

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2020

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

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Columbia, Louisiana

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(Concluded)



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Keeping you on course!

INDEPENDENT AUDITORS' REPORT

Board Members

Caldwell Parish School Board

Columbia, 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 **Caldwell Parish School Board** (the 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.

Auditors' Responsibility

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

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

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

**Board Members
Caldwell Parish School Board
Columbia, Louisiana**

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 Caldwell 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits and other payments to agency head and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

**Board Members
Caldwell Parish School Board
Columbia, Louisiana**

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits and other payments to agency head and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2021, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Woodard & Associates

(A Professional Accounting Corporation)
December 1, 2021

REQUIRED SUPPLEMENTARY INFORMATION
(PART A)

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

The Management's Discussion and Analysis of the Caldwell Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available). Please read this document with the School Board's financial statements, which follow the Management's Discussion and Analysis.

Caldwell Parish is located in the northeastern area of the state and has a population of approximately 10,000. The public school system includes 1 preschool, 3 elementary schools, 1 junior high school and 1 high school. The system serves approximately 1,550 students. A majority of the students participate in the free or reduced lunch program. Advanced education is easily attained from nearby vocational-technical schools, colleges, and universities.

FINANCIAL HIGHLIGHTS

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

- The School Board's liabilities and deferred outflows of resources exceeded its assets and deferred inflows of resources at the close of fiscal year 2020 by approximately \$50.56 million.
- The School Board's expenses exceeded revenues by approximately \$5.90 million for the year ended June 30, 2020.
- The School Board's general fund received million in funding, expended approximately \$14.31 million and recognized an increase in fund balance of \$55,362 for the fiscal year ended 2020 which was primarily due to controlling expenditures.
- The Sales Tax Fund accounts for the collection and distribution of the sales and use taxes in accordance with the propositions approved by the voters of Caldwell Parish. The fund balance of the Sales Tax Fund increased by \$94,249 during 2020 to \$231,179.

USING THIS ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The statement of net position and the statement of activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements demonstrate how we financed our services in the short-term as well as what remains for future

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

spending. Fund statements also may give the reader insight into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund and Sales Tax Fund. The remaining statement, the Statement of Fiduciary Assets and Liabilities, presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system.

The governmental activities of the School Board include instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

Fund Financial Statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the School Board's near-term financing requirements.

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

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

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of outside parties, such as students and employees. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The two fiduciary funds of the School Board are the School Activity Funds (which contain monies belonging to the schools, their students, and clubs and other activities) and the 4-H Scholarship Fund (a scholarship agency fund which is funded by voluntary employee contributions whereas proceeds are used to provide an annual scholarship for an outstanding graduate).

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

NOTES TO THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

These two statements report the School Board's net position and changes in net position. Increases or decreases in the School Board's net position are one indicator of whether its financial health is improving or deteriorating. The net position of the School Board as of June 30, 2020 consisted of a deficit balance of \$50,563,562 which decreased by \$5,904,412, or 12%, compared to the prior year.

The statement of net position and statement of activities reflect the School Board's governmental activities (e.g., its basic service), such as instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program ("MFP") Funds, and state and federal grants finance most of these activities.

Our analysis below focuses on the summary of net position (Table 1) and changes in net position (Table 2) of the School Board's governmental activities. Key fluctuations include the following:

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

TABLE 1
SUMMARY OF NET POSITION
June 30, 2020 and 2019

	<u>2020</u>		<u>2019</u>		<u>Variance (\$)</u>		<u>Variance (%)</u>
Current and other assets	S 12,189,830	S	11,311,763	S	878,067		7.76%
Capital assets, net of depreciation	14,619,232		15,088,665		(469,433)		-3.11%
Total assets	<u>26,809,062</u>		<u>26,400,428</u>		<u>408,634</u>		<u>1.55%</u>
Deferred outflows of resources	27,399,264		7,401,685		19,997,579		270.18%
Current and other liabilities	2,815,893		3,268,975		(453,082)		-13.86%
Long-term liabilities	98,484,928		73,257,279		25,227,649		34.44%
Total liabilities	<u>101,300,821</u>		<u>76,526,254</u>		<u>24,774,567</u>		<u>32.37%</u>
Deferred inflows of resources	3,471,067		1,935,009		1,536,058		79.38%
Net position							
Net invested in capital assets,	7,064,897		6,033,271		1,031,626		17.10%
Restricted	1,939,415		2,037,436		(98,021)		-4.81%
Unrestricted	(59,567,874)		(52,729,857)		(6,838,017)		12.97%
Total net position	<u>S (50,563,562)</u>	S	<u>(44,659,150)</u>	S	<u>(5,904,412)</u>	\$	<u>13.22%</u>

Statement of Net Position

Current and other assets are comprised primarily of cash and cash equivalents which account for 40.51% of total assets. The remaining other assets, such as receivables, and inventory, comprise 5.02% of total assets.

Capital assets, which are reported net of accumulated depreciation, account for 54.53% of total assets. Total capital assets decreased by approximately \$469,433 or 3.11% due to the excess of depreciation expense over additions.

Long-term liabilities increased by \$25.23 million, or 34%, due primarily to a \$27.1 million increase in the other post-employment (OPEB) benefits which was partially offset by a \$2.47 million decrease in net pension liability, a \$765,000 decrease in bonds payable, a \$87,000 increase in workers compensation and a \$47,802 decrease in capital leases.

Deferred inflows and outflows fluctuated by amounts related to the calculations related to pensions and OPEB as well as an additional amount related to the refunding bonds.

Net investment in capital assets ended with a balance of \$7,064,897 as of June 30, 2020.

Unrestricted net position ended with a deficit balance of \$59,567,874. As of June 30, 2020, the School Board plans to eliminate this negative balance when it shows increases in revenues over

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

expenses and is able to fund pension and post-employment benefits, reducing the total liability and increasing net position.

Changes in Net Position

As reported in the statement of activities, the cost of all governmental activities this year was \$28,156,789. Some of the cost was paid by those who benefited from the program (\$37,132) or by other governments and organizations who subsidized certain programs with grants and contributions (\$3,809,846). Of the remaining \$24,309,811 unrestricted financed amount, MFP funds paid \$12,548,968, and ad valorem and sales taxes paid \$5,646,303.

