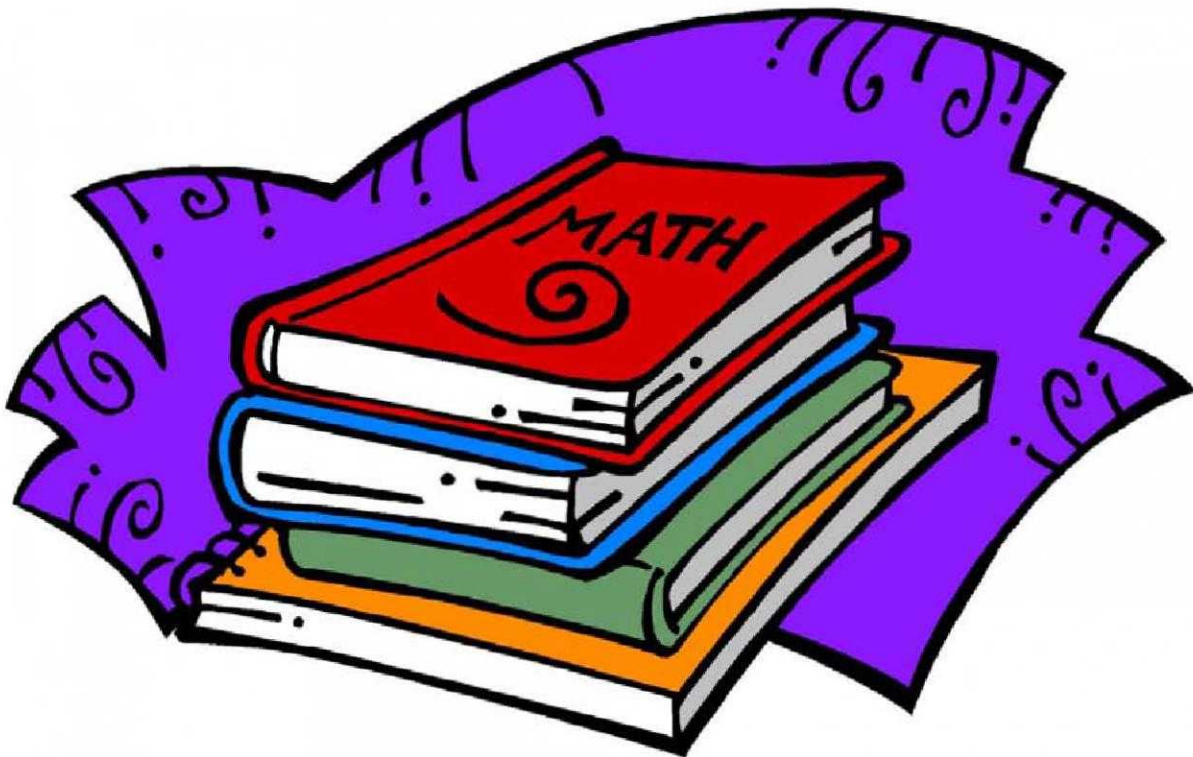


# Richland Parish School Board

Rayville, Louisiana



Annual Financial Report  
As of and for the year ended June 30, 2020



**Richland Parish School Board  
Rayville, Louisiana**

**Annual Financial Report  
As of and for the Year Ended June 30, 2020**



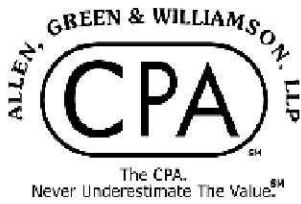
**Richland Parish School Board  
Table of Contents**

	<u>Statement</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		7-9
Required Supplementary Information		11
Management's Discussion and Analysis (MD&A)		12-20
Basic Financial Statements		
Government-wide Financial Statements (GWFS)		21
Statement of Net Position	A	22
Statement of Activities	B	23
Fund Financial Statements (FFS)		25
Governmental Funds:		
Balance Sheet	C	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	28-29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities F		30
Fiduciary Fund:		
Statement of Fiduciary Assets and Liabilities	G	31
Notes to the Financial Statements		
Index		32
Notes		33-57
	<u>Exhibit</u>	
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Schedule of Changes in the Total OPEB Liability and Related Ratios	1-1	59
Schedule of Employer's Proportionate Share of the Net Pension Liability	1-2	60
Schedule of Employer Contributions to Pension Plans	1-3	61
Notes to Required Supplementary Information for Pensions		62-63
Budgetary Comparison Schedule		64
General Fund	1-4	65-66
Title I	1-5	67
Notes to Budgetary Comparison Schedule		68
<b>SUPPLEMENTARY INFORMATION</b>		
Combining Nonmajor Governmental Funds - by Fund Type		69
Combining Balance Sheet	2	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	3	72
Nonmajor Special Revenue Funds		73
Combining Balance Sheet	4	74-75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	76-77
Nonmajor Debt Service Funds		78
Combining Balance Sheet	6	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	7	80

(Continued)

**Richland Parish School Board  
Table of Contents**

	<u>Statement</u>	<u>Page</u>
Nonmajor Capital Project Funds		81
Combining Balance Sheet	8	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	9	83
Agency Fund		84
Schedule of Changes in Deposits Due Others	10	85
General		
Schedule of Compensation Paid Board Members	11	86
Schedule of Compensation, Benefits and Other Payments to Agency Head	12	87
 SINGLE AUDIT INFORMATION		 89
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		 90-91
 Report on Compliance For Each Major Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance		 92-93
 Schedule of Expenditures of Federal Awards		 94
Notes to the Schedule of Expenditures of Federal Awards		95
Schedule of Findings and Questioned Costs		96-98
 OTHER INFORMATION		
Status of Prior Year Findings and Questioned Costs		99
Corrective Action Plan for Current Year Findings and Questioned Costs		100
Agreed-upon Procedures		
Independent Accountant's Report on Applying BESE Agreed-upon Procedures		101-103
School Board Prepared Performance and Statistical Data Schedules		104-105
		(Concluded)



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(Retired) 1963 - 2000

## Independent Auditor's Report

Board Members  
Richland Parish School Board  
Rayville, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish School Board, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation 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.

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish School Board, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matters***

As disclosed in Note 7 to the financial statements, the net pension liability for the School Board was \$33,614,146 at June 30, 2020, as determined by the Teachers' Retirement System, of Louisiana (TRSL), and Louisiana School Employees' Retirement System (LSERS). The related actuarial valuations were performed by TRSL's and LSERS's actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2020, could be under or overstated. Our opinion is not modified with respect to this matter.

As discussed in Note 8 to the financial statements, the other post-employment benefits (OPEB) Liability for the School Board was \$42,841,511 at June 30, 2020 related to its participation in a single-employer other post-employment benefit plan. The related actuarial valuations were performed by the School Board's actuary using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2020, could be under or overstated. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Richland Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2021 on our consideration of the Richland Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in cursive script that reads "Allen, Green + Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
July 31, 2021

**Richland Parish School Board**

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**REQUIRED SUPPLEMENTARY INFORMATION:**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

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**Richland Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2020**

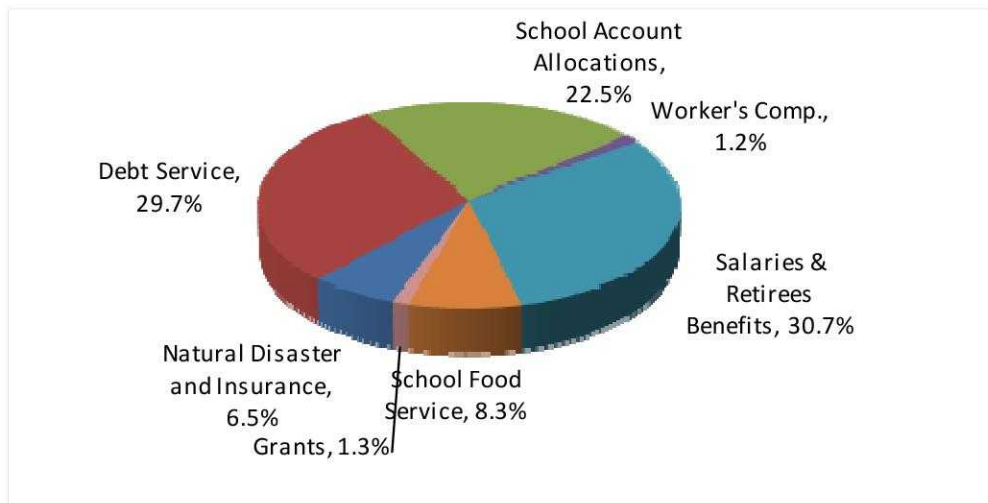
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This section of the Richland Parish School Board's annual financial report provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

**FINANCIAL HIGHLIGHTS**

The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily Minimum Foundation Program (MFP) funding and cost reimbursement grants and federal revenues which are primarily cost reimbursement grants.

**Governmental Activities**  
**Restricted Net Position**  
**June 30, 2020**



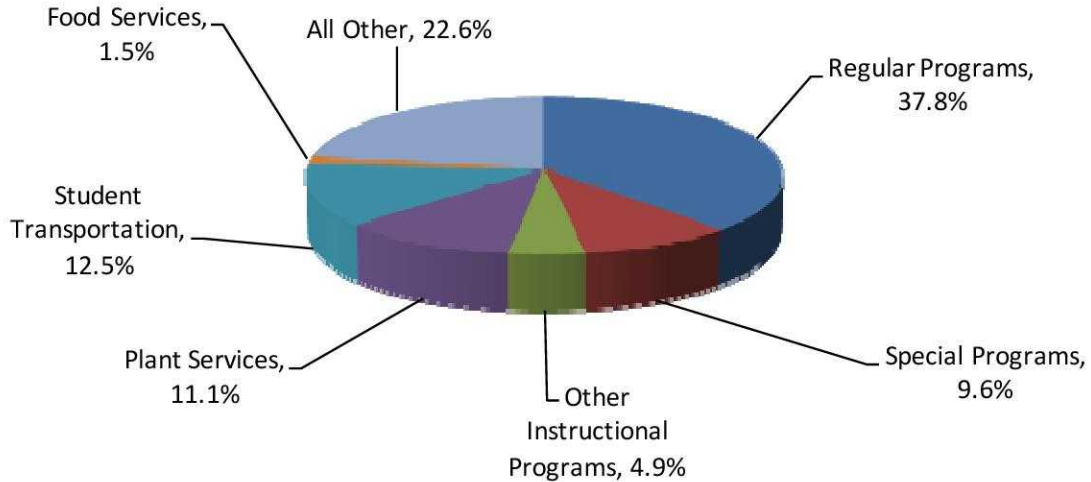
The liabilities and deferred inflows of resources for the Richland Parish School Board exceeded its assets and deferred outflows of resources at the close of the 2020 fiscal year by \$48,845,115 (net position). Of this amount, the unrestricted net position had a deficit of \$70,874,317. Of the remaining net position \$13,580,404 is net investment in capital assets, \$100,000 is for payment of worker's compensation, \$697,210 represents the fund balance maintained by School Food Service, \$1,897,113 is restricted for school account allocations, \$2,592,827 is for payment of salaries and retiree benefits, \$2,505,205 is restricted for payment of long term debt, \$550,789 is restricted for natural disaster and insurance, and \$105,654 is restricted for grants.

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**Richland Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2020**

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**Governmental Activities  
Net Cost of Services  
For the Year Ended June 30, 2020**



Total gross spending for all programs was \$32,804,720, whereas the net cost for all programs was \$25,929,301. The majority of the School Board's local taxes and Minimum Funding Program funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: regular programs \$9,808,270, special programs \$2,477,738, other instructional programs \$1,263,684, plant services \$2,887,267, student transportation \$3,242,979, and food services \$401,261. The net cost of the remaining programs was \$5,848,102 overall.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Richland Parish School Board as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. Notes to the Financial Statements provide additional information that is essential for the fair presentation of the School Board's financial position and its operations. The notes are an integral part of the financial statements and should be considered part of the statements.

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**Richland Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2020**

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*Annual Financial Report*

**Required Supplementary Information  
Management's Discussion & Analysis (MD&A)**

**Basic Financial Statements**

**Government-wide  
Financial Statements**



**Fund  
Financial Statements**

**Notes to the Financial Statements**

**Required Supplementary Information  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Schedule of Employer's Proportionate Share of the Net Pension Liability  
Schedule of Employer Contributions to Pension Plans  
Budgetary Information for Major Funds**

**Supplementary Information  
Nonmajor Funds Combining Statements  
Agency Funds Statements/Schedules  
Schedule of Compensation Paid Board Members  
Schedule of Compensation, Benefits and Other Payments to Agency Head**

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**Reporting the School Board as a Whole**

***The Statement of Net Position and the Statement of Activities*** The analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities, and deferred outflows/inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.



