse Parish School Board
Combining Balance Sheet – Nonmajor Governmental Funds

<i>June 30, 2021</i>	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Total
Assets			
Cash and cash equivalents	\$ 967,735	\$ 207,197	\$ 1,174,932
Accounts receivable	2,057,222	19	2,057,241
Internal balances	2,224	-	2,224
Total assets	\$ 3,027,181	\$ 207,216	\$ 3,234,397
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 198,154	\$ -	\$ 198,154
Salaries and wages payable	113,774	-	113,774
Internal balances	1,752,622	-	1,752,622
Other liabilities	61,153	-	61,153
Total liabilities	2,125,703	-	2,125,703
Fund Balances			
Restricted			
Instructional costs	255,149	-	255,149
Student activity funds	281,567	-	281,567
Construction and maintenance costs	364,762	-	364,762
Capital projects	-	207,216	207,216
Total fund balances	901,478	207,216	1,108,694
Total liabilities and fund balances	\$ 3,027,181	\$ 207,216	\$ 3,234,397

Morehouse Parish School Board

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
– Nonmajor Governmental Funds

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Total
<i>For the year ended June 30, 2021</i>			
Revenues			
Local sources			
Ad valorem tax	\$ 486,639	\$ 149,528	\$ 636,167
Interest	154	87	241
Student activity fund receipts	330,064	-	330,064
State sources			
State - other revenues	487,901	-	487,901
Federal sources			
Restricted grants-in-aid	6,686,222	-	6,686,222
Total revenues	7,990,980	149,615	8,140,595
Expenditures			
Current			
Instructional			
Regular programs	2,159,874	-	2,159,874
Special education programs	712,888	-	712,888
Vocational programs	258,150	-	258,150
Other instructional programs	826,061	-	826,061
Special programs	703,678	-	703,678
Support services			
Pupil support services	203,369	-	203,369
Instructional staff	1,080,972	-	1,080,972
General administration	295,130	4,757	299,887
School administration	226,932	-	226,932
Business services	22,844	-	22,844
Plant services	169,040	-	169,040
Student transportation services	187,022	-	187,022
Central services	22,036	-	22,036
Noninstructional			
Food service operations	78,442	-	78,442
Debt service			
Principal	-	55,000	55,000
Interest	-	43,773	43,773
Total expenditures	6,946,438	103,530	7,049,968
Excess of Revenues Over Expenditures	1,044,542	46,085	1,090,627
Other Financing Sources (Uses)			
Transfers out	(704,707)	-	(704,707)
Total other financing sources (Uses)	(704,707)	-	(704,707)
Net change in fund balances	339,835	46,085	385,920
Fund balances, beginning of year, original	341,452	161,131	502,583
Prior Period Adjustment	220,191	-	220,191
Fund balances, beginning of year, restated	561,643	161,131	722,774
Fund balances at end of year	\$ 901,478	\$ 207,216	\$ 1,108,694

SPECIAL REVENUE FUNDS

Morehouse Parish School Board Combining Balance Sheet – Nonmajor Special Revenue Funds