Total revenues decreased by approximately \$131,004 with no one area being a significant part of this decrease.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

TABLE 2
CHANGES IN NET POSITION
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Variance (\$)</u>	<u>Variance (%)</u>
Revenues				
Program revenues				
Charges for services	\$ 37,132	\$ 80,192	\$ (43,060)	-53.70%
Operating grants & contributions	3,809,846	4,185,603	(375,757)	-8.98%
General revenues				
Ad valorem taxes	3,367,030	3,275,377	91,653	2.80%
Sales taxes	2,279,272	2,275,195	4,077	0.18%
State equalization	12,548,968	12,103,244	445,724	3.68%
Other general revenues	210,129	294,718	(84,589)	-28.70%
Total revenues	<u>22,252,377</u>	<u>22,214,329</u>	<u>38,048</u>	<u>0.17%</u>
Functions/Program Expenses				
Instructional services				
Regular programs	9,702,177	7,862,792	1,839,385	23.39%
Special education programs	3,174,151	2,323,409	850,742	36.62%
Other instructional programs	3,918,547	2,974,561	943,986	31.74%
Support services				
Pupil support services	1,340,566	997,381	343,185	34.41%
Instructional staff support services	1,609,304	1,446,113	163,191	11.28%
General administration	879,919	851,849	28,070	3.30%
School administration	1,478,339	1,094,696	383,643	35.05%
Business services	532,073	475,038	57,035	12.01%
Plant services	1,933,327	1,611,939	321,388	19.94%
Student transportation services	1,607,354	1,390,232	217,122	15.62%
Central services	139,277	84,549	54,728	64.73%
Food services	1,588,369	1,455,077	133,292	9.16%
Interest on long-term debt	253,386	277,625	(24,239)	-8.73%
Total expenses	<u>28,156,789</u>	<u>22,845,261</u>	<u>5,311,528</u>	<u>23.25%</u>
Increase (decrease) in net position	<u>(5,904,412)</u>	<u>(630,932)</u>	<u>(5,273,480)</u>	<u>835.82%</u>
Net position, beginning of year	<u>(44,659,150)</u>	<u>(44,028,218)</u>	<u>(630,932)</u>	<u>1.43%</u>
Net position, end of year	<u><u>\$ (50,563,562)</u></u>	<u><u>\$ (44,659,150)</u></u>	<u><u>\$ (5,904,412)</u></u>	<u><u>13.22%</u></u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

MAJOR FUND FINANCIAL ANALYSIS

The School Board's financial statements include two major funds. These funds are the General Fund and Sales Tax Fund.

The General Fund's fund balance increased by \$55,362, or 0.74%, during the year ended June 30, 2020, which was primarily due to capital expenditures. Revenues decreased slightly by \$392,605, or 2.73%. Expenditures increased by \$451,004, or 3.15%, which was primarily due to expected salary increases according to the salary pay scales and nominal inflationary factors. Variances between budgeted and actual amounts include a 0.11% positive variance of total revenues over budgeted revenues and a 1.62% negative variance of total expenditures over budgeted expenditures.

The Sales Tax Fund's fund balance increased by \$94,249, or 40.8% in the current year. During fiscal year 2020, revenues of \$2,279,288 exceeding expenditures of \$2,185,039. These operations resulted in an increase in fund balance by \$94,249 which is in line with the overall operation of such a fund where the intent is to substantially match expenditures with taxes collected. Variances between budgeted and actual amounts include a 2.6% (calculated as follows \$62,034 increase / \$2,354,184 budgeted revenues) positive variance of total revenues over budgeted revenues and an offsetting -1.2% (calculated as follows \$26,138 decrease in expenditures as compared to expected (favorable \$2,211,177 budgeted expenditures) negative variance of total expenditures over budgeted expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

**TABLE 3
CAPITAL ASSETS
(Net of depreciation)
June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Variance (\$)</u>	<u>Variance (%)</u>
Land and improvements	\$ 215,318	\$ 215,318	\$ -	-
Buildings	13,945,940	14,346,551	(400,611)	-2.79%
Furniture and equipment	457,974	526,795	(68,821)	-13.06%
Totals	<u>\$ 14,619,232</u>	<u>\$ 15,088,664</u>	<u>\$ (469,432)</u>	<u>-3.11%</u>

Long-Term Debt

At the end of the current fiscal year, the School Board had \$7,495,000 in general obligation bonds at year end with an overall interest rate of 2.375%.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis

For the Year Ended June 30, 2020

(Unaudited)

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 was within the legally restricted amount. See Note 7 in the notes to the financials for further information regarding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Caldwell Parish School Board did not anticipate any significant changes to the budgets for the then upcoming fiscal year. However, fiscal year 2020 operations did change significantly due to COVID-19 related issues beginning on March 17, 2020 which continue to be felt as of the date of this report. The most significant change in fiscal year 2021 is the decline in the October 1, 2020 student counts which is resulting in an approximate \$583,000 decrease in MFP funding from February 2021 to January 2022. This decrease will significantly impact both fiscal year 2021 which will not be able to meaningfully adjust operations and fiscal year 2022 where the School Board will be able to adjust for this reduced funding.

Contacting the School Board's Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents and students with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact David Soignier, Business Manager, at Caldwell Parish School Board, P. O. Box 1019, Columbia, Louisiana 71418, telephone number (318) 649-2689.

BASIC FINANCIAL STATEMENTS

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Statement of Net Position

June 30, 2020

Assets

Cash and cash equivalents	\$	10,862,756
Receivables		1,237,738
Prepaid expenses and other assets		29,574
Inventory		59,762
Capital assets, not being depreciated		
Land and construction in progress		215,318
Capital assets, net of depreciation		
Buildings, furniture and equipment		14,403,914
Total assets		<u>26,809,062</u>

Deferred outflows of resources

Deferred charge on refunding		531,400
Deferred charges on pensions		4,789,430
Deferred charges on OPEB		22,078,434
Total deferred outflows of resources		<u>27,399,264</u>

Liabilities

Accounts payable		1,101,392
Salaries payable		1,551,203
Interest payable		59,335
Unearned revenues		22,963
Other liabilities		81,000
Long-term liabilities:		
Due within one year		1,271,485
Due in more than one year		97,213,443
Total liabilities		<u>101,300,821</u>

Deferred inflows of resources

Deferred inflows on pensions		2,508,089
Deferred inflows on OPEB		962,978
Total deferred inflows of resources		<u>3,471,067</u>