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**Richland Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2020**

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These two statements report the School Board's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

All activities reported in the Statement of Net Position and Statement of Activities are considered to be governmental activities. Governmental activities are all of the School Board's services, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

### **Reporting the School Board's Most Significant Funds**

***Fund Financial Statements*** The School Board's fund financial statements provide detailed information about the most significant funds, not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. The fund financial statements do not include the capitalization of capital assets or related depreciation nor do they include long term liabilities as the government-wide financial statements do. We describe the relationship between the government-wide financial statements and the fund financial statements in the reconciliations on Statements D and F.

### **The School Board as Trustee**

***Reporting the School Board's Fiduciary Responsibilities*** The School Board is the trustee, or fiduciary, for its student activities funds which are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. These funds are under the control and administration of the individual schools. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are only those funds generated at the school and do not include funds available to the schools from other sources such as local tax revenues or Title I, which are accounted for at the School Board level.

**Richland Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2020**

**THE SCHOOL BOARD AS A WHOLE**

The School Board's net position was \$(48,845,115) at June 30, 2020. Of this amount, unrestricted was a deficit of \$70,874,317. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

**Table 1**  
**Net Position**  
**June 30,**

	Governmental Activities		
	2020	2019	Variance
Other assets	\$ 18,240,215	\$ 17,161,412	\$ 1,078,803
Capital assets	31,870,173	32,950,851	(1,080,678)
Total assets	<u>50,110,388</u>	<u>50,112,263</u>	<u>(1,875)</u>
Deferred outflows of resources	<u>11,386,882</u>	<u>8,952,569</u>	<u>2,434,313</u>
Other liabilities	4,697,003	4,948,752	(251,749)
Long-term liabilities	96,919,245	98,941,499	(2,022,254)
Total liabilities	<u>101,616,248</u>	<u>103,890,251</u>	<u>(2,274,003)</u>
Deferred inflows of resources	<u>8,726,137</u>	<u>8,036,228</u>	<u>689,909</u>
Net position			
Net investment in capital assets	13,580,404	13,222,901	357,503
Restricted	8,448,798	6,977,778	1,471,020
Unrestricted	(70,874,317)	(73,062,326)	2,188,009
Total net position	<u><u>\$ (48,845,115)</u></u>	<u><u>\$ (52,861,647)</u></u>	<u><u>\$ 4,016,532</u></u>

The negative \$70,874,317 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to liquidate its assets and pay off all of its bills today including all of its non-capital liabilities (for example the OPEB and pension liabilities), there would be a deficit of \$70,874,317.

The net position increased by \$4,016,532 during the fiscal year ended June 30, 2020. This increase was primarily due to changes in OPEB and net pension liabilities.



**Richland Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2020**

**Table 2**  
**Changes in Net Position**  
**For the Years Ended June 30,**

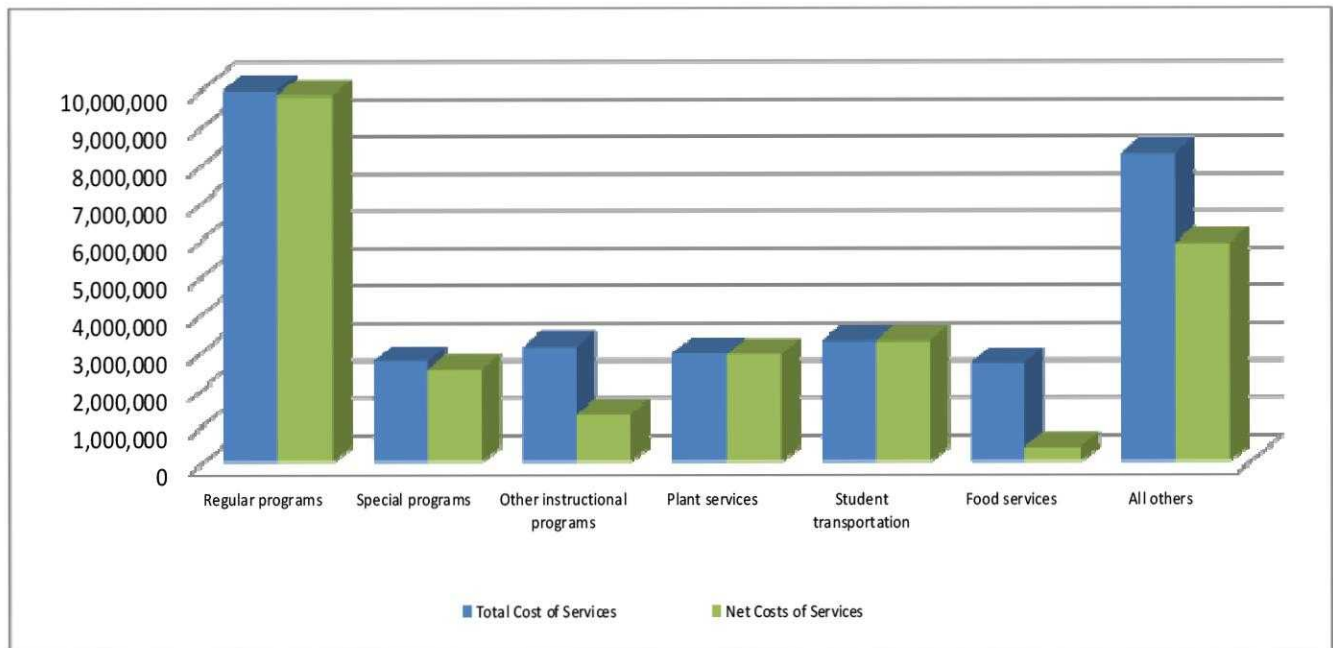
	Governmental Activities		
	2020	2019	Variance
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ 46,237	\$ 56,645	\$ (10,408)
Operating grants and contributions	6,829,182	6,701,562	127,620
General Revenues			
Ad valorem taxes	7,109,380	7,218,662	(109,282)
Sales taxes	6,434,809	6,207,098	227,711
State equalization	15,667,442	15,751,723	(84,281)
Other general revenues	734,202	821,902	(87,700)
Total revenues	<u>36,821,252</u>	<u>36,757,592</u>	<u>63,660</u>
<b>Functions/Program Expenses:</b>			
Instruction			
Regular programs	9,936,972	9,877,574	59,398
Special programs	2,705,753	2,558,473	147,280
Other instructional programs	3,092,973	2,747,634	345,339
Support services			
Student services	1,513,997	1,548,365	(34,368)
Instructional staff support	1,583,142	1,607,911	(24,769)
General administration	812,691	691,654	121,037
School administration	2,483,226	2,544,574	(61,348)
Business services	536,927	567,676	(30,749)
Plant services	2,912,324	3,088,092	(175,768)
Student transportation services	3,243,960	3,335,700	(91,740)
Central services	515,362	486,324	29,038
Community service programs	204,330	9,744	194,586
Food services	2,648,734	2,375,743	272,991
Interest on long-term debt	614,329	687,585	(73,256)
Total expenses	<u>32,804,720</u>	<u>32,127,049</u>	<u>677,671</u>
<b>Increase (decrease) in net position</b>	4,016,532	4,630,543	(614,011)
Net Position - beginning	<u>(52,861,647)</u>	<u>(57,492,190)</u>	4,630,543
Net Position - ending	<u>\$ (48,845,115)</u>	<u>\$ (52,861,647)</u>	<u>\$ 4,016,532</u>

**Richland Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2020**

**Governmental Activities** 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 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.

**Table 3**  
**Cost of Services**  
**For the Years Ended June 30,**

Governmental Activities	2020		2019	
	Total Cost of Services	Net Costs of Services	Total Cost of Services	Net Costs of Services
Regular programs	\$ 9,936,972	\$ 9,808,270	\$ 9,877,574	\$ 9,802,608
Special programs	2,705,753	2,477,738	2,558,473	2,215,722
Other instructional programs	3,092,973	1,263,684	2,747,634	645,480
Plant services	2,912,324	2,887,267	3,088,092	3,088,092
Student transportation	3,243,960	3,242,979	3,335,700	3,335,700
Food services	2,648,734	401,261	2,375,743	168,767
All others	8,264,004	5,848,102	8,143,833	6,112,473
<b>Totals</b>	<b>\$ 32,804,720</b>	<b>\$ 25,929,301</b>	<b>\$ 32,127,049</b>	<b>\$ 25,368,842</b>



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**Richland Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2020**

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**THE SCHOOL BOARD'S FUNDS**

As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

Total fund balances of all governmental funds increased \$1,300,757 as follows:

The fund balance of the general fund increased \$1,193,251 due to increased sales tax collections and expense savings associated with a three-month shutdown due to the COVID-19 pandemic.

Title I is a cost reimbursement fund and therefore has no fund balance.

The increase in nonmajor governmental fund balance of \$107,506 is primarily due to net income from the School Food Service Fund.

**General Fund Budgetary Highlights** As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

The \$1,480,791 increase to the original June 30, 2020 budgeted revenues was due to increased sales tax collections. The \$896,091 decrease made to the original June 30, 2020 general fund budget's expenditures are primarily due to savings associated with a three-month shutdown due to the COVID-19 pandemic.

The actual revenues exceeded the budgeted revenues by \$308,879, which was due to accruals posted after the budget adoption. The actual expenditures exceeded the budgeted expenditures by \$1,487,927, which was due primarily to exclusion of the sales tax distribution fund from the consolidated general fund budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At June 30, 2020, the School Board had \$31,870,173 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of approximately \$1,080,678, or 3% from last year. See Note 6 in the notes to the financial statements for additional information.

**Capital Assets  
June 30,**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Land	\$ 102,200	\$ 102,200
Construction in Progress	61,700	2,653,817
Buildings	29,911,537	28,683,785
Furniture and equipment	1,794,736	1,511,049
<b>Totals</b>	<b><u>\$ 31,870,173</u></b>	<b><u>\$ 32,950,851</u></b>

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**Richland Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2020**

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**Debt Administration** At June 30, 2020, the School Board had \$18,683,564 in general obligation and private placement debt outstanding including the premium on bonds with maturities from 2021 to 2036 with interest rates ranging from 2.00 to 4.25 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2020, the School Board's net bonded debt of \$15,972,780 (total bonded debt of \$18,683,564 less fund balance in debt service funds of \$2,710,784) was well below the legal limit of \$84,655,589.

In addition to bonds, the School Board has debt associated with capital leases, compensated absences, and claims payable. We present more detailed information about our long term debt in Note 12 of the notes to the basic financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The consolidated budget for the 2020-21 year includes a 2.5% increase in projected revenues and a corresponding 2.5% increase in projected expenditures. The increase in budgeted revenues and expenditures is primarily due to increasing sales tax collections and indirect cost reimbursements from federal awards. Projections show that more than 90% of the School Board's General Fund budget for the 2020-21 year is consumed by salaries and related benefits. Overall, the School Board has budgeted an excess of revenues over expenditures of \$.11 million for the 2020-21 fiscal year, which is attributed directly to the continued diligence of the School Board to maintain a fiscally sound budget.

### **CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Bill Martin, Business Manager, at Richland Parish School Board, P. O. 599, Rayville, Louisiana 71269-0599, telephone number (318) 728-5964.