	Special Revenue Funds											Total Nonmajor Special Revenue Funds
	Special Education	Title II	JAG / Vocational Education	LA 4	8 (g)	21st Century Grant	ROTC	Education Stabilization Funds	East Morehouse Parish Tax District	Student Activity Funds	Miscellaneous Grants	
<i>June 30, 2021</i>												
Assets												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 43,852	\$ -	\$ -	\$ 2,283	\$ -	\$ 375,140	\$ 281,567	\$ 264,893	\$ 967,735
Accounts receivable	199,665	20,510	47,663	28,855	25,589	277,886	-	1,333,024	300	-	123,730	2,057,222
Internal balances	-	-	-	-	-	-	2,224	-	-	-	-	2,224
Total assets	\$ 199,665	\$ 20,510	\$ 47,663	\$ 72,707	\$ 25,589	\$ 277,886	\$ 4,507	\$ 1,333,024	\$ 375,440	\$ 281,567	\$ 388,623	\$ 3,027,181
Liabilities and Fund Balances												
Liabilities												
Accounts payable	\$ 4,828	\$ -	\$ 4,109	\$ -	\$ -	\$ -	\$ -	\$ 187,363	\$ -	\$ -	\$ 1,854	\$ 198,154
Salaries and wages payable	70,330	-	7,181	16,838	10,670	-	-	-	-	-	8,755	113,774
Internal balances	124,507	20,510	36,373	175	14,919	277,886	-	1,145,661	10,678	-	121,913	1,752,622
Other liabilities	-	-	-	55,694	-	-	4,507	-	-	-	952	61,153
Total liabilities	199,665	20,510	47,663	72,707	25,589	277,886	4,507	1,333,024	10,678	-	133,474	2,125,703
Fund Balances												
Fund balances												
Restricted for												
Instructional costs	-	-	-	-	-	-	-	-	-	-	255,149	255,149
Student activity funds	-	-	-	-	-	-	-	-	-	281,567	-	281,567
Construction and maintenance costs	-	-	-	-	-	-	-	-	364,762	-	-	364,762
Total fund balances	-	-	-	-	-	-	-	-	364,762	281,567	255,149	901,478
Total liabilities and fund balances	\$ 199,665	\$ 20,510	\$ 47,663	\$ 72,707	\$ 25,589	\$ 277,886	\$ 4,507	\$ 1,333,024	\$ 375,440	\$ 281,567	\$ 388,623	\$ 3,027,181

Morehouse Parish School Board

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds

	Special Revenue Funds												Total
	Special		JAG/ Vocational	LA 4	8 (g)	21st Century	Rural		Education	East	Student	Miscellaneous	Nonmajor
For the year ended June 30, 2021	Education	Title II	Education			Grant	Education	ROTC	Stabilization	Morehouse	Activity	Grants	Special
							Achievement		Fund	Parish	Funds		Revenue
										Tax District			Funds
Revenues													
Local sources													
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,639	\$ -	\$ -	\$ 486,639
Interest	-	-	-	-	-	-	-	-	-	154	-	-	154
Student activity fund receipts	-	-	-	-	-	-	-	-	-	-	330,064	-	330,064
Other local revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources													
State - other revenues	-	-	-	47,194	64,683	-	-	-	-	-	-	376,024	487,901
Federal sources													
Restricted grants-in-aid	1,065,569	86,130	135,766	108,270	-	691,866	61,919	71,123	3,779,627	-	-	685,952	6,686,222
Total revenues	1,065,569	86,130	135,766	155,464	64,683	691,866	61,919	71,123	3,779,627	486,793	330,064	1,061,976	7,990,980
Expenditures													
Current													
Instructional													
Regular programs	-	-	-	-	-	-	-	-	1,894,038	118,710	-	147,126	2,159,874
Special education programs	459,851	-	-	-	-	-	55,250	-	140,302	53,672	-	3,813	712,888
Vocational programs	-	-	118,616	-	-	-	-	-	43,481	-	-	96,053	258,150
Other instructional programs	-	-	-	-	-	469,641	-	71,123	15,973	-	268,688	636	826,061
Special programs	-	1,527	-	155,464	64,683	-	-	-	61,545	22,479	-	397,980	703,678
Support services													
Pupil support services	151,107	-	-	-	-	-	-	-	44,421	7,841	-	-	203,369
Instructional staff	337,407	84,603	17,150	-	-	118,596	-	-	276,350	4,454	-	242,412	1,080,972
General administration	-	-	-	-	-	2,500	-	-	277,297	15,333	-	-	295,130
School administration	-	-	-	-	-	-	-	-	207,793	19,139	-	-	226,932
Business services	-	-	-	-	-	-	-	-	22,844	-	-	-	22,844
Plant services	56	-	-	-	-	214	-	-	125,126	43,644	-	-	169,040
Student transportation services	4,169	-	-	-	-	26,399	-	-	129,883	26,571	-	-	187,022
Central services	-	-	-	-	-	-	-	-	13,236	-	-	8,800	22,036
Noninstructional													
Food service operations	-	-	-	-	-	-	-	-	62,094	16,348	-	-	78,442
Total expenditures	952,590	86,130	135,766	155,464	64,683	617,350	55,250	71,123	3,314,383	328,191	268,688	896,820	6,946,438
Excess of Revenues													
Over Expenditures	112,979	-	-	-	-	74,516	6,669	-	465,244	158,602	61,376	165,156	1,044,542
Other Financing Sources (Uses)													
Transfers out	(112,979)	-	-	-	-	(74,516)	(6,669)	-	(465,244)	(974)	-	(44,325)	(704,707)
Total other financing sources (uses)	(112,979)	-	-	-	-	(74,516)	(6,669)	-	(465,244)	(974)	-	(44,325)	(704,707)
Net Change in Fund Balances													
	-	-	-	-	-	-	-	-	-	157,628	61,376	120,831	339,835
Fund Balances at Beginning of Year													
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	207,134	-	134,318	341,452
Fund balances, beginning of year, restated	-	-	-	-	-	-	-	-	-	-	220,191	-	220,191
	-	-	-	-	-	-	-	-	-	207,134	220,191	134,318	561,643
Fund Balances at End of Year													
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,762	\$ 281,567	\$ 255,149	\$ 901,478