Net position

Net investment in capital assets		7,064,897
Restricted for		
Workers' compensation		100,000
Salary improvements		231,179
Maintenance		1,009,746
Grant funds		105,901
Debt service		492,589
Unrestricted		(59,567,874)
Total net position	\$	<u>(50,563,562)</u>

See accompanying notes to the basic financial statements.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Statement of Activities

For the year ending June 30, 2020

	<u>PROGRAM REVENUES</u>			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	
Functions/programs				
Instructional services				
Regular programs	\$ 9,702,177	\$ -	\$ 218,313	\$ (9,483,864)
Special education programs	3,174,151	-	234,084	(2,940,067)
Vocational programs	915,833	-	74,891	(840,942)
Other instructional programs	628,334	-	37,752	(590,582)
Special programs	2,374,380	-	1,016,501	(1,357,879)
Support services				
Pupil support services	1,340,566	-	29,458	(1,311,108)
Instructional staff support services	1,609,304	-	174,540	(1,434,764)
General administration	879,919	-	107,875	(772,044)
School administration	1,478,339	-	-	(1,478,339)
Business services	532,073	-	2,768	(529,305)
Plant services	1,933,327	-	830,608	(1,102,719)
Student transportation services	1,607,354	-	4,715	(1,602,639)
Central services	139,277	-	-	(139,277)
Noninstructional services				
Food service operations	1,588,369	37,132	1,078,341	(472,896)
Long-term obligations				
Interest and other charges	253,386	-	-	(253,386)
Total Governmental Activities	\$ 28,156,789	\$ 37,132	\$ 3,809,846	\$ (24,309,811)

General revenues

Taxes

Ad valorem taxes levied for

 General purposes \$ 2,487,685

 Debt service purposes 879,345

Sales taxes levied for

 General purposes 2,279,272

Grants and contributions not restricted to specific programs

 Minimum Foundation Program 12,548,968

 State revenue sharing 72,844

 Other unrestricted state 4,231

Interest and investment earnings 49,197

Other 83,857

Total general revenues 18,405,399

Change in net position (5,904,412)

Net position, at beginning of year (44,659,150)

Net position at end of year \$ (50,563,562)

See accompanying notes to the basic financial statements.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

**Balance Sheet
Governmental Funds
June 30, 2020**

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total</u>
	<u>GENERAL FUND</u>	<u>SALES TAX FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	
Assets				
Cash and cash equivalents	\$ 9,473,258	\$ 114,386	\$ 1,275,112	\$ 10,862,756
Receivables	186,503	231,250	819,985	1,237,738
Interfund receivables	493,305	-	372,934	866,239
Prepaid expenses and other assets	28,432	-	7,982	36,414
Inventory	-	-	59,762	59,762
Total assets	<u>\$ 10,181,498</u>	<u>\$ 345,636</u>	<u>\$ 2,535,775</u>	<u>\$ 13,062,909</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 1,038,882	\$ 4,011	\$ 64,496	\$ 1,107,389
Salaries payable	1,223,639	110,446	223,957	1,558,042
Interfund payables	317,794	-	548,445	866,239
Other liabilities	81,001	-	-	81,001
Unearned revenue	-	-	22,963	22,963
Total liabilities	<u>2,661,316</u>	<u>114,457</u>	<u>859,861</u>	<u>3,635,634</u>
Fund balances				
Nonspendable	-	-	36,799	36,799
Restricted	100,000	231,179	1,556,914	1,888,093
Committed	2,000,000	-	-	2,000,000
Unassigned	5,420,182	-	82,201	5,502,383
Total fund balances	<u>7,520,182</u>	<u>231,179</u>	<u>1,675,914</u>	<u>9,427,275</u>
Total liabilities and fund balances	<u>\$ 10,181,498</u>	<u>\$ 345,636</u>	<u>\$ 2,535,775</u>	<u>\$ 13,062,909</u>

See accompanying notes to the basic financial statements.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

Total fund balances – governmental funds \$ 9,427,275

The cost of capital assets (land, buildings, furniture and equipment) and intangible assets (software) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Position includes those capital assets and intangible assets among the assets of the School Board as a whole. The cost of those capital and intangible assets is allocated over their estimated useful lives (as depreciation expense for capital assets and amortization expense for intangible assets) to the various programs reported as Governmental Activities in the Statement of Activities. Because neither depreciation nor amortization expenses affect financial resources, they are not reported in the Governmental Funds.

Cost of capital assets	\$ 27,933,374	
Accumulated depreciation	(13,314,142)	14,619,232

Deferred outflows for refundings and pension are not reported in the governmental funds but are reported in the government-wide financial statements.

Pensions	4,789,430	
Other post-employment benefits	22,078,434	
Refundings	531,400	27,399,264

Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Position. Post-employment benefits in the Governmental Funds are recorded as expenditures when paid. The unfunded annual required contribution in the Statement of Net Position is recognized as a liability as it accrues. Balances at the end of the year are as follows:

Bonds payable	(7,495,000)	
Other post-employment benefits	(68,064,146)	
Net pension liability	(21,898,102)	
Capital lease	(99,022)	
Compensated absences payable	(928,658)	(98,484,928)

Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid. Bond interest in the Statement of Net Position is recognized as an expense as it

Accrued interest on outstanding bonds		(59,335)
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Deferred inflows on pensions are not reported in the governmental funds but are reported in the government-wide financial statements.

Pensions	(2,508,089)	
Other post-employment benefits	(962,978)	(3,471,067)

Total Governmental Activities-Net Position \$ (50,563,562)

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

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Fiscal Year Ended June 30, 2020