**BASIC FINANCIAL STATEMENTS:**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**RICHLAND PARISH SCHOOL BOARD**

**STATEMENT OF NET POSITION**  
June 30, 2020

	<b>Statement A</b>
	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,024,587
Investments	1,310,168
Receivables	2,408,033
Inventory	140,865
Prepaid items	356,562
Capital assets:	
Land and construction in progress	163,900
Depreciable assets, net of depreciation	31,706,273
<b>TOTAL ASSETS</b>	<b>50,110,388</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	4,037,520
Deferred outflows related to pensions	7,349,362
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>11,386,882</b>
<b>LIABILITIES</b>	
Accounts, salaries and other payables	4,392,786
Unearned revenue	98,638
Interest payable	205,579
Long-term liabilities:	
Long-term debt due within one year:	
Bonds, leases, claims, compensated absences	2,883,530
Long-term debt due within more than one year:	
Bonds, leases, claims, compensated absences	17,580,058
OPEB liability	42,841,511
Net pension liability	33,614,146
<b>TOTAL LIABILITIES</b>	<b>101,616,248</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to OPEB	4,152,389
Deferred inflows related to pensions	4,573,748
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>8,726,137</b>
<b>NET POSITION</b>	
Net investment in capital assets	13,580,404
Restricted for:	
Worker's compensation	100,000
Grants	105,654
School Food Service	697,210
School account allocations	1,897,113
Salaries and retiree benefits	2,592,827
Debt service	2,505,205
Natural disaster and insurance	550,789
Unrestricted	(70,874,317)
<b>TOTAL NET POSITION</b>	<b>\$ (48,845,115)</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RICHLAND PARISH SCHOOL BOARD**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 9,936,972	\$ -	\$ 128,702	\$ (9,808,270)
Special programs	2,705,753	-	228,015	(2,477,738)
Other instructional programs	3,092,973	-	1,829,289	(1,263,684)
Support services:				
Student services	1,513,997	-	349,328	(1,164,669)
Instructional staff support	1,583,142	-	1,414,829	(168,313)
General administration	812,691	-	423,757	(388,934)
School administration	2,483,226	-	49,896	(2,433,330)
Business services	536,927	-	68,900	(468,027)
Plant services	2,912,324	-	25,057	(2,887,267)
Student transportation services	3,243,960	-	981	(3,242,979)
Central services	515,362	-	109,192	(406,170)
Food services	2,648,734	46,237	2,201,236	(401,261)
Community service programs	204,330	-	-	(204,330)
Interest on long-term debt	614,329	-	-	(614,329)
<b>Total Governmental Activities</b>	<b>\$ 32,804,720</b>	<b>\$ 46,237</b>	<b>\$ 6,829,182</b>	<b>(25,929,301)</b>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				4,242,622
Property taxes, levied for debt services				2,866,758
Sales taxes, levied for general purposes				6,434,809
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				15,667,442
State revenue sharing				190,761
Other grants				96,203
Interest and investment earnings				101,639
Miscellaneous				345,599
<b>Total general revenues</b>				<b>29,945,833</b>
Changes in net position				4,016,532
Net position - beginning				(52,861,647)
Net position - ending				<b>\$ (48,845,115)</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Richland Parish School Board**

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**BASIC FINANCIAL STATEMENTS:**

**FUND FINANCIAL STATEMENTS (FFS)**

**RICHLAND PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2020**

**Statement C**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,239,000	\$ -	\$ 4,785,587	\$ 14,024,587
Investments	1,310,168	-	-	1,310,168
Receivables	625,099	660,745	1,122,189	2,408,033
Interfund receivables	1,224,776	-	44,985	1,269,761
Inventory	-	-	140,865	140,865
Prepaid items	344,522	12,040	-	356,562
<b>TOTAL ASSETS</b>	<u>12,743,565</u>	<u>672,785</u>	<u>6,093,626</u>	<u>19,509,976</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	3,701,171	195,777	495,838	4,392,786
Interfund payables	44,985	477,008	747,768	1,269,761
Unearned revenue	-	-	98,638	98,638
<b>TOTAL LIABILITIES</b>	<u>3,746,156</u>	<u>672,785</u>	<u>1,342,244</u>	<u>5,761,185</u>
<b>FUND BALANCES:</b>				
Nonspendable	344,522	-	83,244	427,766
Restricted	5,140,729	-	4,668,138	9,808,867
Unassigned	3,512,158	-	-	3,512,158
<b>TOTAL FUND BALANCES</b>	<u>8,997,409</u>	<u>-</u>	<u>4,751,382</u>	<u>13,748,791</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,743,565</u>	<u>\$ 672,785</u>	<u>\$ 6,093,626</u>	<u>\$ 19,509,976</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RICHLAND PARISH SCHOOL BOARD**

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

		<b>Statement D</b>
Total fund balances - governmental funds	\$	13,748,791
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	\$	78,206,430
Accumulated depreciation		<u>(46,336,257)</u>
		31,870,173
<p>Deferred outflows/inflows related to pensions and OPEB are not due and payable in the current period and accordingly are not reported in the fund financial statements.</p>		
Deferred outflows related to pensions		7,349,362
Deferred outflows related to OPEB		4,037,520
Deferred inflows related to pensions		(4,573,748)
Deferred inflows related to OPEB		(4,152,389)
<p>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.</p>		
Balances at June 30, 2020 are:		
Long-term liabilities		
Bonds payable	\$	(17,935,000)
Premium on bonds		(748,564)
Compensated absences payable		(779,677)
Worker's compensation payable		(239,652)
Capital lease payable		(760,695)
Net pension liability		(33,614,146)
OPEB liability		(42,841,511)
Interest payable		<u>(205,579)</u>
		<u>(97,124,824)</u>
Net Position - Governmental Activities	\$	<u><u>(48,845,115)</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RICHLAND PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2020**

Statement E

REVENUES	GENERAL	TITLE I	NONMAJOR GOVERNMENTAL	TOTAL
Local sources:				
Taxes:				
Ad valorem	\$ 4,242,622	\$ -	\$ 2,866,758	\$ 7,109,380
Sales and use	6,434,809	-	-	6,434,809
Interest earnings	60,904	-	40,735	101,639
Food service	-	-	46,237	46,237
Other	345,572	-	27	345,599
State sources:				
Equalization	15,496,454	-	170,988	15,667,442
Other	286,964	-	307,584	594,548
Federal sources	50,193	2,027,867	4,443,538	6,521,598
<b>TOTAL REVENUES</b>	<b>26,917,518</b>	<b>2,027,867</b>	<b>7,875,867</b>	<b>36,821,252</b>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	10,610,938	107,904	20,798	10,739,640
Special programs	2,480,805	-	228,015	2,708,820
Other instructional programs	1,390,076	781,136	1,110,331	3,281,543
Support services:				
Student services	1,300,732	-	349,328	1,650,060
Instructional staff support	316,246	933,674	493,946	1,743,866
General administration	326,351	208,165	323,943	858,459
School administration	2,631,942	49,896	-	2,681,838
Business services	507,855	68,900	-	576,755
Plant services	2,735,004	2,365	140,199	2,877,568
Student transportation services	2,697,457	949	2,997	2,701,403
Central services	456,946	-	109,192	566,138
Food services	155,895	-	2,533,373	2,689,268
Community service programs	204,330	-	-	204,330
Capital outlay	-	-	26,072	26,072
Debt service:				
Principal retirement	107,974	-	1,950,000	2,057,974
Interest and bank charges	10,829	-	680,080	690,909
<b>TOTAL EXPENDITURES</b>	<b>25,933,380</b>	<b>2,152,989</b>	<b>7,968,274</b>	<b>36,054,643</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 984,138</b>	<b>\$ (125,122)</b>	<b>\$ (92,407)</b>	<b>\$ 766,609</b>

(CONTINUED)

**RICHLAND PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2020**

Statement E

	<u>GENERAL</u>	<u>TITLE I</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 52,041	\$ 125,122	\$ 377,076	\$ 554,239
Transfers out	(377,076)	-	(177,163)	(554,239)
Lease proceeds	534,148	-	-	534,148
 TOTAL OTHER FINANCING SOURCES (USES)	 209,113	 125,122	 199,913	 534,148
 Net Change in Fund Balances	 1,193,251	 -	 107,506	 1,300,757
 FUND BALANCES - BEGINNING	 7,804,158	 -	 4,643,876	 12,448,034
 FUND BALANCES - ENDING	 <u>\$ 8,997,409</u>	 <u>\$ -</u>	 <u>\$ 4,751,382</u>	 <u>\$ 13,748,791</u>

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RICHLAND PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2020**

		Statement F
Total net change in fund balances - governmental funds	\$	1,300,757
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:		
Depreciation expense	\$ (1,854,930)	
Capital outlays	<u>774,252</u>	(1,080,678)
The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Repayment of bond debt and capital leases	\$ 2,057,974	
Lease proceeds	<u>(534,148)</u>	1,523,826
Bond premiums are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, bond premiums increase long-term debt and are amortized over the life of the bonds.		
		46,785
In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$533,302) exceeded the amounts used (\$486,177) by \$47,125.		
		(47,125)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
(Increase) decrease of incurred but not reported worker's compensation claims		41,898
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		
		2,207,768
The decrease in the OPEB liability and increase in deferred inflows is reported in the Statement of Activities and does not require the use of current financial resources so it is not reported as expenditures in governmental funds.		
		(6,494)
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, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		<u>29,795</u>
Change in net position of governmental activities	\$	<u><u>4,016,532</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RICHLAND PARISH SCHOOL BOARD**  
**FIDUCIARY FUND**  
**Statement of Fiduciary Assets and Liabilities**  
**June 30, 2020**

**Statement G**

**AGENCY  
FUND**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 424,830
<b>TOTAL ASSETS</b>	424,830
<b>LIABILITIES</b>	
Deposits due others	424,830
<b>TOTAL LIABILITIES</b>	\$ 424,830

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**INDEX**

**Page**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	33
A. REPORTING ENTITY .....	33
B. FUNDS .....	33
Governmental Funds .....	33
Fiduciary Funds .....	34
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING .....	34
Governmental Funds .....	34
Fiduciary Funds .....	35
D. CASH AND CASH EQUIVALENTS .....	35
E. INVESTMENTS .....	35
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES .....	36
G. ELIMINATION AND RECLASSIFICATIONS .....	36
H. INVENTORY AND PREPAID ITEMS .....	36
I. CAPITAL ASSETS .....	36
J. UNEARNED REVENUES .....	37
K. COMPENSATED ABSENCES .....	37
L. LONG-TERM LIABILITIES .....	37
M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES .....	38
N. RESTRICTED NET POSITION .....	38
O. FUND EQUITY OF FUND FINANCIAL STATEMENTS .....	38
P. INTERFUND ACTIVITY .....	39
Q. SALES TAXES .....	39
R. BUDGETS .....	39
S. USE OF ESTIMATES .....	40
NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY .....	40
NOTE 3 - LEVIED TAXES .....	40
NOTE 4 - DEPOSITS AND INVESTMENTS .....	41
NOTE 5 - RECEIVABLES .....	42
NOTE 6 - CAPITAL ASSETS .....	42
NOTE 7 - PENSION PLANS .....	43
NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS .....	49
NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES .....	52
NOTE 10 - COMPENSATED ABSENCES .....	52
NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS .....	52
NOTE 12 - LONG-TERM LIABILITIES .....	52
NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY) .....	54
NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS .....	55
NOTE 15 - RISK MANAGEMENT .....	55
NOTE 16 - LITIGATION AND CLAIMS .....	56
NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES .....	56
NOTE 18 - ECONOMIC DEPENDENCY .....	56
NOTE 19 - NEW GASB STANDARDS .....	56
NOTE 20 - TAX ABATEMENTS .....	57
NOTE 21 - SUBSEQUENT EVENTS .....	57
NOTE 22 - CHANGE IN PRESENTATION .....	57



**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying basic financial statements of the Richland Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** The Richland Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Richland Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of nine members who are elected from nine districts for terms of four years.

The School Board operates eleven schools within the parish with a total enrollment of approximately 2,767 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, 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 School Board also has no *component units*, defined by GASB Statements as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

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

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

**Governmental Funds** Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

**General Fund** The general fund is the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

**Title I** This fund accounts for federal funds received for the Title I federal program.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Fiduciary Funds** Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Trust funds account for assets held by the government under the terms of a formal trust agreement.

*Agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

**School activities agency fund** - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 Accounting and Financial Reporting for Nonexchange Transactions.

**Program revenues** Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

**Allocation of indirect expenses** The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

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

**Governmental Funds** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

**Revenues**

Ad valorem taxes are recognized when all applicable eligibility requirements are met and the resources are available.

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

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

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

**Expenditures**

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability is incurred.

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

**Fiduciary Funds**

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

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

**E. INVESTMENTS** Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**G. ELIMINATION AND RECLASSIFICATIONS** In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**H. INVENTORY AND PREPAID ITEMS** Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when consumed; however, all inventory items are recorded as expenditures when purchased. Unused commodities at June 30 are reported as unearned revenues. All purchased inventory items are valued at cost using first in, first out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both government-wide and fund financial statements.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 8 years
Intangibles – software	5 years

Interest during construction is not capitalized on capital assets.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**J. UNEARNED REVENUES** The School Board reports unearned revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

**K. COMPENSATED ABSENCES** All 12-month employees earn from twelve to eighteen days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated but cannot exceed sixty days. However, upon separation, all unused vacation up to sixty days is paid to the employee.

All School Board employees earn from twelve to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay.

Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

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

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

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

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The School Board uses this approach. The School Board accrues those employees that have a minimum experience of 20 years.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

**L. LONG-TERM LIABILITIES** Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

**M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES** In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board reported deferred outflows related to pensions due to changes of assumptions, changes in proportion and differences between employer contributions and proportionate share of contributions and employer contributions subsequent to the measurement date. Deferred outflows related to OPEB was due to changes in assumptions and other changes listed in Note 8.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board reported deferred inflows related to pensions due to differences between expected and actual experience, differences between projected and actual earnings on pension plan investments and changes in proportion and differences between employer contributions and proportionate share of contributions. See note 7 for more information. Additionally, the School Board reported deferred inflows of resources for OPEB. See note 8 for additional information.

**N. RESTRICTED NET POSITION** For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use is either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position reported in the Statement of Net Position as school account allocations, salaries and retiree benefits, debt service and natural disaster and insurance are restricted by enabling legislation.

**O. FUNDEQUITY OF FUND FINANCIAL STATEMENTS** GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

**Non-spendable:** Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

**Restricted:** Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed:** Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The Board is the highest level of decision making authority for the School Board that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Committed amounts

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

**Assigned:** Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

**Unassigned:** Fund balance that is the residual classification for the general fund.

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

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

**Q. SALES TAXES** The School Board has the following three sales tax ordinances:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held February 6, 1968. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the School System and for benefits of the retirees of the School System.