CAPITAL PROJECTS FUNDS

Morehouse Parish School Board

Combining Balance Sheet – Nonmajor Capital Project Funds

<i>June 30, 2021</i>	School District 12 Construction	Total
Assets		
Cash and cash equivalents	\$ 207,197	\$ 207,197
Accounts Receivable	19	19
Total assets	\$ 207,216	\$ 207,216
Fund Balances		
Fund Balances		
Restricted for		
Capital projects	\$ 207,216	\$ 207,216
Total fund balances	\$ 207,216	\$ 207,216

Morehouse Parish School Board
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
– Nonmajor Capital Projects Funds

<i>For the year ended June 30, 2021</i>	School District 12 Construction	Total
Revenues		
Local sources		
Ad valorem tax	\$ 149,528	\$ 149,528
Interest	87	87
Total revenues	149,615	149,615
Expenditures		
Current		
General administration	4,757	4,757
Debt service:		
Principal	55,000	55,000
Interest	43,773	43,773
Total expenditures	103,530	103,530
Excess of revenues over expenditures	46,085	46,085
Net change in fund balances	46,085	46,085
Fund balances at beginning of year	161,131	161,131
Fund balances at end of year	\$ 207,216	\$ 207,216

Morehouse Parish School Board
Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 2021

	<u>District</u>	<u>Compensation</u>
Karen T. Diel	1	\$ 9,600
Louis E. Melton	2	9,600
Tab Wilkerson, President	3	10,200
Richard W. Hixon	4	9,600
Debbie Wilson	5	9,600
Veronica Tappin	6	10,200
Adrin Williams	7	9,600
		\$ 68,400

Morehouse Parish School Board
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2021

Purpose	Amount
Salary	\$ 144,667
Benefits - insurance	12,578
Benefits - retirement	37,711
Cell phone	1,691
Dues	1,025
Per diem	290
Travel	735
<hr/>	
Total compensation, benefits and other payments to agency head	\$ 198,697

SINGLE AUDIT INFORMATION



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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance With *Government Auditing Standards***

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board (the "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 March 31, 2022.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003 and 2021-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-003 to be a significant deficiency.

Compliance and Other Matters

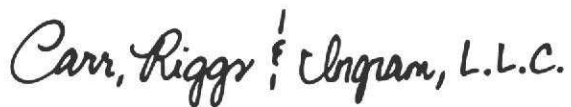
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The School Board's Response to Findings

The School Board's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
March 31, 2022



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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

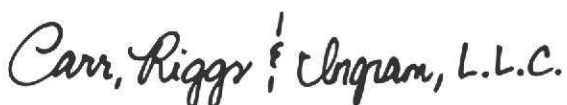
Management of Morehouse Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Morehouse Parish School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morehouse Parish 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 certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-005 that we consider to be significant deficiencies.