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total</u>
	<u>GENERAL FUND</u>	<u>SALES TAX FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	
REVENUES				
Local sources				
Taxes				
Ad valorem taxes	\$ 1,869,630	\$ -	\$ 1,497,401	\$ 3,367,031
Sales and use taxes	-	2,279,272	-	2,279,272
Interest earnings	47,974	16	1,207	49,197
Food services	-	-	37,132	37,132
Other	102,637	-	6,425	109,062
State sources				
Equalization	12,279,801	-	269,167	12,548,968
Other	44,318	-	475,987	520,305
Federal sources	22,680	-	3,149,678	3,172,358
Total revenues	<u>14,367,040</u>	<u>2,279,288</u>	<u>5,436,997</u>	<u>22,083,325.00</u>
EXPENDITURES				
Current				
Instructional services				
Regular programs	5,853,181	852,279	271,677	6,977,137
Special education programs	1,797,393	325,556	234,084	2,357,033
Vocational programs	533,294	73,475	95,940	702,709
Other instructional programs	335,889	25,966	74,793	436,648
Special programs	220,682	110,179	1,453,069	1,783,930
Support services				
Pupil support services	843,871	125,759	29,458	999,088
Instructional staff support services	616,140	98,509	559,921	1,274,570
General administration	512,173	57,378	204,715	774,266
School administration	972,230	131,710	-	1,103,940
Business services	391,284	34,379	2,768	428,431
Plant services	773,397	76,138	830,608	1,680,143
Student transportation services	1,082,085	138,735	4,853	1,225,673
Central services	83,862	18,328	-	102,190
Noninstructional services				
Food service operations	115,667	116,648	1,078,341	1,310,656
Capital Outlay	129,255	-	5,998	135,253
Debt service				
Principal	47,802	-	765,000	812,802
Interest	3,473	-	196,925	200,398
Total expenditures	<u>14,311,678</u>	<u>2,185,039</u>	<u>5,808,150</u>	<u>22,304,867</u>
Excess (deficiency) of revenues over expenditures	55,362	94,249	(371,153)	(221,542)
Fund balances at beginning of year	7,464,820	136,930	2,047,067	9,648,817
Fund balances at end of year	<u>\$ 7,520,182</u>	<u>\$ 231,179</u>	<u>\$ 1,675,914</u>	<u>\$ 9,427,275</u>

See accompanying notes to the basic financial statements.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities**
Fiscal Year Ended June 30, 2020

Total net change in fund balances – Governmental Funds \$ (221,542)

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

Capital outlays and intangible assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense for the capital assets and amortization expense for the intangible assets. This is the amount by which capital outlays exceed depreciation and amortization in the period:

Capital Outlays	\$ 135,254	
Depreciation	<u>(604,685)</u>	(469,431)

Repayment of debt is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bonds	765,000	
Capital Lease	<u>47,802</u>	812,802

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the Governmental Funds when it is due, which requires the use of current financial resources. In the Statement of Activities, however, interest expenses are recognized as the interest accrues, regardless of when it is due. Interest expense payable at year end decreased from the previous year as follows:

Interest expense payable at June 30, 2019	65,392	
Interest expense payable at June 30, 2020	<u>(59,335)</u>	6,057

The issuance of long-term debt provides financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

The deferred amount on refunding of bonded debt is shown as a reduction of long-term debt; however, the amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.

Current year amortization		(59,044)
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In the Statement of Activities, certain operating expenses (compensated absences for accrued vacation and sick leave, claims) are measured by the amounts earned during the year. However, in the Governmental Funds expenditures for these items are measured by the amount of financial resources used (what was actually paid during the year). This year, vacation and sick leave earned exceeded the amount used.

Compensated absences		(75,320)
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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.

		586,349
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Other post-employment benefits are reported in the Governmental Funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.

		(6,484,283)
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Change in net position of governmental activities		<u>\$ (5,904,412)</u>
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The accompanying notes are an integral part of the financial statements.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Fiduciary Fund - Agency Funds

Combining Statement of Fiduciary Assets and Liabilities

June 30, 2020

	School Activity Funds	Total
Assets		
Cash and cash equivalents	\$ 319,864	\$ 319,864
Liabilities		
Deposits due student groups	\$ 319,864	\$ 319,864

See accompanying notes to the basic financial statements.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

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CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

Note 1-Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The School Board operates five schools within the parish with a total enrollment of approximately 1,550 students, including Pre-K. In conjunction with the regular educational programs, some of these schools offer special and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

B. Basis of Accounting and Measurement Focus

Government-wide Financial Statements (GWFS)

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting.

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

General Revenues

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

Program Revenues

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

Allocation of indirect expenses

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

Fund Financial Statements (FFS)

Governmental Funds

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

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

C. Fund Accounting

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

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

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

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

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

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

The School Board has twelve nonmajor Special Revenue Funds.

Debt Service Fund - accounts for the servicing of debt payments including principal and interest. The School Board has one nonmajor Debt Service Fund.

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

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

School Activity Funds, which represents funds generated by schools in the district specifically for student activity uses and;

4-H Scholarship Fund which contains voluntary employee contributions from which the proceeds are used to provide an annual scholarship for an outstanding graduate. This fund was closed on June 30, 2020.

D. Cash and Cash Equivalents

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

E. Short-Term Interfund Receivables and Payables

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

F. Eliminations and Reclassifications

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

G. Inventory and Prepaid Items

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

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

H. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, intangibles, and construction-in-progress are reported as governmental funds in the Government-wide Financial Statements. The School Board considers assets, other than intangibles, with an initial individual cost of more than \$5,000 and an estimated useful life of more than 1 year as a capital asset. Intangibles, such as software, with an initial individual cost of \$200,000 or more and an estimated useful life of 1 year or more are considered a capital asset.

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

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

Buildings and improvements	10-40 years
Furniture and equipment	3-15 years
Intangibles	3 years

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

I. Unearned Revenue

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

J. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation to the Government-wide Financial Statements. Reimbursements occur between funds when one fund incurs a cost that benefits another fund, and the benefiting fund reimburses the fund incurring the cost for the benefit received.

All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

K. Compensated Absences

Twelve-month full-time employees accumulate one day of vacation per month. For the purpose of calculating and apportioning annual leave, the "leave year" shall run from July 1st to June 30th. No more than 30 days of vacation leave may be accumulated as of June 30th. Upon termination, resignation, or retirement, any unused annual leave shall be paid at the employee's rate of pay. The maximum number of days the system shall pay an employee for is 30 days.

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

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

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

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

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

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

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments or funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave. The School Board makes the assumption that employees who have a minimum experience of 10 years will become eligible in the future to receive their accrued sick leave.

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

CALDWELL PARISH SCHOOL BOARD

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

L. Long-Term Liabilities

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

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

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

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. *Deferred Outflows* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. These have a positive effect on net position and are similar to assets. The School Board has three items that qualify for reporting in this category; the *deferred charge on refunding*, the *deferred outflows on pensions* and the *deferred outflows on OPEB* and are reported in the government-wide Statement of Net Position. The deferred charge on refunding is the result of the difference in the carrying value of refunded debt and its reacquisition price for bonds issues that were refunded in previous fiscal periods. This amount is deferred and amortized over the shorter of the life of the refunded or refunding bond issues.