The School Board has a one-half cent parish-wide sales and use tax as authorized in a special election held September 21, 1996 and renewed in a special election on April 29, 2017 for ten years. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely to maintain and operate the public schools of Richland Parish.

The School Board has a one-half cent parish-wide sales and use tax as authorized in a special election held July 15, 2000. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely to pay salaries and benefits of teachers and other School Board employees.

**R. BUDGETS**

**General Budget Policies** The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

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

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

**Richland Parish School Board  
Notes to the Financial Statements  
June 30, 2020**

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level by fund; except for special revenue funds, which are controlled at the fund level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved by the Board.

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting, with some variations. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level for the general fund and at the fund level for special revenue funds. Management can transfer amounts between line items within a function.

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Excess of Expenditures Over Appropriations in Individual Funds** The following fund had actual expenditures over budgeted expenditures for the year ended June 30, 2020:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 24,445,453	\$ 25,933,380	\$ (1,487,927)
Title I	2,142,555	2,152,989	(10,434)

The original and final budgets for the general fund do not include lease proceeds of \$534,148 nor the expenditure to record lease proceeds. The other variances are due to adjustments made after the last budget revision.

**NOTE 3 - LEVIED TAXES** The School Board levies taxes on real and business personal property located within Richland Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Richland Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

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

Property Tax Calendar

Levy date	August 14, 2019
Tax bills mailed	November 12, 2019
Due date	January 31, 2020
Lien date	May 6, 2020
Tax sale date - 2019 delinquent property	July 31, 2020

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



**Richland Parish School Board  
Notes to the Financial Statements  
June 30, 2020**

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$241,873,110 in calendar year 2019. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$29,475,087 of the assessed value in calendar year 2019.

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

All property taxes are recorded in the general and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2019 property taxes occurs in December, and January and February of the next year.

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

The following is a summary of authorized and levied ad valorem taxes:

	Adjusted Maximum Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	9.70	9.70	Statutory
Maintenance	9.57	9.57	2026
District taxes:			
School District #1	Various	6.00	2025
School District #3	Various	18.00	2022
School District #4	Various	31.00	2035

**NOTE 4 - DEPOSITS AND INVESTMENTS** Deposits are stated at cost, which approximated fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

**Interest Rate Risk:** The School Board's policy does not address interest rate risk.

**Credit Risk:** The School Board's investments are in Certificates of Deposits which do not have credit ratings; however, the School Board's policy does not address credit rate risk.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Custodial Credit Risk:** At year-end the school Board's carrying amount of deposits was \$15,759,585 and the bank balance was \$16,209,565 which includes \$1,310,168 in certificate of deposits classified as investments. These deposits are reported as follows: Statement A cash and cash equivalents, \$14,024,587, Statement A investments \$1,310,168 and Statement G cash and cash equivalents \$424,830. Of the bank balance, \$2,559,800 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. The School Board's policy does not address custodial risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 5 - RECEIVABLES** The balance of receivables at June 30, 2020, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	Title I	Nonmajor Governmental	Total
Taxes:				
Sales and use	\$ 580,320	\$ -	\$ -	\$ 580,320
Intergovernmental-grants:				
Federal	-	660,745	1,102,393	1,763,138
State	3,442	-	17,999	21,441
Local Accounts	41,337	-	1,797	43,134
Total	<u>\$ 625,099</u>	<u>\$ 660,745</u>	<u>\$ 1,122,189</u>	<u>\$ 2,408,033</u>

**NOTE 6 - CAPITAL ASSETS** Capital asset balances and activity for the year ended June 30, 2020 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 102,200	\$ -	\$ -	\$ 102,200
Construction in Progress	2,653,817	87,772	2,679,889	61,700
Total nondepreciable capital assets	<u>2,756,017</u>	<u>87,772</u>	<u>2,679,889</u>	<u>163,900</u>
Depreciable capital assets				
Buildings	68,303,548	2,679,889	-	70,983,437
Furniture and equipment	6,372,613	686,480	-	7,059,093
Total depreciable capital assets	<u>74,676,161</u>	<u>3,366,369</u>	<u>-</u>	<u>78,042,530</u>
Less accumulated depreciation				
Buildings	39,619,763	1,452,137	-	41,071,900
Furniture and equipment	4,861,564	402,793	-	5,264,357
Total accumulated depreciation	<u>44,481,327</u>	<u>1,854,930</u>	<u>-</u>	<u>46,336,257</u>
Total depreciable capital assets, net	<u>30,194,834</u>	<u>1,511,439</u>	<u>-</u>	<u>31,706,273</u>
Governmental activities				
Capital assets, net	<u>\$ 32,950,851</u>	<u>\$ 1,599,211</u>	<u>\$ 2,679,889</u>	<u>\$ 31,870,173</u>

**Richland Parish School Board  
Notes to the Financial Statements  
June 30, 2020**

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 110,812
Special programs	246,655
Other Instructional services	34,399
Student services	4,934
Instructional staff support	9,867
Plant services	109,976
Student transportation services	1,257,480
Food services	80,807
	80,807
Total depreciation expense	\$ 1,854,930

**NOTE 7 - PENSION PLANS**

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

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

**General Information about the Pension Plans**

**Plan Descriptions/Benefits Provided:**

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

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 20 years of creditable service regardless of age with an actuarially reduced benefit.

For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the 3 highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who joined the system on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service who has withdrawn from active service prior to the age at which that person is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the system on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S. 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761 and vary depending on the member's hire date. The computation for retirement benefits is defined in R.S. 11:768. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011 and July 1, 2015.

Most of the TRSL members at the School Board are participants in the Regular Plan. In the regular plan, eligibility for retirement is determined by the date the member joined TRSL. Members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service but the benefit is actuarially-reduced if the member is hired on or after July 1, 1999. Retirement benefits for regular plan members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of creditable service. Average compensation is defined in R.S. 11:701 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed on or after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Members employed prior to January 1, 2011 receive disability benefits equal to 2 1/2% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2 1/2% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified handicapped child. Benefits are paid for life to a surviving spouse unless the deceased active member has less than 20 years of creditable service and the surviving spouse remarries before the age of 55.

**Deferred Retirement Option Program (DROP)**

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

**Cost of Living Adjustments**

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

**Contributions**

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

Employer contributions to LSERS for fiscal year 2020 were \$444,655 with active member contributions ranging from 7.5% to 8%, and employer contributions of 29.4%. Employer defined benefit plan contributions to TRSL for fiscal year 2020 were \$3,675,370, with active member contributions of 8%, and employer contributions of 26%. Non-employer contributions to TRSL, which are comprised of \$123,160 from ad valorem taxes and revenue sharing funds and \$4,992 from the State for PIP salaries, totaled \$128,152 for fiscal year 2020. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2020, the School Board reported liabilities of \$3,692,021 and \$29,922,125 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2019, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2019, the most recent measurement date, the School

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

Board's proportions and the changes in proportion from the prior measurement date were .527385%, or a decrease of .003409% for LSERS and .30149% or an increase of .00596% for TRSL.

For the year ended June 30, 2020, the School Board recognized a total pension expense of \$1,912,258, or \$442,235 and \$1,470,023 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 92,022	\$ 935,077	\$ 1,027,099
Changes of assumptions	107,034	2,127,223	2,234,257	-	-	-
Net difference between projected and actual earnings on pension plan investments	142,034	-	142,034	-	1,107,449	1,107,449
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	853,046	853,046	101,919	2,337,281	2,439,200
Employer contributions subsequent to the measurement date	444,655	3,675,370	4,120,025	-	-	-
<b>Total</b>	<b>\$ 693,723</b>	<b>\$ 6,655,639</b>	<b>\$ 7,349,362</b>	<b>\$ 193,941</b>	<b>\$ 4,379,807</b>	<b>\$ 4,573,748</b>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	LSERS	TRSL	Total
2021	\$ 15,705	\$ (660,625)	\$ (644,920)
2022	(73,675)	(1,286,770)	(1,360,445)
2023	64,742	49,788	114,530
2024	48,355	498,069	546,424

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

*Actuarial Assumptions*

The total pension liabilities for LSERS and TRSL in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>LSERS</u>	<u>TRSL</u>
Valuation Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	5 years
Investment Rate of Return	7%, net of investment expenses, including inflation	7.55%, net of investment expenses
Inflation Rate	2.5% per annum	2.5% per annum
Mortality - Non-disabled	RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Employee Tables, RP-2014 Sex Distinct Mortality Table	Active members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by .997 for females. Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.
Mortality - Disabled	RP-2014 Sex Distinct Disabled Tables	Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination, Disability, Retirement	2012-2017 experience study	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 - June 30, 2017) experience study of the system's members.
Salary Increases	3.25% based on a 2012-2017 experience study of the system	3.3% - 4.8% varies depending on the duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

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

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

	<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>
TRSL (arithmetic)		
Domestic equity	27.00%	4.60%
International equity	19.00%	5.70%
Domestic fixed income	13.00%	1.69%
International fixed income	5.50%	2.10%
Private equity	25.50%	8.67%
Other private assets	10.00%	3.65%
Total	<u>100.00%</u>	
LSERS (arithmetic)		
Fixed income	26.00%	1.07%
Equity	39.00%	2.93%
Alternatives	17.00%	1.43%
Real estate	12.00%	0.73%
Real assets	6.00%	0.60%
Total	<u>100.00%</u>	6.76%
Inflation		2.00%
Expected arithmetic nominal return		<u>8.76%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 7% for LSERS and 7.55% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined and approved by the Public Employees' Retirement Systems Actuarial Committee taking into consideration the recommendation of the system's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The LSERS discount rate was reduced from 7.0625% in the June 30, 2018 valuation to 7.0% in the June 30, 2019 valuation. The TRSL discount rate used in the June 30, 2019 net pension liability valuation was decreased from the 7.65% used in the June 30, 2018 valuation to 7.55%. The discount rate was reduced in accordance with the TRSL Board's adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. The TRSL Board accelerated the discount reduction plan resulting in a reduction of the discount rate by 0.10% for the June 30, 2019 valuation.

*Sensitivity of the proportionate share of the NPL to changes in the discount rate.* The following presents the School Board's proportionate share of the NPL for LSERS and TRSL using the current discount rate as well as what the



**Richland Parish School Board  
Notes to the Financial Statements  
June 30, 2020**

School Board’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<b>1.0% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
LSERS	\$ 5,003,428	\$ 3,692,021	\$ 2,570,951
TRSL	39,830,630	29,922,125	21,570,768

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

*Payables to the Pension Plan.* At June 30, 2020, the School Board had \$208,406 and \$1,490,853 in payables to LSERS and TRSL, respectively, for the June 2020 employee and employer legally required contributions.

**Optional Retirement Plan**

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer equal to the contribution rates established for the regular retirement plan of TRSL. However, effective July 1, 2014, the employer contribution rate for amounts credited to the ORP participants who are not employed in higher education must be the greater of: (1) the employer normal cost contribution for the TRSL Regular Plan; or (2) 6.2%.

Employer ORP contributions to TRSL for fiscal year 2020 totaled \$52,969, which represents pension expense for the School Board. Employee contributions totaled \$14,913. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 22.2% made to the TRSL defined benefit plan described above.

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS**

***Plan description*** - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board’s OPEB plan is a single-employer defined benefit “substantive plan” as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. Substantially all of the School Board’s employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

***Benefits Provided and Funding Policy*** - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

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

Inactive employees or beneficiaries currently receiving benefit payments	420
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	293
Total	713

**Total OPEB Liability** – The School Board’s total OPEB liability of \$42,841,511 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method	Entry age normal cost
Inflation rate	2.20%
Discount rate	2.21% based on the Bond Buyer General Obligation 20 bond municipal index
Healthcare trend	5.0%/6.2% for non-Medicare/Medicare claims in 2019, gradually decreasing to an ultimate rate of 3.7%/3.7% for 2073 and beyond.
Mortality	PUB-2010 General Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis for Employees, Retirees, and Survivors, as applicable
Turnover	Range from 9% at age 25 to 4.2% at ages 50 and over with 4 years of experience
Retirement rates	Ranges from 3.5% at age 38 increasing to 23.5% at age 60, declining to 20% at age 74.
Salary increase	3.00%

The discount rate changed from 3.5% at June 30, 2019 to 2.21% at June 30, 2020. No salary experience studies were conducted. The School Board contributed \$2,233,159 utilizing the pay-as-you-go basis.