Morehouse Parish School Board's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Morehouse Parish 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
March 31, 2022

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

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Pass Through Grant Number	Expenditures	Amounts Passed Through to Subrecipients
Direct Programs:				
U.S. Department of Defense				
R.O.T.C. Language and Culture Training Grants	12.U01	N/A	\$ 71,123	\$ -
Total U.S. Department of Defense			<u>71,123</u>	<u>-</u>
Pass Through Programs:				
U. S. Department of Education				
Passed through Louisiana Department of Education				
Title I Grants to Local Educational Agencies				
Grants to Local Educational Agencies	84.010	28-21-T1-34	3,942,291	-
Grants to Local Educational Agencies	84.010	28-21-DS5-34	148,689	-
Grants to Local Educational Agencies	84.010	28-19-RD19-34	332,122	-
Total I Grants to Local Educational Agencies			<u>4,423,102</u>	<u>-</u>
Special Education Cluster (IDEA):				
Special Education-Grants to States (IDEA, Part B)	84.027	28-21-B1-34	947,491	-
Special Education-Preschool Grants	84.173	28-21-P1-34	118,608	-
Special Education-Grants to States (IDEA, Part B)	84.027	28-21-JP-34	38,368	-
Total Special Education Cluster (IDEA)			<u>1,104,467</u>	<u>-</u>
COVID-19 - Education Stabilization Fund	84.425C	28-20-GERF-34	406,782	-
COVID-19 - Education Stabilization Fund	84.425D	28-20-ESRI-34	168,887	-
COVID-19 - Education Stabilization Fund	84.425D	28-20-ESRF-34	2,149,878	-
COVID-19 - Education Stabilization Fund	84.425D	28-21-ES2F-34	911,656	-
COVID-19 - Education Stabilization Fund	84.425U	28-12-ESEB-34	144,068	-
Total COVID-19 Education Stabilization Fund			<u>3,781,271</u>	<u>-</u>
Comprehensive Literacy Development	84.371		72,575	-
Supporting Effective Instruction State Grants	84.367	28-21-50-34	86,130	-
Twenty-First Century Community Learning Centers	84.287	28-20-2C-34	691,866	-
Career and Technical Education-Basic Grants to States	84.048	28-21-02-34	59,528	-
Student Support and Academic Enrichment Program	84.424	28-21-71-34	67,492	-
Teacher and School Leader Incentive Grants	84.374	28-18-PBCS-34	99,305	-
Teacher and School Leader Incentive Grants	84.374	28-21-BPT7-34	1,000	-
Teacher and School Leader Incentive Grants	84.374	28-21-TP-34	113,458	-
Total Teacher and School Leader Incentive Grants			<u>213,763</u>	<u>-</u>
Rural Education Achievement Program (REAP)	84.358	28-21-RLIS-34	61,919	-
Total U. S. Department of Education			<u>10,562,113</u>	<u>-</u>
U. S. Department of Health and Human Services				
Passed through Louisiana Department of Education				
Temporary Assistance for Needy Families (TANF) Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	28-21-JS-34	146,140	-
Total TANF Cluster			<u>146,140</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>146,140</u>	<u>-</u>
U.S. Department of Agriculture (USDA)				
Passed through Louisiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	415,420	-
School Lunch Program	10.555	N/A	945,522	-
Commodities	10.555	N/A	149,138	-
Total Child Nutrition Cluster			<u>1,510,080</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582	N/A	18,926	-
Child and Adult Care Food Program	10.558	N/A	11,659	-
Total U.S. Department of Agriculture			<u>1,540,665</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 12,320,041</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards

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

A. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the Morehouse Parish School Board (the School Board). The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The School Board reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial information or change in net position of the Morehouse Parish School Board.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Relationship to Basic Financial Statements

The following reconciliation is provided to help the reader of the School Board's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2021:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 12,320,041
Total expenditures funded by other sources	37,927,682
Total expenditures	<u>\$ 50,247,723</u>

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

D. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

E. Matching Revenues

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

F. Noncash Programs

The commodities received, which are noncash expenditures, are valued using prices provided by the United States Department of Agriculture.