In addition to liabilities, a separate section for deferred inflows of resources is reported in the Statement of Net Position. *Deferred Inflows* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. These have a negative effect on net position and fund balance, and are similar to liabilities.

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For the Year Ended June 30, 2020

The School Board has deferred inflows reported on the government-wide Statement of Net Position as *unavailable revenue* from the *deferred inflows on pensions* and the *deferred inflows on OPEB*. These amounts are reported as deferred and recognized as an inflow of resources in the period the amounts become available.

N. Equity Classifications

Government-wide Financial Statements

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

- **Net investment in capital assets** – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced generally by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted Net Position** – Consists of net position with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

The following net positions are considered restricted:

- Debt service resources from sales and use taxes and ad valorem taxes levied specifically to meet the principal and interest payments of various general obligation and revenue bond issues via an approved public referendum in accordance with state law and bond covenants with investors.
 - Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of supplemental salaries and benefits to employees.
 - Investments held by the Louisiana Workforce Commission as surety for payment of workers compensation claims of self-insured employers, as promulgated under Louisiana Revised Statute 23:1168.
- **Unrestricted Net Position** – All other net positions that do not meet the definition of “restricted” or “net investments in capital assets”.

Sometimes the School Board will make expenditures for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as *restricted* – net position and *unrestricted* – net position

CALDWELL PARISH SCHOOL BOARD

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School Board's practice to consider *restricted* – net position to have been depleted before *unrestricted* – net position is applied.

Fund Financial Statements

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

- Nonspendable fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory.
- Restricted fund balance represent resources restricted by enabling legislation, state or federal laws, tax ordinances or by local, state or Federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.
- Committed fund balance indicates the School Board's plans for the use of financial resources in a future period for specific purposes determined by the School Board, the highest level of the government's decision-making authority. Fund balance commitments are made by formal actions of the School Board in the form of a resolution, ordinance, or action approved by the majority vote of the School Board in an open meeting prior to the end of the fiscal year. Once adopted, the limitation imposed by the instrument remains in place until a similar action is taken to remove or revise the limitation.
- Assigned fund balances are those determined by the Board of the Finance Committee, under authority given under a resolution of the Board, as needed for the payment of future commitments.
- Unassigned fund balance is the remaining fund balance in the General Fund after all classifications have been made in the previously described fund balance categories. Unassigned fund balance is only reported in the General Fund. However, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

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

CALDWELL PARISH SCHOOL BOARD

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

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

O. Sales and Use Taxes

On April 7, 1979, the voters of Caldwell Parish approved a one percent sales and use tax to be levied by the Caldwell Parish School Board. The sales and use tax is collected by the Concordia Parish School Board and remitted to the Caldwell Parish School Board. The funds are then deposited in the sales tax special revenue fund.

On January 18, 1997, the voters of Caldwell Parish approved a one percent sales and use tax to be levied by the Caldwell Parish School Board. The sales and use tax is collected by the Concordia Parish School Board and remitted to the Caldwell Parish School Board. The funds are then deposited in the sales tax special revenue fund.

The proceeds of said taxes (after paying reasonable and necessary costs and expenses of collecting and administering the tax) are to be dedicated and used to supplement other revenues available for the payment of salaries and retirement benefits for certified and noncertified employees of the School Board.

P. 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.

Q. Levied Taxes

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

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

Property Tax Calendar:

Millage rates adopted	May 9, 2019
Levy date	January 1, 2019
Tax bills mailed	November 1, 2019
Due date	December 31, 2019
Lien date	January 1, 2020
Tax Sale – 2017 delinquent property	June 25, 2020

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

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

10% land	15% industrial improvements
15% machinery	15% commercial improvements
10% residential improvements	25% public service 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 tax roll of January 1, 2016 and is done every four years. Total assessed value was \$78,379,413 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. The homestead exemption was \$14,806,444 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 on 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, special revenue maintenance fund and the sinking fund. 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 are primarily due to the subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the property taxes occurs in December, and January and February of the following year. As a result, substantially no property taxes are reflected as receivable for 2019 on the accompanying balance sheet because most are not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable are collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes. The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

CALDWELL PARISH SCHOOL BOARD

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

	Adjusted Maximum Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	5.54	5.40	Statutory
Maintenance	7.41	7.22	2023
Operations, maintenance, and construction	5.56	5.39	2026
Operations and maintenance	8.90	8.90	2025
Operations	11.68	11.32	2026
Bond repayment	30.00	14.00	2027

R. Use of Estimates

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

S. New Accounting Pronouncements

Statement No. 84- Fiduciary Activities. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on whether (1) the School Board controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The standard is effective for annual reporting periods beginning after December 15, 2019. The School Board will include the requirements of this standard, as applicable, in its June 30, 2021 financial statements. The effect of this standard or its applicability to the School Board are unknown at this time.

Note 2- Cash and Cash Equivalents

Custodial credit risk - deposits. The School Board's cash and cash equivalents consist of deposits with financial institutions. The following is a schedule of the School Board's cash and cash equivalents at June 30, 2020. Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

	<u>School Board Balance</u>	<u>Bank Balance</u>
Cash		
Governmental Funds		
Demand deposits-checking	\$ 6,362,327	\$ 6,761,101
Agency Funds		
Demand deposits-checking	<u>316,260</u>	<u>320,195</u>
Total cash	<u>6,678,587</u>	<u>7,081,296</u>
Cash Equivalents		
Governmental Funds		
Certificates of Deposit	<u>4,500,760</u>	<u>4,500,760</u>
Total cash equivalents	<u>4,500,760</u>	<u>4,500,760</u>
Total cash and cash equivalents	<u>\$ 11,179,347</u>	<u>\$ 11,582,056</u>

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance	\$ 1,004,304
Pledged Securities	6,076,992
Federal Deposit Insurance (For CD's)	<u>4,500,760</u>
Total collateralized deposits	<u>\$ 11,582,056</u>

Louisiana Revised Statute 39:1225 requires the School Board to insure its bank balances from loss against custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the School Board's deposits may not be returned. The School Board had total cash bank balances of \$7,081,296, of which \$1,004,304 were insured by Federal Depository Insurance (FDIC) and remaining \$6,076,992 was covered by securities held as collateral by the trust department of agents of custodial banks in the name of the School Board at year-end. The cash equivalent Certificates of Deposit had total balance of \$4,500,760 and were fully insured by Federal Depository Insurance (FDIC).