**Richland Parish School Board  
Notes to the Financial Statements  
June 30, 2020**

**Changes in the Total OPEB Liability:**

	Total OPEB Liability
Balance at June 30, 2019	\$ 44,321,740
Changes for the year:	
Service cost	780,660
Interest	1,539,840
Effect of economic/demographic gains and losses	3,633,990
Effect of assumptions changes or inputs	(5,201,560)
Benefit payments	(2,233,159)
Net changes	(1,480,229)
Balance at June 30, 2020	\$ 42,841,511

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

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 50,098,610	\$ 42,841,511	\$ 37,035,760

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 36,827,555	\$ 42,841,511	\$ 50,387,155

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**– For the year ended June 30, 2020, the School Board recognized OPEB expense of \$2,239,652. At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 24,634	\$ 2,702,197
Changes of assumptions	4,127,755	1,335,323
Total	\$ 4,152,389	\$ 4,037,520

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

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

Year Ended June 30:		
2021	\$	203,711
2022		43,167
2023		(361,747)

**NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2020, are as follows:

	General	Title I	Nonmajor Governmental	Total
Salaries	\$ 1,306,189	\$ 173,366	\$ 434,099	\$ 1,913,654
Accounts	2,394,982	22,411	61,739	2,479,132
Total	<u>\$ 3,701,171</u>	<u>\$ 195,777</u>	<u>\$ 495,838</u>	<u>\$ 4,392,786</u>

**NOTE 10 - COMPENSATED ABSENCES** At June 30, 2020, employees of the School Board have accumulated and vested \$779,677 of employee leave benefits, including \$11,144 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

**NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS** A summary of changes in school activities agency fund deposits due others for the year ended June 30, 2020, follows:

	Balance, Beginning	Additions	Deductions	Balance, Ending
Agency funds:				
School activities agency fund	<u>\$ 403,643</u>	<u>\$ 1,484,007</u>	<u>\$ (1,462,820)</u>	<u>\$ 424,830</u>

**NOTE 12 - LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year ended June 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation debt	\$ 15,155,000	\$ -	\$ 735,000	\$ 14,420,000	\$ 765,000
Bonds from direct borrowings & private placement	4,730,000	-	1,215,000	3,515,000	1,260,000
Premium on bonds	795,349	-	46,785	748,564	-
Other liabilities:					
Compensated absences	732,552	533,302	486,177	779,677	486,177
Worker's compensation claims	281,550	92,389	134,287	239,652	134,287
Capital Leases	334,521	534,148	107,974	760,695	238,066
Governmental Activities					
Long-term liabilities	<u>\$ 22,028,972</u>	<u>\$ 1,159,839</u>	<u>\$ 2,725,223</u>	<u>\$ 20,463,588</u>	<u>\$ 2,883,530</u>

The compensated absences liability, worker's compensation liability, and capital leases attributable to the governmental activities will be liquidated by several of the School Board's governmental funds. In the past, approximately 100% was paid by the general fund. The general obligation debt and bonds from direct borrowings & private placement will be paid from the debt service funds.

**Richland Parish School Board  
Notes to the Financial Statements  
June 30, 2020**

The individual bond issues are as follows:

General Obligation Bonds

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
School District #3	5/1/2011	\$ 6,000,000	3.25%-4.25%	3/1/2031	\$ 1,027,400	\$ 3,915,000
School District #4	7/28/2016	12,000,000	2%-4%	3/1/2036	3,326,650	10,505,000
Total					<u>\$ 4,354,050</u>	<u>\$ 14,420,000</u>

Direct Borrowing & Private Placement Bonds

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
School District #3 Refunding	11/1/2010	\$ 6,125,000	2.90%	3/1/2021	\$ 21,315	\$ 735,000
School District #1 Refunding	4/16/2013	5,295,000	2.45%	3/1/2025	208,005	2,780,000
Total					<u>\$ 229,320</u>	<u>\$ 3,515,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and general operating funds of the School Board. At June 30, 2020, the School Board has accumulated \$2,710,784 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	General Obligation Bonds		Bonds from Direct Borrowings & Direct Placements	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
	2021	\$ 765,000	\$ 527,198	\$ 1,260,000
2022	795,000	497,314	540,000	55,248
2023	825,000	465,512	560,000	42,018
2024	865,000	432,514	570,000	28,298
2025	4,895,000	397,910	585,000	14,331
2026-2030	4,570,000	1,456,468	-	-
2031-2035	1,705,000	551,034	-	-
2036-2040	-	26,100	-	-
Total	<u>\$ 14,420,000</u>	<u>\$ 4,354,050</u>	<u>\$ 3,515,000</u>	<u>\$ 229,320</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, the statutory limit was \$84,655,589 and outstanding net bonded debt totaled \$15,972,780.

Capital Lease During the 2018 fiscal year, the School Board purchased 7 school buses under a new capital lease for \$572,125. The net book value of the purchased school buses was \$434,391 at fiscal year end. Depreciation expense for the year was \$63,569.

**Richland Parish School Board  
Notes to the Financial Statements  
June 30, 2020**

During the 2020 fiscal year, the School Board purchased 8 school buses under a new capital lease for \$660,416. The net book value of the purchased school buses was \$619,293 at fiscal year end. Depreciation expense for the year was \$41,123.

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2020:

<u>Fiscal Year-end</u>		
2021		\$ 264,406
2022		264,407
2023		145,604
2024		145,604
Less: amounts representing interest		<u>59,326</u>
Present value of net minimum lease payments		<u><u>\$ 760,695</u></u>

**NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)**

**Interfund receivable/payable:**

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 747,768	Nonmajor Governmental	\$ 747,768
General	477,008	Title I	477,008
Nonmajor Governmental	44,985	General	44,985
	<u>\$ 1,269,761</u>		<u>\$ 1,269,761</u>

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received.

**Interfund transfers:**

<u>Receiving Fund</u>	<u>Transfers In</u>	<u>Paying Fund</u>	<u>Transfers Out</u>
Nonmajor Governmental	\$ 377,076	General Fund	\$ 377,076
General Fund	52,041	Nonmajor Governmental	52,041
Title I	125,122	Nonmajor Governmental	125,122
	<u>\$ 554,239</u>		<u>\$ 554,239</u>

The purpose of the interfund transfers was to cover operating expenditures of the School Food Service Fund and LA4 Program and to combine Title Program funds.

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS**

	General	Nonmajor Governmental	Total
Non spendable:			
Inventory	\$ -	\$ 83,244	\$ 83,244
Prepays	344,522	-	344,522
Restricted for:			
Workers compensation reserve	100,000	-	100,000
School food service	-	697,210	697,210
Vocational/JAG grants	-	105,098	105,098
Other grants	-	556	556
School account allocations	1,897,113	-	1,897,113
Salaries and benefits	2,592,827	-	2,592,827
Debt service	-	2,710,784	2,710,784
Capital Projects	-	1,154,490	1,154,490
Natural disaster and insurance	550,789	-	550,789
Unassigned	3,512,158	-	3,512,158
Total	<u>\$ 8,997,409</u>	<u>\$ 4,751,382</u>	<u>\$ 13,748,791</u>

**NOTE 15 - RISK MANAGEMENT** The School Board initiated a self-insured program for workers' compensation in 1991. It joined a pool of school boards in Northeast Louisiana in order to share workers' compensation costs. The School Board's share of risk is determined by calculating its percentage of the total manual premium of the group. The risk allocated to the School Board for the year ended June 30, 2020 was 49%. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

Changes in the claims amount for the last three fiscal years were as follows:

Years Ended June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Ending of Fiscal Year Liability
2017-2018	\$ 3,529	\$ 47,928	\$ 22,500	\$ 28,957
2018-2019	28,597	442,913	172,803	298,707
2019-2020	298,707	75,232	134,287	239,652

During the fiscal year 2020, a total of \$134,287 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$350,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. Claims payable of \$239,652 as of June 30, 2020 has been accrued as liability. Claims payable does not include incremental costs. Settlements have not exceeded insurance coverage for each of the past three fiscal years. In addition, the School Board is at risk for property damage, liability, and theft which are covered by insurance policies.

The School Board also participates in an entity risk pool for insurance coverage, including property and casualty insurance and the reinsurance of such coverage, in order to provide a more efficient and effective way to acquire insurance coverage. The entity risk pool is known as Property Casualty Alliance of Louisiana (PCAL), which is established only for School Boards and is overseen by a board made up of School Board Members. The responsibilities of the School Board is to pay contributions based upon a risk-funding plan developed by the Program as well as to have a loss prevention plan to make all reasonable efforts to eliminate and minimize hazards

**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

that would contribute to property/casualty losses. The pool is responsible for handling any and all claims after notice of loss has been received.

**NOTE 16 - LITIGATION AND CLAIMS**

**Litigation** The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

**Construction Commitments** The School Board had \$328,500 in construction contracts outstanding for Mangham Junior/Senior High School project at June 30, 2020.

**Grant Disallowances** The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

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

**NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES** On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$3,768. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2020, the Tax Collector paid the Teacher's Retirement System of Louisiana \$169,445. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution to the TRSL pension plan.

**NOTE 18 - ECONOMIC DEPENDENCY** The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$15,667,442 to the School Board, which represents approximately 43% of the School Board's total revenue for the year.

**NOTE 19 - NEW GASB STANDARDS** In May 2020, the Governmental Accounting Standards Board issued Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance. This statement extended the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides. The primary objective of GASB Statement No. 95 was to provide temporary relief to governments and other stakeholders in light of the COVID 19 pandemic. The School implemented this statement for the fiscal year ended June 30, 2020.



**Richland Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**NOTE 20 - TAX ABATEMENTS** The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2020 by authorized millage is as follows:

<u>Tax Code</u>	<u>Taxable Value</u>	<u>Taxpayer Exemption</u>
Parishwide constitutional and maintenance	\$ 19,449,400	\$ 374,789
School District #1	19,449,400	116,695
		<u>\$ 491,484</u>

**NOTE 21 – SUBSEQUENT EVENTS** In March 2021, the Richland Parish School Board issued \$12,000,000 in General Obligation School Bonds, Series 2021 School District No. 1 of the Parish of Richland, State of Louisiana (the Bonds). The proceeds from the Bonds are to be used for capital improvements, repairs, and equipment purchases in Richland Parish School District No. 1. The Bonds carry an interest rate of 4% and are payable over nine years beginning in March 2023.

In March 2021, the Richland Parish School Board was awarded Elementary and Secondary School Emergency Relief (ESSER) Funds under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan Act (ARPA). Funds made available under CRRSA and ARPS are also known as ESSER II and ESSER III funds, respectively. The School Board’s estimated allocation of ESSER II funds is \$5,942,334 with 50% of the funds available beginning in March 2021 and the remaining 50% available in January 2022. The period of availability for reimbursement is from January 5, 2021 through September 30, 2023. ARPA funds are also known as ESSER III funds. The School Board’s estimated allocation of ESSER III funds is \$13,345,637 with 20% of the funds available beginning in March 2021 and the balance available at a date to be determined. ESSER III funds are available for obligation through September 30, 2024.

**NOTE 22 – CHANGE IN PRESENTATION** The fund, District #4 Construction Mangum, was presented as major for the fiscal year ended June 30, 2019. In the current fiscal year this fund did not meet the criteria to be presented as major but the Title I fund did meet the criteria.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Richland Parish School Board**

**Schedule of Changes in the Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2020**

**Exhibit 1-1**

<b>Total OPEB Liability</b>	2020	2019	2018
Service costs	\$ 780,660	\$ 820,463	\$ 863,816
Interest	1,539,840	1,575,882	1,524,538
Effect of economic/demographic gains or (losses)	3,633,990	-	(172,435)
Effect of assumption changes or inputs	(5,201,560)	3,115,753	(1,819,493)
Benefit payments	(2,233,159)	(2,160,195)	(2,275,237)
Net change in total OPEB liability	(1,480,229)	3,351,903	(1,878,811)
Total OPEB liability - Beginning	44,321,740	40,969,837	42,848,648
Total OPEB liability - Ending	42,841,511	44,321,740	40,969,837
Covered employee payroll	14,934,430	16,586,315	16,451,726
Total OPEB liability as a percentage of covered employee payroll	286.86%	267.22%	249.03%

**Changes of Assumptions**

Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following is the discount rate used:

2018	3.87%
2019	3.50%
2020	2.21%

**Notes:**

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

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

**Richland Parish School Board**

**Schedule of Employer's Proportionate Share of the Net Pension Liability  
June 30, 2020**

**Exhibit 1-2**

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<b>Louisiana School Employees' Retirement System</b>					
2015	0.567800%	\$ 3,297,097	\$ 1,593,525	207%	76.18%
2016	0.546381%	3,464,749	1,525,542	227%	74.49%
2017	0.580943%	4,382,328	1,651,077	265%	70.09%
2018	0.567960%	3,634,529	1,626,624	223%	75.03%
2019	0.530794%	3,546,433	1,531,094	232%	74.44%
2020	0.527385%	3,692,021	1,437,125	257%	73.49%
<b>Teacher's Retirement System of Louisiana</b>					
2015	0.37210%	\$ 38,033,528	\$ 16,765,123	227%	63.7%
2016	0.33946%	36,499,358	15,688,153	233%	62.5%
2017	0.33949%	39,846,366	15,107,641	264%	59.9%
2018	0.31464%	32,256,506	14,613,204	221%	65.6%
2019	0.29553%	29,044,354	13,803,547	210%	68.2%
2020	0.30149%	29,922,125	13,992,829	214%	68.6%

**Notes:**

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

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

See accompanying notes to required supplementary information.