G. Federal Indirect Cost Rate

Morehouse Parish School Board has not elected to use the 10% de minimis federal indirect cost rate allowed under the Uniform Guidance.

H. Subrecipients

Morehouse Parish School Board did not provide federal funds to any subrecipients during the year ended June 30, 2021.

I. Loans

Morehouse Parish School Board did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2021.

J. Federally Funded Insurance

Morehouse Parish School Board has no federally funded insurance.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☒ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to the financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control of major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200.516(a))? ☐ yes ☒ none reported

Identification of major federal programs:

<u>Name of federal program of cluster</u>	<u>Assistance Listing Number</u>
Title I - Grants to Local Educational Agencies	84.010
COVID-19 - Education Stabilization Fund	84.425C
COVID-19 - Education Stabilization Fund	84.425D
COVID-19 - Education Stabilization Fund	84.425U

Dollar threshold used to distinguish between Type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? ☐ yes ☒ no

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section II – Financial Statement Findings

2021-001 Late Submission of Audit Report to the Louisiana Legislative Auditor

Condition: The School Board did not have the audited financial statements submitted to the Louisiana Legislative Auditor by the required deadline.

Criteria: The audit report should be filed timely to the Louisiana Legislative Auditor within six months after year-end, according to Louisiana R.S. 24:513A(5)(a)(i).

Cause: Due to hardships of the School Board's financial operations and staff turnover, documentation was not easily found causing delays in completion of testwork.

Effect: The School Board did not meet the compliance requirements with the State of Louisiana.

Recommendation: We recommend timely reporting and information gathering to ensure that the audit will be filed timely going forward.

Management response: We are in agreement and should be able to focus on the audit.

Anticipated completion date: Immediately

Person responsible for corrective actions:

Ersula Downs, Business Manager
Morehouse Parish School Board
P.O. Box 872
Bastrop, Louisiana 71221-0872
Telephone: 318-281-5784
Fax: 318-283-3456

2021-002 Account Balance Reconciliation and Adjustments

Condition: In the previous fiscal year (FY20), data was lost related to food and supply inventory usage for the year that did not allow for proper recording of food and inventory usage.

Criteria: Account reconciliations should be performed in a timely manner for proper management and oversight of the accounting function.

Cause: Hard drives related to the inventory usage was accidentally overwritten. A system was not implemented during FY21 to accurately report inventory usage during the year.

Effect: Accounting records, financial statements and statistical schedules were materially misstated and not corrected in a timely manner.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Recommendation: We recommend that the School Board properly reconcile food service inventory records.

Management response: The new CNP Supervisor is completing the installation of new software, which will track inventory and commodity information. Currently, the staff has to be trained on the new system.

Anticipated completion date: Immediately

Person responsible for corrective actions:

Ashley White, Child Nutrition Supervisor
Morehouse Parish School Board
P.O. Box 872
Bastrop, Louisiana 71221-0872
Telephone: 318-281-5784
Fax: 318-283-3456

2021-003 Fixed Asset Purchases

Condition: Capital Assets purchased during the year were not identified for capitalization

Criteria: Account reconciliations should be performed in a timely manner for proper management and oversight of the accounting function.

Cause: Not all funds were reviewed for capitalization of assets.

Effect: Accounting records, financial statements and statistical schedules were understated.

Recommendation: We recommend that the School Board review all vehicle and equipment purchases for identification and capitalization.