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

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

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

CALDWELL PARISH SCHOOL BOARD

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

Note 3-Receivables

The receivables of \$1,237,738 at June 30, 2020, as reported in the Fund Financial Statements are as follows:

	Ad- Valorem Taxes	Sales and Use Taxes	Grantor Agencies	Other	Total
Major Funds					
General Fund	\$ 186,503	\$ -	\$ -	\$ -	\$ 186,503
Sales Tax Fund	-	231,250	-	-	231,250
Total major funds	186,503	231,250	-	-	417,753
Non-Major Funds					
Special Revenue Funds					
Maintenance	64,275	-	-	-	64,275
Early Model	-	-	17,945	-	17,945
Title I	-	-	112,332	-	112,332
Title II	-	-	551	-	551
Special Education	-	-	97,603	-	97,603
Vocational/ JAG	-	-	40,508	-	40,508
Head Start	-	-	229,869	-	229,869
Teacher Incentive Fund	-	-	43,758	-	43,758
Other Miscellaneous	-	-	121,695	-	121,695
Total special revenue	64,275	-	664,261	-	728,536
Debt Service Fund	91,449	-	-	-	91,449
Total non-major funds	155,724	-	664,261	-	819,985
Total governmental funds	\$ 342,227	\$ 231,250	\$ 664,261	\$ -	\$ 1,237,738

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

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

Note 4-Capital Assets

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

	6/30/2019	Additions	Deletions	6/30/2020
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 144,828	\$ -	\$ -	\$ 144,828
Land Improvements	70,490	-	-	70,490
Total capital assets, not being depreciated	215,318	-	-	215,318
Capital assets being depreciated				
Buildings	24,313,109	98,000	4,780	24,406,329
Furniture and equipment	3,457,914	37,254	183,440	3,311,728
Total capital assets being depreciated	27,771,023	135,254	188,220	27,718,057
Less accumulated depreciation				
Buildings	9,966,558	498,612	4,780	10,460,390
Furniture and equipment	2,931,119	106,074	183,440	2,853,753
Total accumulated depreciation	12,897,677	604,686	188,220	13,314,143
Total capital assets being depreciated, net	14,873,346	(469,432)	-	14,403,914
Capital assets, net	\$ 15,088,664	\$ (469,432)	\$ -	\$ 14,619,232

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Instructional services:	
Regular programs	\$ 410,472
Vocational programs	670
Other instructional programs	48,591
Special programs	47,247
Support services:	
General Administration	9,215
Plant services	11,544
Student transportation services	71,013
Non-instructional services:	
Food service operations	5,934
Total depreciation expense	\$ 604,686

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

Note 5- Pension Plans

General Information about the Pension Plans

Plan Descriptions

Substantially all employees of the School Board are provided with pensions through cost-sharing multiple-employer defined benefit pension plans administered by the Teachers' Retirement System Louisiana ("TRSL") or the Louisiana School Employees' Retirement System ("LSERS"), both of which are administered on a statewide basis. The authority to establish and amend the benefit terms of TRSL and LSERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL and LSERS each issue publicly available financial reports that can be obtained at www.trsl.org and www.lasers.net, respectively.

Benefits Provided

TRSL

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information. Regular Plan -Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount.

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

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

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

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouses' benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at

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For the Year Ended June 30, 2020

the 2.5% accrual rate for all creditable service.

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers.

These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

LSERS

LSERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana parish or city school board who work more than 20 hours per week as a school bus operator, school janitor, school custodian, school maintenance employee, school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of schoolchildren. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or five years if enrolled after June 30, 2010. All temporary, seasonal, and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 who have less than 10 years of creditable service are not eligible for membership in the System. Any employee whose employment falls below 4.1 hours per day or 20.1 hours per week and who is not vested will be eligible to receive a refund of their contributions.

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July

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For the Year Ended June 30, 2020

1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the system on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the 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 he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A member who joins the system on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the 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.

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(F)(3). Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the state legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with LA R.S. 11:1152(F)(3).

Contributions

TRSL

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2020 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	26.70%	8.00%
Lunch Plan A	26.70%	9.10%
Lunch Plan B	26.70%	5.00%

The School Board's contractually required composite contribution rate for the year ended June 30, 2020 was 25.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$2,582,352 for the year ended June 30, 2020.

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2020 was 28.0%. The actual employer rate for the year ended June 30, 2019 was 28.4%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$229,515 for the year ended June 30, 2020.

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For the Year Ended June 30, 2020

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

The net pension liabilities were measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2020 and the change compared to the June 30, 2019 proportion.

	Net Pension Liability at June 30, 2020	Proportion at June 30, 2020	Increase (Decrease) to June 30, 2019 Proportion
TRSL	\$19,925,720	0.200770%	(0.000750)%
LSERS	1,972,382	0.281744%	(0.000150)%
	<u>\$21,898,102</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2020.

	Pension Expense	Amortization	Total
TRSL	\$2,009,476	\$231,766	\$2,241,242
LSERS	212,726	16,310	229,036
	<u>\$2,222,202</u>	<u>\$248,076</u>	<u>\$2,470,278</u>

At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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TRSL		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ (522,686)
Changes in assumptions			
		1,416,142	-
Net difference between projected and actual earnings on pension plan investments		-	(737,472)
Changes in proportion and differences between employer contributions and proportionate share of contributions		439,142	(1,056,135)
Employer contributions subsequent to the measurement date		2,582,352	-
Total TRSL	\$	4,437,636	\$ (2,316,293)
LSERS		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ (49,161)
Changes in assumptions		57,181	-
Net difference between projected and actual earnings on pension plan investments		75,878	-
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,276	(42,635)
Employer contributions subsequent to the measurement date		217,042	-
Total LSERS	\$	351,377	\$ (91,796)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
TRSL	\$ 4,438,053	\$ (2,416,293)
LSERS	351,377.00	(91,796)
	<u>\$ 4,789,430</u>	<u>\$ (2,508,089)</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2020. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

<u>Subsequent Contributions</u>	
TRSL	\$2,582,352
LSERS	217,042
	<u>\$2,799,394</u>

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For the Year Ended June 30, 2020

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

Year ending June 30:	TRSL	LSERS	Total
2020	\$ (209,843)	\$ 17,383	\$ (192,460)
2021	(663,358)	(34,424)	(697,782)
2022	61,610	34,168	95,778
2023	250,999	25,412	276,411
	\$ (560,592)	\$ 42,539	\$ (518,053)

Actuarial Assumptions

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

	TRSL	LSERS
Valuation Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach		
Actuarial Assumptions:	Closed	
Expected Remaining Service Lives	5 years	3 years
Investment Rate of Return	7.55% net of investment expenses	7.00% net of investment expenses
Inflation Rate	2.50% per annum.	2.50%
Salary Increases	3.3% - 4.8% varies depending on duration of service	3.25%, based on an experience study 2012-2017 experience study of the System's members.
Cost of Living Adjustments	None	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.