**Richland Parish School Board**

**Schedule of Employer Contributions to Pension Plans  
For the Year Ended June 30, 2020**

**Exhibit 1-3**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
<b>Louisiana School Employees' Retirement System</b>					
2015	\$ 503,594	\$ 503,594	\$ -	\$ 1,525,542	33.0%
2016	501,946	501,946	-	1,651,077	30.4%
2017	444,098	444,098	-	1,626,624	27.3%
2018	422,576	422,576	-	1,531,094	27.6%
2019	401,691	401,691	-	1,437,125	28.0%
2020	418,920	418,920	-	1,424,899	29.4%
<b>Teacher's Retirement System of Louisiana</b>					
2015	\$ 4,354,421	\$ 4,354,421	\$ -	\$ 15,688,153	27.8%
2016	4,021,668	4,021,668	-	15,107,641	26.6%
2017	3,729,044	3,729,044	-	14,613,204	25.5%
2018	3,671,744	3,671,744	-	13,803,547	26.6%
2019	3,736,085	3,736,085	-	13,992,829	26.7%
2020	3,675,370	3,675,370	-	14,156,501	26.0%

**Notes:**

The amounts presented were determined as of the fiscal year end.

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

See accompanying notes to required supplementary information.

## Richland Parish School Board

### Notes to Required Supplementary Information for Pensions

#### Louisiana School Employees' Retirement System

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

*Changes in Assumptions:* The following is a detailed description of the changes in assumptions:

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Non-disabled Active	Mortality Non-disabled Retiree	Mortality Disabled	Termination, Disability, Retirement	Salary Increases
June 30,								
2015	2014	7.25% (net of investment and administrative expenses)	2.75% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.2% to 5.5%
2016	2015	7.00% (net of investment and administrative expenses)	2.75% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.2% to 5.5%
2017 & 2018	2016 & 2017	7.125% (net of investments expenses)	2.625% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.075% to 5.375%
2019	2018	7.0625% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%
2020	2019	7.00% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%

## Richland Parish School Board

### Notes to Required Supplementary Information for Pensions

#### Teacher's Retirement System of Louisiana

*Changes in Benefit Terms:* Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011. For 2018 and later, amounts included a 1.5% COLA, effective July 1, 2016, as provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative session.

*Changes in assumptions:* The following is a detailed description of the changes in assumptions:

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Non-disabled Active	Mortality Non-disabled Retiree	Mortality Disabled	Termination, Disability, Retirement	Salary Increases
June 30,								
2015, 2016, & 2017	2014, 2015, & 2016	7.75% (net of investment expense)	2.50% per annum	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Disabled Lives Mortality Table	2008-2012 experience study	3.5% to 10.0%
2018	2017	7.70% per annum	2.50% per annum	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Disabled Lives Mortality Table	2008-2012 experience study	3.5% to 10.0%
2019	2018	7.65% per annum	2.50% per annum	RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females ***	RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females ***	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females ***	2012-2017 experience study	3.3% to 4.8%
2020	2019	7.55% per annum	2.50% per annum	RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females ***	RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females ***	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females ***	2012-2017 experience study	3.3% to 4.8%

\*\*\* Base tables for active, non-disabled retirees, and disabled retirees are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

**Richland Parish School Board**

**Budgetary Comparison Schedule**

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

**TITLE I** This fund is used to account for the Title I grant.



RICHLAND PARISH SCHOOL BOARD

GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2020

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 4,156,000	\$ 4,156,000	\$ 4,242,622	\$ 86,622
Sales and use	4,900,000	6,380,791	6,434,809	54,018
Interest earnings	50,000	50,000	60,904	10,904
Other	345,500	345,500	345,572	72
State sources:				
Equalization	15,610,848	15,610,848	15,496,454	(114,394)
Other	30,500	30,500	286,964	256,464
Federal sources	35,000	35,000	50,193	15,193
<b>TOTAL REVENUES</b>	<b>25,127,848</b>	<b>26,608,639</b>	<b>26,917,518</b>	<b>308,879</b>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	10,357,342	10,157,466	10,610,938	(453,472)
Special programs	2,368,174	2,453,917	2,480,805	(26,888)
Other instructional programs	1,316,123	1,408,509	1,390,076	18,433
Support services:				
Student services	1,277,346	1,288,856	1,300,732	(11,876)
Instructional staff support	335,806	306,628	316,246	(9,618)
General administration	238,800	391,216	326,351	64,865
School administration	3,489,426	2,542,225	2,631,942	(89,717)
Business services	553,017	488,440	507,855	(19,415)
Plant services	2,578,200	2,629,333	2,735,004	(105,671)
Student transportation services	2,233,094	2,311,040	2,697,457	(386,417)
Central services	461,550	454,037	456,946	(2,909)
Food services	122,921	4,041	155,895	(151,854)
Community service programs	9,745	9,745	204,330	(194,585)
Debt service:				
Principal retirement	-	-	107,974	(107,974)
Interest and bank charges	-	-	10,829	(10,829)
<b>TOTAL EXPENDITURES</b>	<b>25,341,544</b>	<b>24,445,453</b>	<b>25,933,380</b>	<b>(1,487,927)</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (213,696)</b>	<b>\$ 2,163,186</b>	<b>\$ 984,138</b>	<b>\$ (1,179,048)</b>

(CONTINUED)

**RICHLAND PARISH SCHOOL BOARD**

**GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2020**

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 4,125,000	\$ 4,125,000	\$ 52,041	\$ (4,072,959)
Transfers out	(3,960,000)	(6,320,675)	(377,076)	5,943,599
Lease proceeds	-	-	534,148	534,148
TOTAL OTHER FINANCING SOURCES (USES)	165,000	(2,195,675)	209,113	2,404,788
Net Change in Fund Balances	(48,696)	(32,489)	1,193,251	1,225,740
FUND BALANCES - BEGINNING	4,125,388	3,956,454	7,804,158	3,847,704
FUND BALANCES - ENDING	\$ 4,076,692	\$ 3,923,965	\$ 8,997,409	\$ 5,073,444

(CONCLUDED)

\*Original and final budgets do not include lease proceeds nor the expenditure to record lease proceeds.

**RICHLAND PARISH SCHOOL BOARD**

**TITLE I  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2020**

Exhibit 1-5

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Federal sources	\$ 1,559,889	\$ 2,142,555	\$ 2,027,867	\$ (114,688)
<b>TOTAL REVENUES</b>	<b>1,559,889</b>	<b>2,142,555</b>	<b>2,027,867</b>	<b>(114,688)</b>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	-	107,904	(107,904)
Other instructional programs	567,616	883,229	781,136	102,093
Support services:				
Instructional staff support	784,496	933,674	933,674	-
General administration	159,404	203,543	208,165	(4,622)
School administration	46,723	49,896	49,896	-
Business services	-	68,899	68,900	(1)
Plant services	1,650	2,365	2,365	-
Student transportation services	-	949	949	-
<b>TOTAL EXPENDITURES</b>	<b>1,559,889</b>	<b>2,142,555</b>	<b>2,152,989</b>	<b>(10,434)</b>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	(125,122)	(125,122)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	125,122	125,122
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>125,122</b>	<b>125,122</b>
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

**Richland Parish School Board**

**Notes to Budgetary Comparison Schedule**

**A. BUDGETS**

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

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

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

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

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

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

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

**Excess of Expenditures Over Appropriations** The general fund had actual expenditures over budgeted expenditures for the year ended June 30, 2020:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 24,445,453	\$ 25,933,380	\$ (1,487,927)
Title I	2,142,555	2,152,989	(10,434)

**SUPPLEMENTARY INFORMATION**

**Richland Parish School Board**

**COMBINING  
NONMAJOR GOVERNMENTAL FUNDS -  
BY FUND TYPE**

**RICHLAND PARISH SCHOOL BOARD**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Balance Sheet - By Fund Type**  
**June 30, 2020**

Exhibit 2

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 858,613	\$ 2,710,784	\$ 1,216,190	\$ 4,785,587
Receivables	1,122,189	-	-	1,122,189
Interfund receivables	44,985	-	-	44,985
Inventory	140,865	-	-	140,865
<b>TOTAL ASSETS</b>	<b>2,166,652</b>	<b>2,710,784</b>	<b>1,216,190</b>	<b>6,093,626</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	434,138	-	61,700	495,838
Interfund payables	747,768	-	-	747,768
Unearned revenue	98,638	-	-	98,638
<b>TOTAL LIABILITIES</b>	<b>1,280,544</b>	<b>-</b>	<b>61,700</b>	<b>1,342,244</b>
<b>FUND BALANCES:</b>				
Nonspendable	83,244	-	-	83,244
Restricted	802,864	2,710,784	1,154,490	4,668,138
<b>TOTAL FUND BALANCES</b>	<b>886,108</b>	<b>2,710,784</b>	<b>1,154,490</b>	<b>4,751,382</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,166,652</b>	<b>\$ 2,710,784</b>	<b>\$ 1,216,190</b>	<b>\$ 6,093,626</b>

**RICHLAND PARISH SCHOOL BOARD**

**NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type  
For the Year Ended June 30, 2020**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ 2,866,758	\$ -	\$ 2,866,758
Interest earnings	5,134	24,452	11,149	40,735
Food service	46,237	-	-	46,237
Other	27	-	-	27
State sources:				
Equalization	170,988	-	-	170,988
Other	307,584	-	-	307,584
Federal sources	4,443,538	-	-	4,443,538
<b>TOTAL REVENUES</b>	<b>4,973,508</b>	<b>2,891,210</b>	<b>11,149</b>	<b>7,875,867</b>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	20,798	-	-	20,798
Special programs	228,015	-	-	228,015
Other instructional programs	1,110,331	-	-	1,110,331
Support services:				
Student services	349,328	-	-	349,328
Instructional staff support	493,946	-	-	493,946
General administration	215,592	108,351	-	323,943
Plant services	22,692	-	117,507	140,199
Student transportation services	2,997	-	-	2,997
Central services	109,192	-	-	109,192
Food services	2,533,373	-	-	2,533,373
Capital outlay	-	-	26,072	26,072
Debt service:				
Principal retirement	-	1,950,000	-	1,950,000
Interest and bank charges	-	680,080	-	680,080
<b>TOTAL EXPENDITURES</b>	<b>5,086,264</b>	<b>2,738,431</b>	<b>143,579</b>	<b>7,968,274</b>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(112,756)	152,779	(132,430)	(92,407)
OTHER FINANCING SOURCES (USES)				
Transfers in	377,076	-	-	377,076
Transfers out	(177,163)	-	-	(177,163)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>199,913</b>	<b>-</b>	<b>-</b>	<b>199,913</b>
Net Change in Fund Balances	87,157	152,779	(132,430)	107,506
FUND BALANCES - BEGINNING	798,951	2,558,005	1,286,920	4,643,876
FUND BALANCES - ENDING	\$ 886,108	\$ 2,710,784	\$ 1,154,490	\$ 4,751,382



**Richland Parish School Board**  
**Nonmajor Special Revenue Funds**

**SCHOOL FOOD SERVICE** To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

**SPECIAL EDUCATION**

**STATE GRANTS** To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

**PRESCHOOL GRANTS** To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

**TITLE II & IV** 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.

**LA4** The purpose for these funds are to assist prekindergarten intervention for targeted children, at-risk unserved four-year-olds.

**VOCATIONAL/JAG GRANTS** The purpose of these grants are 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.

**NATIONAL FARM TO SCHOOL NETWORK** To account for resources for connecting and strengthening the farm to school movement.

**TEACHER INCENTIVE** To implement, improve, or expand performance based compensation systems for teachers, principals, and other school leaders.

**EDUCATION STABILIZATION** The purpose of this grant is to provide local educational authorities with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation.

**MISCELLANEOUS FUNDS** This fund accounts for several small state and federal funds such as 8G, Striving Readers Comprehensive Literacy, and Rural Education Achievement.