Management response: School Board has contacted current software provider for fixed asset options. After cyber-attack in 2019, platform that was previously used to account for fixed assets wouldn't work. All information was lost and the district began manually adding assets and deleting assets from a Spreadsheet. We are currently in the process of converting to new financial software and will have to work with current provider to get what information we can transferred to the new system.

Anticipated completion date: Immediately

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Person responsible for corrective actions:

Ersula Downs, Business Manager
Morehouse Parish School Board
P.O. Box 872
Bastrop, Louisiana 71221-0872
Telephone: 318-281-5784
Fax: 318-283-3456

2021-004 Commodities

Condition: During our testing procedure of the Child Nutrition Program, it was identified that commodities received were not properly recorded on the books or reported on the SEFA.

Criteria or Specific Requirement: 2 CFR 200.303 requires the entity to establish and maintain effective internal controls over compliance with respect to federal awards and Section 1111(b)(2)(A) of the ESEA for compliance accountability. Proper internal controls require supporting documentation to be retained as evidence for effectiveness of the controls in place.

Cause: Information related to commodities received and used during the year was not properly gathered and provided to accounting to record in the financial system.

Effect: The School Board failed to record all activity related to the child nutrition program.

Recommendation: We recommend the School Board take necessary steps to ensure controls are operating effectively.

Views of responsible officials and corrective action plan: The new CNP Supervisor is completing the installation of new software, which will track inventory and commodity information. Currently, the staff has to be trained on the new system.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section III – Federal Award Findings and Responses

2021-005 Approval of Invoices – ESF and Title I

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

Education Stabilization Fund, Assistance Listing #84.425CDU, 2021, U.S. Department of Education, Louisiana Department of Education.

Title 1 Local Grants to Local Educational Agencies, Assistance Listing #84.010, 2021, U.S. Department of Education, Louisiana Department of Education.

Criteria or Specific Requirement: 2 CFR 200.303 requires the entity to establish and maintain effective internal controls over compliance with respect to federal awards and Section 1111(b)(2)(A) of the ESEA for compliance accountability. Proper internal controls require supporting documentation to be retained as evidence for effectiveness of the controls in place.

Condition: During our testing procedures, we identified one invoice that was not properly approved for payment.

Effect: The School Board did not have proper signature(s) indicating approval for payment.

Questioned Cost: N/A

Cause: Approval of invoices was not obtained by supervisors prior to payment processing due to lack of implementation of policies and procedures.

Recommendation: We recommend the School Board take necessary steps to ensure controls are operating effectively.

Views of responsible officials and corrective action plan: The School Board will have appropriate personnel to approve all invoices going forward. If grant directors are the requestor, the Superintendent will be the approver.

Morehouse Parish School Board Summary Schedule of Prior Audit Findings

2020-001 Account Balance Reconciliation and Adjustments / Loss of Data

Year of Origination: June 30, 2020

Condition: During the year, data was lost related to food and supply inventory usage for the year that did not allow for proper recording of food and inventory usage.

Status: Repeated in FY2021. See 2021-002.

2020-002 Fund Balance Rollforwards

Year of Origination: June 30, 2020

Condition: At the beginning of fieldwork, it was identified that three funds did not rollforward properly.

Status: Corrected.



MOREHOUSE PARISH SCHOOL BOARD

"Obtaining Excellence in Education Through Quality Teaching"

4099 Naff Avenue
Post Office Box 872
Bastrop, LA 71220
(318) 281-5784
Fax (318) 283-3456

Veronica Locke-Tappin, President
District 6

Debbie Wilson, Vice President
District 5

Karen Diehl
District 1

Louis Melton
District 2

Tab Wilkerson
District 3

Rick Hixon
District 4

Adrian Williams
District 7

Mission: "Academic Excellence through Quality Teaching"
Vision: "Continuing to a 'C' in 2021"

DAVID GRAY
Superintendent

CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

Finding: 2021-001

Responsible Contact Person: Ersula Downs, Business Manager

Planning Corrective Action: We are in agreement and should be able to focus on the audit and implement procedures to ensure information is gathered to submit the audit by the statutory December 31 deadline.