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For the Year Ended June 30, 2020

Mortality	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/ inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. 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.	RP-2014 Healthy Annuitant Tables RP-2014 Sex Distinct Employee Tables RP-2014 Sex Distinct Disabled Tables
Termination, Disability, and Retirement	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.	Termination, disability, and retirement assumptions were projected based on a five-year (2008-2012) experience study of the System's members.

* The investment rate of return used in the actuarial valuation for funding purposes was 7.95%, recognizing an additional 40 basis points for gain sharing. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.

The following table lists the methods used by each of the pension plans in determining the long-term rate of return on pension plan investments:

TRSL	LSERS
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and	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

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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.

equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2019:

Asset Class	Target Allocation		Long-Term Expected Portfolio Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Cash	-	-	-	-
Domestic equity	27.00%	39.00%	0.05	2.93%
International equity	19.00%	-	0.06	-
Domestic fixed income	13.00%	26.00%	0.02	1.07%
International fixed income	5.50%	-	0.02	-
Alternative investments	25.50%	29.00%	0.09	2.16%
Global asset allocation	-	-	-	-
Other Private Assets	10.00%	-	0.04	-
Real assets	-	6.00%	-	0.60%
Total	<u>100.00%</u>	<u>100.00%</u>	n/a	6.76%
Expected inflation				<u>2.00%</u>
Expected Arithmetic Nominal Return				<u>8.76%</u>

Discount Rate

The discount rates used to measure the total pension liability for TRSL and LSERS were 7.55% and 7.00%, respectively, for the year ended June 30, 2019.

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

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.55%	7.55%	8.55%
Share of NPL	\$26,523,984	\$19,925,720	\$14,364,390
LSERS			
Discount rate	6.00%	7.00%	8.00%
Share of NPL	\$2,672,973	\$1,972,382	\$1,373,475

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2020, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$82,015 for its participation in TRSL. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2020.

Pension Plans Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2020, the School Board had payables due to the pension plans, which consist of the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:

	Payables	
TRSL	\$	27,795
LSERS		-
Total	\$	27,795

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Note 6- Other Post-Employment Benefits

General Information about the OPEB Plan

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

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The Plan provides medical benefits through the OGB, which involves several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at www.groupbenefits.org - "Quick Links" - "Health Plans". The OGB plan is a fully insured, multiple-employer arrangement. Medical benefits are provided to employees upon actual retirement. The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who became members of the system on or after January 1, 2011 must be at least age 60 to be eligible for retirement (D.R.O.P. entry) with an unreduced benefit.

Life insurance coverage under the OGB program is available to retirees by election and the employer pays 50% of the cost of the retiree life insurance based on the blended active/retired OGB rates.

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

Inactive employees or beneficiaries currently receiving benefit payments	220
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>282</u>
Total	<u>502</u>

Total OPEB Liability

The School Board’s total OPEB liability of \$68,064,146 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

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For the Year Ended June 30, 2020

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:

Inflation rate	2.30%
Salary increase	3.0%, including inflation.
Discount rate	2.21% annually (beginning of year to determine ADC)
	2.21% annually (as of end of year measurement date)
Healthcare cost trend rates	Ranging from 3.7% to 6.4%.

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index.

Mortality rates were based on the following: PUB-2010 General Employees Amount-Weighted Table with Mortality Improvement Scale MP-2019 on a generational basis with healthy annuitants rates after benefit commencement for Pre-retirement, the PUB-2010 General Retirees Amount-Weighted Table with Mortality Improvement Scale MP-2019 on a generational basis for Post-retirement and Disability retirement and, the PUB-2010 Contingent Survivors Amount-Weighted Table with Mortality Improvement Scale MP-2019 on a generational basis.

The plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability:

Balance at June 30, 2019	\$ 41,008,055
<hr/>	
Changes for the year:	
Service cost	2,028,714
Interest	1,485,266
Effect of economic/demographic gains and losses	1,935,668
Effect of assumption changes or inputs	22,818,048
Benefit payments	(1,211,605)
Net changes	27,056,091
<hr/>	
Balance at June 30, 2020	\$ 68,064,146

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 (1.21%) and one percentage point higher (2.21%) than the current discount rate (3.21%).

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For the Year Ended June 30, 2020

1% Decrease	Discount Rate	1% Increase
1.21%	2.21%	3.21%
<u>\$ 83,930,969</u>	<u>\$ 68,064,146</u>	<u>\$ 56,195,315</u>

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
<u>\$ 55,944,438</u>	<u>\$ 68,064,146</u>	<u>\$ 84,350,980</u>

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 \$7,864,938. At June 30, 2020, the School Board reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,783,540
Changes of assumptions	962,978	20,294,894
Total	<u>\$ 962,978</u>	<u>\$ 22,078,434</u>

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

Year Ended June 30,	Amount
2021	\$ 4,350,958
2022	\$ 4,350,958
2023	\$ 4,685,837
2024	\$ 4,313,397
2025	\$ 3,414,306

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For the Year Ended June 30, 2020

Note 7-General Long-Term Obligations

The following table presents a summary of bonded indebtedness during the fiscal year:

Original Issue	Issue Date	Original Borrowing	Interest Rates to Maturity	Interest to Maturity	Final Maturity	Outstanding June 30, 2020
General obligation bonds:						
Series 2016 - Refunding	6/1/2016	8,665,000	2.38%	877,563	2029	\$ 7,495,000
Total general obligation bonds				<u>877,563</u>		<u>\$ 7,495,000</u>

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

Year Ended June 30,	Principal Payments	Interest Payments	Total
2021	\$ 785,000	\$ 178,006	\$ 963,006
2022	805,000	159,363	964,363
2023	835,000	140,243	975,243
2025	870,000	120,413	990,413
2024-2029	4,200,000	279,538	4,479,538
Total	\$ 7,495,000	\$ 877,563	\$ 8,372,563

The following is a summary of governmental activities long-term obligation transactions for the year ending June 30, 2020:

Long-term Obligations	Balance June 30, 2019	Additions	Deduction	Balance June 30, 2020	Amounts Due Within One Year
G. O. Bonds	\$ 8,260,000	\$ -	\$ (765,000)	\$ 7,495,000	\$ 785,000
Net pension liability	24,366,644	-	(2,468,542)	21,898,102	-
Capital leases	146,824	-	(47,802)	99,022	48,932
OPEB liability	41,008,055	(27,056,091)	-	68,064,146	-
Compensated absences	853,338	(75,320)	-	928,658	356,553
Workers comp claims	163,000	-	(82,000)	81,000	81,000
Total	\$ 74,797,861	\$ (27,131,411)	\$ (3,363,344)	\$ 98,565,928	\$ 1,271,485

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All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 2020, the School Board has accumulated \$492,589 in the Debt Service Fund for future debt service requirements.