**RICHLAND PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS**

**Combining Balance Sheet**

**June 30, 2020**

	<b>SCHOOL FOOD SERVICE</b>	<b>SPECIAL EDUCATION</b>	<b>TITLE II &amp; IV</b>	<b>LA4</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 594,016	\$ -	\$ -	\$ 184,097
Receivables	180,872	188,475	36,366	-
Interfund receivables	44,985	-	-	-
Inventory	140,865	-	-	-
<b>TOTAL ASSETS</b>	<b>960,738</b>	<b>188,475</b>	<b>36,366</b>	<b>184,097</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	133,582	68,546	2,030	42,961
Interfund payables	-	81,979	34,336	141,136
Unearned revenue	57,621	37,950	-	-
<b>TOTAL LIABILITIES</b>	<b>191,203</b>	<b>188,475</b>	<b>36,366</b>	<b>184,097</b>
<b>FUND BALANCES:</b>				
Nonspendable	83,244	-	-	-
Restricted	686,291	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>769,535</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 960,738</b>	<b>\$ 188,475</b>	<b>\$ 36,366</b>	<b>\$ 184,097</b>

Exhibit 4

VOCATIONAL / JAG GRANTS	NATIONAL FARM TO SCHOOL NETWORK	TEACHER INCENTIVE	EDUCATION STABILIZATION	MISCELLANEOUS FUNDS	TOTAL
\$ 7,854	\$ 10,919	\$ 61,174	\$ -	\$ 553	\$ 858,613
123,873	-	53,107	509,709	29,787	1,122,189
-	-	-	-	-	44,985
-	-	-	-	-	140,865
<u>131,727</u>	<u>10,919</u>	<u>114,281</u>	<u>509,709</u>	<u>30,340</u>	<u>2,166,652</u>
26,050	-	58,107	92,785	10,077	434,138
579	-	53,107	416,924	19,707	747,768
-	-	3,067	-	-	98,638
<u>26,629</u>	<u>-</u>	<u>114,281</u>	<u>509,709</u>	<u>29,784</u>	<u>1,280,544</u>
-	-	-	-	-	83,244
<u>105,098</u>	<u>10,919</u>	<u>-</u>	<u>-</u>	<u>556</u>	<u>802,864</u>
<u>105,098</u>	<u>10,919</u>	<u>-</u>	<u>-</u>	<u>556</u>	<u>886,108</u>
<u>\$ 131,727</u>	<u>\$ 10,919</u>	<u>\$ 114,281</u>	<u>\$ 509,709</u>	<u>\$ 30,340</u>	<u>\$ 2,166,652</u>

**RICHLAND PARISH SCHOOL BOARD**

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

	<b>SCHOOL FOOD SERVICE</b>	<b>SPECIAL EDUCATION</b>	<b>TITLE II &amp; IV</b>	<b>LA4</b>
<b>REVENUES</b>				
Local sources:				
Interest earnings	\$ 5,134	\$ -	\$ -	\$ -
Food service	46,237	-	-	-
Other	27	-	-	-
State sources:				
Equalization	85,915	-	-	-
Other	-	-	-	227,168
Federal sources	2,201,236	711,390	285,299	-
<b>TOTAL REVENUES</b>	<b>2,338,549</b>	<b>711,390</b>	<b>285,299</b>	<b>227,168</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special programs	-	228,015	-	-
Other instructional programs	-	-	32,012	287,378
Support services:				
Student services	-	349,328	-	-
Instructional staff support	-	65,757	113,818	39,004
General administration	-	68,258	14,347	-
Plant services	-	-	-	-
Student transportation services	-	32	-	-
Central services	-	-	-	-
Food services	2,533,373	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,533,373</b>	<b>711,390</b>	<b>160,177</b>	<b>326,382</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(194,824)</b>	<b>-</b>	<b>125,122</b>	<b>(99,214)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	270,166	-	-	99,214
Transfers out	-	-	(125,122)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>270,166</b>	<b>-</b>	<b>(125,122)</b>	<b>99,214</b>
Net Change in Fund Balances	75,342	-	-	-
FUND BALANCES - BEGINNING	694,193	-	-	-
FUND BALANCES - ENDING	\$ 769,535	\$ -	\$ -	\$ -

Exhibit 5

VOCATIONAL / JAG GRANTS	NATIONAL FARM TO SCHOOL NETWORK	TEACHER INCENTIVE	EDUCATION STABILIZATION	MISCELLANEOUS FUNDS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,134
-	-	-	-	-	46,237
-	-	-	-	-	27
85,073	-	-	-	-	170,988
-	-	-	-	80,416	307,584
267,429	-	362,286	509,709	106,189	4,443,538
352,502	-	362,286	509,709	186,605	4,973,508
-	-	5,216	15,582	-	20,798
-	-	-	-	-	228,015
280,586	-	-	375,751	134,604	1,110,331
-	-	-	-	-	349,328
-	-	229,158	-	46,209	493,946
-	-	31,514	95,684	5,789	215,592
-	-	-	22,692	-	22,692
2,965	-	-	-	-	2,997
-	-	109,192	-	-	109,192
-	-	-	-	-	2,533,373
283,551	-	375,080	509,709	186,602	5,086,264
68,951	-	(12,794)	-	3	(112,756)
-	-	7,696	-	-	377,076
(50,088)	-	(1,950)	-	(3)	(177,163)
(50,088)	-	5,746	-	(3)	199,913
18,863	-	(7,048)	-	-	87,157
86,235	10,919	7,048	-	556	798,951
\$ 105,098	\$ 10,919	\$ -	\$ -	\$ 556	\$ 886,108

## **Richland Parish School Board**

### **Nonmajor Debt Service Funds**

School District No. 1  
School District No. 2  
School District No. 3  
School District No. 4

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective ward.

RICHLAND PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2020

Exhibit 6

	SCHOOL DISTRICT #1	SCHOOL DISTRICT #2	SCHOOL DISTRICT #3	SCHOOL DISTRICT #4	TOTAL
ASSETS					
Cash and cash equivalents	\$ 682,680	\$ 4,260	\$ 1,217,601	\$ 806,243	\$ 2,710,784
TOTAL ASSETS	<u>682,680</u>	<u>4,260</u>	<u>1,217,601</u>	<u>806,243</u>	<u>2,710,784</u>
FUND BALANCES:					
Restricted	<u>682,680</u>	<u>4,260</u>	<u>1,217,601</u>	<u>806,243</u>	<u>2,710,784</u>
TOTAL FUND BALANCES	<u>\$ 682,680</u>	<u>\$ 4,260</u>	<u>\$ 1,217,601</u>	<u>\$ 806,243</u>	<u>\$ 2,710,784</u>

**RICHLAND PARISH SCHOOL BOARD**

**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2020**

Exhibit 7

	<u>SCHOOL DISTRICT #1</u>	<u>SCHOOL DISTRICT #2</u>	<u>SCHOOL DISTRICT #3</u>	<u>SCHOOL DISTRICT #4</u>	<u>TOTAL</u>
<b>REVENUES</b>					
Local sources:					
Taxes:					
Ad valorem	\$ 590,707	\$ -	\$ 1,175,241	\$ 1,100,810	\$ 2,866,758
Interest earnings	7,109	59	12,092	5,192	24,452
<b>TOTAL REVENUES</b>	<u>597,816</u>	<u>59</u>	<u>1,187,333</u>	<u>1,106,002</u>	<u>2,891,210</u>
<b>EXPENDITURES</b>					
Current:					
Support services:					
General administration	21,843	-	44,571	41,937	108,351
Debt service:					
Principal retirement	515,000	-	975,000	460,000	1,950,000
Interest and bank charges	81,478	-	210,602	388,000	680,080
<b>TOTAL EXPENDITURES</b>	<u>618,321</u>	<u>-</u>	<u>1,230,173</u>	<u>889,937</u>	<u>2,738,431</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(20,505)</u>	<u>59</u>	<u>(42,840)</u>	<u>216,065</u>	<u>152,779</u>
<b>FUND BALANCES - BEGINNING</b>	<u>703,185</u>	<u>4,201</u>	<u>1,260,441</u>	<u>590,178</u>	<u>2,558,005</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 682,680</u>	<u>\$ 4,260</u>	<u>\$ 1,217,601</u>	<u>\$ 806,243</u>	<u>\$ 2,710,784</u>



**Richland Parish School Board**

**Nonmajor Capital Project Funds**

District #3 Construction Rayville  
District #4 Construction Mangham

The capital projects funds are used to account for financial resources to acquire, construct, and improve public school facilities in respective districts.

**RICHLAND PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**Combining Balance Sheet**  
**June 30, 2020**

Exhibit 8

	<b>DISTRICT #3 RAYVILLE</b>	<b>DISTRICT #4 MANGHAM</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,742	\$ 1,208,448	\$ 1,216,190
<b>TOTAL ASSETS</b>	<b>7,742</b>	<b>1,208,448</b>	<b>1,216,190</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts, salaries and other payables	-	61,700	61,700
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>61,700</b>	<b>61,700</b>
<b>FUND BALANCES:</b>			
Restricted	7,742	1,146,748	1,154,490
<b>TOTAL FUND BALANCES</b>	<b>7,742</b>	<b>1,146,748</b>	<b>1,154,490</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,742</b>	<b>\$ 1,208,448</b>	<b>\$ 1,216,190</b>

**RICHLAND PARISH SCHOOL BOARD**

**NONMAJOR CAPITAL PROJECT FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2020**

Exhibit 9

	<u>DISTRICT #3 RAYVILLE</u>	<u>DISTRICT #4 MANGHAM</u>	<u>TOTAL</u>
REVENUES			
Local sources:			
Interest earnings	\$ 8	\$ 11,141	\$ 11,149
TOTAL REVENUES	<u>8</u>	<u>11,141</u>	<u>11,149</u>
EXPENDITURES			
Current:			
Support services:			
Plant services	21,956	95,551	117,507
Capital outlay	<u>-</u>	<u>26,072</u>	<u>26,072</u>
TOTAL EXPENDITURES	<u>21,956</u>	<u>121,623</u>	<u>143,579</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(21,948)	(110,482)	(132,430)
FUND BALANCES - BEGINNING	<u>29,690</u>	<u>1,257,230</u>	<u>1,286,920</u>
FUND BALANCES - ENDING	<u>\$ 7,742</u>	<u>\$ 1,146,748</u>	<u>\$ 1,154,490</u>

## **Richland Parish School Board**

### **Agency Fund**

**SCHOOL ACTIVITIES AGENCY FUND** The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

**RICHLAND PARISH SCHOOL BOARD**

**SCHOOL ACTIVITIES AGENCY FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 2020**

Exhibit 10

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Delhi Elementary	\$ 30,068	\$ 35,733	\$ 54,038	\$ 11,763
Delhi Middle	28,154	48,400	44,078	32,476
Delhi High	7,107	127,878	124,485	10,500
Holly Ridge Elementary	12,657	55,865	44,350	24,172
Mangham Elementary	58,832	166,076	167,236	57,672
Mangham Junior High	44,768	168,865	163,163	50,470
Mangham High	52,517	291,953	305,279	39,191
Rayville Elementary	129,905	79,085	76,557	132,433
Rayville Junior High	(442)	82,425	79,709	2,274
Rayville High	(444)	272,228	270,147	1,637
Start Elementary	40,521	155,499	133,778	62,242
Totals	<u>\$ 403,643</u>	<u>\$ 1,484,007</u>	<u>\$ 1,462,820</u>	<u>\$ 424,830</u>

**Richland Parish School Board**

**Exhibit 11**

**Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2020**

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month, and the president receives \$700 per month for performing the duties of their office.

Kevin Eppinette, President	\$7,800
Eugene Young, Jr., Vice President	7,200
William Calvert	7,200
Joe Chapman	7,200
Moses Wilkins	7,200
Dr. Georgia Ineichen	7,200
Marie Lewis	7,800
Chris Pruitt	7,200
James Hough	<u>7,200</u>
TOTAL	<u>\$66,000</u>

**Richland Parish School Board**

**Exhibit 12**

**Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2020**

**Agency Head Name: Sheldon Jones, Superintendent**

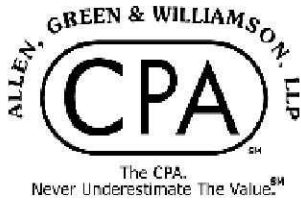
<u>Purpose</u>	<u>Amount</u>
Salary	\$146,019
Benefits-insurance	7,175
Benefits-retirement	37,965
Benefits-medicare	2,080
Dues	1,050
Reimbursements	667
Vehicle provided by government	489
Conference travel	1,681

**Richland Parish School Board**

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**SINGLE AUDIT INFORMATION**



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Mallory Stone, CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## 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*

### Independent Auditor's Report

Board Members  
Richland Parish School Board  
Rayville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish School Board as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated July 31, 2021.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompany Schedule of Findings and Questioned Costs as 2020-001 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 are described in the accompanying corrective action plan for current year 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.

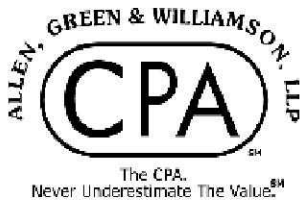
## **Purpose of this Report**

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 communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
July 31, 2021



# ALLEN, GREEN & WILLIAMSON, LLP

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## **Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance**

### **Independent Auditor's Report**

Board Members  
Richland Parish School Board  
Rayville, Louisiana

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

We have audited Richland 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 the School Board's major federal programs for the year ended June 30, 2020. The School Board's major federal programs are identified in the summary of 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.