Anticipated Completion Date: We are in agreement and should be able to focus on the audit.

Finding: 2021-002

Responsible Contact Person: Ashley White, Child Nutrition Supervisor

Planning Corrective Action: The new CNP Supervisor is completing the installation of new software, which will track inventory and commodity information. Currently, the staff has to be trained on the new system.

Anticipated Completion Date: The School Board will implement the above procedure immediately.

Finding: 2021-003

Responsible Contact Person: Ersula Downs, Business Manager

Planning Corrective Action: School Board has contacted current software provider for fixed asset options. After cyber-attack in 2019, platform that was previously used to account for fixed assets wouldn't work. All information was lost and the district began manually adding assets and deleting assets from a Spreadsheet. We are currently in the process of converting to new financial software and will have to work with current provider to get what information we can transferred to the new system.

Anticipated Completion Date: The School Board will implement the above procedure immediately.

Finding: 2021-004

Responsible Contact Person: Ashley White, Child Nutrition Supervisor

Planning Corrective Action: The new CNP Supervisor is completing the installation of new software, which will track inventory and commodity information. Currently, the staff has to be trained on the new system.

Anticipated Completion Date: The School Board will implement the above procedure immediately.

Finding: 2021-005

Responsible Contact Person: Ersula Downs, Business Manager

Planning Corrective Action: The School Board will have appropriate personnel to approve all invoices going forward. If grant directors are the requestor, the Superintendent will be the approver.

Anticipated Completion Date: The School Board will implement the above procedure immediately.

OTHER INFORMATION

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

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Morehouse Parish School Board (the "School Board") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of the School Board is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

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

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2020 roll books for those classes and observed that the class was properly classified on the schedule.

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

Education Levels / Experience of Public School Staff (No Schedule)

3. We obtained October 1, 2020 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

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

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30, 2021 PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

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

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

March 31, 2022

Morehouse Parish School Board
Schedule 1 – General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2021

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 5,640,249	
Other Instructional Staff Activities	620,483	
Instructional Staff Employee Benefits	3,900,719	
Purchased Professional and Technical Services	18,498	
Instructional Materials and Supplies	266,494	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	\$ 10,446,443	

Other Instructional Activities

	108,180	
Pupil Support Activities	1,506,623	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	1,506,623	

Instructional Staff Services

Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	541,851	

School Administration

Less: Equipment for School Administration	-	
Net School Administration	1,513,495	

Total General Fund Instructional Expenditures	\$	14,116,592
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Total General Fund Equipment Expenditures	\$	-
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Certain Local Revenue Sources

Local Taxation Revenue:

Ad Valorem Taxes	
Constitutional Ad Valorem Taxes	\$ 901,084
Renewable Ad Valorem Tax	4,033,139
Debt Service Ad Valorem Tax	1,557,817
Up to 1% of Collections by the Sheriff on taxes other than School Taxes	145,461
Sales Taxes	
Sales and Use Taxes - Gross	7,774,290
Total Local Taxation Revenue	\$ 14,411,791

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 99,579
Total Local Earnings on Investment in Real Property	\$ 99,579

State Revenue in Lieu of Taxes:

Revenue Sharing-Constitutional Tax	\$ 61,599
Revenue Sharing-Other Taxes	91,812
Total State Revenue in Lieu of Taxes	\$ 153,411

Nonpublic Textbook Revenue	\$	7,396
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Morehouse Parish School Board
Schedule 2 – Class Size Characteristics
As of October 1, 2019

School Type	Class Size Range							
	1 - 20		21-26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	62%	170	34%	92	3%	9	1%	2
Elementary Activity Classes	54%	20	32%	12	5%	2	8%	3
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	60%	232	22%	85	16%	63	2%	6
High Activity Classes	94%	140	5%	7	1%	2	0%	0
Combination	81%	399	18%	87	0%	0	1%	7
Combination Activity Classes	90%	141	6%	10	0%	0	4%	6