#### ***Auditor's Responsibility***

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

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



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

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

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

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

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
July 31, 2021

**Richland Parish School Board**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 383,824
National School Lunch Program	10.555	N/A	760,928
COVID-19 National School Lunch Program	10.555	N/A	212,875
Summer Food Service Program for Children	10.559	N/A	563,702
Food Distribution (Commodities Noncash)	10.555	N/A	<u>122,468</u>
Total Child Nutrition Cluster			\$ 2,043,797
Fresh Fruit and Vegetable Program	10.582	N/A	100,512
Child and Adult Care Food Program	10.558	N/A	<u>56,927</u>
Total United States Department of Agriculture			<u>2,201,236</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	84.010A	28-20-T1-42 28-20-DSS-42 28-19-RD19-42	2,027,867
Special Education Cluster:			
Grants to States (IDEA Part B)	84.027A	28-20-B1-42	\$ 682,104
Preschool Grants	84.173A	28-20-P1-42	<u>29,286</u>
Total Special Education Cluster			711,390
Title IV - Student Support and Academic Enrichment Program	84.424A	28-20-71-42	140,453
Carl D. Perkins Career and Technical Education	84.048A	28-20-02-42	20,034
Striving Readers/Comprehensive Literacy Development	84.371C	28-18-SR04-42	69,724
Title II - Supporting Effective Instruction State Grants	84.367A	28-20-50-42	144,846
Teacher and School Leader Incentive Grants	84.374A	28-20-TP-42, 28- 18-PBCS-42, 28- 19-TP-42	362,286
Rural Education Achievement Program (REAP)	84.358B	28-20-RE-42	36,465
COVID-19 Education Stabilization	84.425D	28-20-ESRF-42	<u>509,709</u>
Total United States Department of Education			<u>4,022,774</u>
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Temporary Assistance to Needy Families Cluster			
Jobs for Americas Graduates	93.558	28-20-JS-42	247,395
United States Department of Defense			
Direct Programs:			
Department of the Army			
ROTC	12.609	LA21126	<u>50,193</u>
TOTAL FEDERAL AWARDS			<u>\$ 6,521,598</u>

The accompanying notes are an integral part of this schedule.

**Richland Parish School Board**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

**NOTE 1 - BASIS OF PRESENTATION** The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Richland Parish School Board under programs of the federal government for the year ended June 30, 2020. The Richland Parish School Board (the School Board) reporting entity is defined in Note 1 to the School Board's basic financial statements. The information in this Schedule 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). 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 presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position and changes in net assets of the Richland Parish School Board.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** 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.

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS** Federal awards revenues are reported in the School Board's basic financial statements as follows:

	Federal Sources
Major:	
General	\$ 50,193
Title I	2,027,867
Nonmajor Special Revenue:	
School Food Service	2,201,236
Special Education	711,390
Title II & IV	285,299
Vocational/JAG Grants	267,429
Teacher Incentive	362,286
Education Stabilization	509,709
Miscellaneous Funds	106,189
Total	\$ 6,521,598

**NOTE 4 - 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.

**NOTE 5 - NONCASH PROGRAMS** The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**NOTE 6 - INDIRECT COST RATE** The School Board has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Richland Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

**PART I - Summary of the auditor's results**

**Financial statement audit**

- i. The type of audit report issued was unmodified.
- ii. There was a significant deficiency identified that is required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency was considered to be a material weakness.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

**Audit of Federal Awards**

- iv. There were no significant deficiencies identified that are required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance (2 CFR 200).
- vii. The major federal awards are:

Title I Grants to Local Educational Agencies	CFDA #84.010A
Title II Supporting Effective Instruction State Grants	CFDA #84.367A
COVID-19 Education Stabilization	CFDA #84.425D
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).



**Richland Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

**Part II-Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference # and title:**                **2020-001**                **Internal Controls over Financial Reporting**

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

**Criteria or specific requirement:** Sound internal controls over financial reporting require that accounting records contain accurate, complete, and up-to-date information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that transactions are properly recorded and classified in the accounting records. The financial close process should ensure that all balance sheet accounts are reconciled in a timely to manner to ensure that account balances are valid, complete and accurate.

**Condition:** The most significant financial reporting issues are noted below.

**Bank Reconciliations:**

In testing bank reconciliations for the master and payroll bank accounts, the total of checks and electronic payments that cleared the bank per the bank statements did not agree with the total cleared on the bank reconciliation. Several items that cleared the bank in May were recorded on the general ledger in June.

A transfer from the master bank account to the school food service bank account of \$172,752 was not recorded on the general ledger for the general fund. Federal revenue in the School Food Service fund was overstated by this amount.

The Sinking District fund 40 bank reconciliation included an outstanding check for \$51,500 that was dated in February 2020 but was actually a voided check.

The Sinking District #3 bank reconciliation included an outstanding check for \$720,807 that was dated in February 2020 but was actually a voided check.

**Payroll withholding accounts:**

Payments for Federal, Social Security, and Medicare liabilities are not coded correctly causing these accounts to be over/under stated. Several payroll liability accounts had debit balances because the payments were posted to the wrong account.

**Accounts payable:**

A sample of checks written after year end was tested for recording in the proper fiscal year. From this sample 3 checks totaling \$250,013 were actually accounts payable but were not recorded as accounts payable.

**Revenue:**

Ad valorem tax revenue was understated by \$153,078 because the pension withheld by the Sheriff was not recorded.

Federal revenue of \$169,714 was miscoded as state revenue.

Sales tax revenue was understated by \$75,064 because the accounts receivable was not recorded correctly.

**Richland Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

**Part II-Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

The schedule of expenditures of federal awards provided by the business office did not include the Striving Readers grant and reported LA4 as federal when that grant is a state grant.

**Context:** The exceptions noted above were identified when performing testing across various account balances and review of the financial statements and appears to be systemic.

**Possible asserted effect (cause and effect):**

**Cause:** Performance of bank reconciliations and reviews are not completed in a timely manner.

**Effect:** The effect is inaccuracies in financial reporting as noted above.

**Recommendation to prevent future occurrences:** The business office should establish procedures over the financial close process to ensure that ending balances are valid, complete and accurate for financial reporting on a timely basis.

**Origination date and prior year reference (if applicable):** This finding was first reported in the fiscal year ended June 30, 2019.

**View of Responsible Official:** Complications associated with the shutdown due to COVID-19 toward the end of the fiscal year coupled with the extended absence of the employee charged with preparing the bank reconciliations led to the issues noted above. The School Board will work to implement more stringent procedures to alleviate these issues.

OFFICE OF  
RICHLAND PARISH SCHOOL BOARD  
SHELDON JONES, Superintendent  
P. O. BOX 599  
RAYVILLE, LOUISIANA 71269

Marie Lewis  
District 6  
President

James Hough  
District 4  
Vice President

Chris Pruitt  
District 9

Eugene Young, Jr.  
District 2

Moses Wilkins  
District 3

Kevin Eppinette  
District 8

Dr. Georgia Ineichen  
District 5

Joe Chapman  
District 7

Billy Calvert  
District 1

**Status of Prior Year Findings and Questioned Costs for Year Ended June 30, 2020**

**Reference # and title:            2019-001            Internal Controls over Financial Reporting**

**Condition:** When performing substantive audit work on the School Board's financial records, multiple adjustments were made to the trial balances originally provided for the audit. The more significant financial reporting issues noted are summarized as follows:

- Several bank reconciliations included checks written in July 2019 as outstanding checks. The payroll bank reconciliation was not completed until January 2020.
- Accounts receivable and accounts payable balances at June 30, 2019 were recorded and then reversed out in June 2019 which resulted in overstatements/understatements of cash, accounts receivable, and accounts payable.
- Accounts payable and wages payable balances from the prior fiscal year were not reversed in the 2019 fiscal year.
- Federal revenue of \$248,043 was miscoded as state revenue.
- Pension withholdings from ad valorem taxes were not recorded.
- The 1% of ad valorem collections that is remitted by the Sheriff to the Teacher's Retirement System was not used during the year and was not recorded as a prepaid item.
- The depreciation schedule was not completed until February 2020.

**Corrective action planned:** See response to current year finding 2020-001.

**Reference # and title: 2019-002 Late Submission of the Audit Report to the Legislative Auditor**

**Condition:** The audit report was filed with the Legislative Auditor after the deadline. An extension was requested and approved.

**Corrective action taken:** The School Board filed an emergency request for an extension to file the audit report with the Legislative Auditor. The request was approved; therefore, this finding is considered to be cleared.

OFFICE OF  
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District 1

**Corrective Action Plan for Current Year Findings and Questioned Costs  
For the Year Ended June 30, 2020**

**Reference # and title: 2020-001**

**Internal Controls Over Financial Reporting**

**Corrective Action Planned:**

Complications associated with the shutdown due to COVID-19 toward the end of the fiscal year coupled with the extended absence of the employee charged with preparing the bank reconciliations led to the deficiencies mentioned in the finding. The School Board will work to implement more stringent procedures to alleviate these issues.


**Anticipated Completion Date:** July 31, 2021

**Person responsible for corrective action plan:**

Business Manager  
P.O. Box 599  
Rayville, LA 71269

Telephone: (318) 728-5964  
Fax: (318) 728-3091

Respectfully,



Bill Martin  
Business Manager  
Richland Parish School Board



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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In-Charges: Crystal Patterson, CPA  
Mallory Stone, CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES

Board Members  
Richland Parish School Board  
Rayville, Louisiana

We have performed the procedures enumerated below, on the performance and statistical data accompanying the annual financial statements of the School Board, for fiscal year ended June 30, 2020. The School Board's management is responsible for the performance and statistical data accompanying the annual financial statements.

The School Board has agree to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) in compliance with Louisiana Revised Statute 24:514(I). Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes.

The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 in applying the agreed upon procedures.

Class Size Characteristics (Schedule 2)

We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a random sample of ten classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

**Comment:** No exceptions were noted in applying the agreed upon procedures.

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

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

**Comment:** One exception noted where a teacher was listed with a bachelor's degree actually had a master's degree.

**Management's Response:**

Richland Parish School Board personnel will correct the education level in PEP for the employee noted and will review all other employees to ensure that the proper education levels are being reported.

Public School Staff Data: Average Salaries (No Schedule)

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

**Comment:** Three exceptions noted where the extra compensation amount does not agree to the personnel file.

**Management's Response:**

It is unclear as to what is causing the discrepancy between what is reported in PEP and the salary amounts kept in our general ledger software. We will work with both software providers to resolve the issue going forward.

We were engaged by Richland Parish School Board to perform this agreed upon procedures engagement and we conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for the information and use of Richland Parish School Board and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
July 31, 2021

**RICHLAND PARISH SCHOOL BOARD**  
Rayville, Louisiana

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2020**

	Column A	Column B
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 7,971,560	
Other Instructional Staff Activities	824,426	
Instructional Staff Employee Benefits	4,957,899	
Purchased Professional and Technical Services	67,094	
Instructional Materials and Supplies	356,344	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>-</u>	\$ 14,177,323
Other Instructional Activities		232,775
Pupil Support Activities	1,300,733	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u>-</u>	1,300,733
Instructional Staff Services	316,246	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>-</u>	<u>316,246</u>
School Administration		
Less: Equipment for School Administration	2,631,942	
Net School Administration	<u>-</u>	2,631,942
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 18,659,019</u>
Total General Fund Equipment Expenditures		<u>\$ 273,897</u>
<b><u>Certain Local Revenue Sources</u></b>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 1,973,270
Renewable Ad Valorem Tax		1,946,829
Debt Service Ad Valorem Tax		2,866,758
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		169,445
Sales and Use Taxes		6,359,745
Total Local Taxation Revenue		<u>\$ 13,316,047</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 41,341
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		<u>\$ 41,341</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 96,023
Revenue Sharing - Other Taxes		94,738
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		<u>\$ 190,761</u>
Nonpublic Textbook Revenue		<u>\$ 10,844</u>
Nonpublic Transportation Revenue		<u>\$ -</u>



**RICHLAND PARISH SCHOOL BOARD**  
**Rayville, Louisiana**

**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	17.4%	191	18.4%	202	1.1%	12	0.7%	8
Elementary Activity Classes	2.5%	27	3.0%	33	0.4%	4	0.5%	6
Middle/Jr. High	7.7%	85	6.8%	75	1.1%	12	0.1%	1
Middle/Jr. High Activity Classes	3.0%	33	0.7%	8	0.2%	2	0.4%	4
High	21.2%	233	7.0%	77	3.3%	36	0.4%	4
High Activity Classes	2.9%	32	0.5%	6	0.4%	4	0.2%	2
Combination	0.2%	2	0.0%	0	0.0%	0	0.0%	0
Combination Activity Classes	0.1%	1	0.0%	0	0.0%	0	0.0%	0

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