The general obligation bonds are obligations of Caldwell Bond District, with maturities from 2019 to 2029 and an interest rate of 2.38%. General obligation bonds' principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the respective taxing districts. In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the total assessed value of all property in the taxing district. At June 30, 2020, the statutory limit was \$27,432,795 (35% of the assessed value of \$78,379,413). The School Board's outstanding debt at June 30, 2020 is \$7,495,000 which results in a debt margin of \$19,937,794.

Compensated absences, capital lease, workers' compensation claims, OPEB and net pension liabilities attributable to the governmental activities will be liquidated mainly by the General Fund.

Note 8-Capital Leases

During the 2017 fiscal year, the School Board purchased an additional four school buses for \$329,139 with \$90,000 paid in cash at the time of the purchase and the remaining balance under a capital lease agreement for \$239,139. Depreciation expense in fiscal year 2020 totaled \$36,571 and accumulated depreciation totals \$143,236. The following is a schedule of future minimum lease payments under capital lease, together with the present value of the net minimum lease payments, as of June 30, 2020:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 51,275
2022	51,275
Net minimum lease payments	102,550
Less: amounts representing interest	3,528
<u>Total</u>	<u>\$ 99,022</u>

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For the Year Ended June 30, 2020

Note 9-Interfund Assets/Liabilities (FFS level only)

Individual balances due to/from other funds at June 30, 2020 were as follows:

	<u>Due To</u>		<u>Due From</u>
	<u>Other Funds</u>		<u>Other Funds</u>
Major Funds			
General Fund			
Deficit cash balances/indirect costs	\$ 317,794	\$	
Temporary transfer			493,305
Total General Fund	<u>317,794</u>		<u>493,305</u>
Nonmajor Funds			
Special Revenue Funds			
Maintenance-Temporary transfer			299,051
Deficit cash balances/indirect costs	-		
Title I Programs-Temporary transfer			73,883
Deficit cash balances/indirect costs	140,174		
Title II Programs- Temporary transfer			-
Deficit cash balance/indirect costs	6,501		
Special Education IDEA B			-
Deficit cash balance/indirect costs	53,261		
Early Model Childhood			-
Deficit cash balance/indirect costs	8,417		
Vocational/Jag			-
Deficit cash balance/indirect costs	31,399		
Head Start			-
Deficit cash balances/indirect costs	172,702		
Teacher Incentive Fund			-
Deficit cash balance/indirect costs	43,758		
Other Miscellaneous-Temporary transfer			-
Deficit cash balance/indirect costs	92,233		
Total Nonmajor Special Revenue Funds	<u>548,445</u>		<u>372,934</u>
Total Nonmajor Funds	<u>548,445</u>		<u>372,934</u>
Total Interfund Transactions	\$ <u>866,239</u>	\$	<u>866,239</u>

The balances due for cash deficits are due to timing differences in receiving reimbursements from grantors for expenditure reimbursement grants after the fiscal year ended and a limited number of temporary transfers during the year. The General Fund pays the obligations of expenditure reimbursement grants until a claim is filed, and payment is received. Indirect cost balances represent the outstanding indirect cost payments due to the General Fund for the expenditures on outstanding grant reimbursement claims filed but

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not yet received from grantors by year end. Other amounts relate to temporary transfers between funds. All interfund transactions will be completed during the 2020-21 fiscal year.

Note 10-Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)

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

NONSPENDABLE	PURPOSE	June 30, 2020
Nonmajor Funds:		
Special Revenue Funds:		
School Food Service	Food inventory	\$ 36,799
Total Nonspendable Fund Balance		\$ 36,799

RESTRICTED	PURPOSE	June 30, 2020
Major Funds:		
General Fund	Workers compensation	\$ 100,000
Sales Tax Fund	Salaries and related benefits	231,179
Total Major Funds		\$ 331,179
Nonmajor Funds:		
Special Revenue Funds:		
Maintenance	Maintenance & operations	\$ 1,009,746
Education Excellence	Educational purposes	33,589
Other Miscellaneous Funds	Various	20,990
Total Nonmajor Special Revenue		1,064,325
Debt Service Fund	Bonded debt principle/interest	492,589
Total Nonmajor Funds		1,556,914
Total Restricted Fund Balance		\$ 1,888,093

COMMITTED	PURPOSE	June 30, 2020
Major Funds:		
General Fund	Instruction repairs construction	\$ 2,000,000
Total General Fund		2,000,000
Total Committed Fund Balance		\$ 2,000,000

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

Note 11-Agency Fund Deposits Due Others (FFS level only)

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

<u>Agency Funds:</u>	<u>7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2020</u>
School Activity Funds	\$ 306,487	\$ 567,989	\$ 554,612	\$ 319,864
4-H Scholarship	331	-	331	-
State Equalization Local Funding Transfers to Other Educational Providers	-	22,077	22,077	-
Total	\$ 306,818	\$ 590,066	\$ 577,020	\$ 319,864

Note 12-Litigation and Contingencies

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the School Board purchases commercial insurance.

The legal counsel for the School Board has identified no lawsuits in which the School Board is a defendant and which would materially affect the financial statements.

As with the majority of all other school boards within the state, the Caldwell Parish School Board is substantially dependent upon federal, state and local funding. The loss or reduction of these funding sources would have a significant impact on its operations.

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

Note 13-Risk Management

The School Board initiated a risk management program for workers' compensation in 1991. It joined a pool of certain school boards in Northeast Louisiana in order to share workers' compensation cost. 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 19.00%. Premiums and claims are paid by the General Fund.

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For the Year Ended June 30, 2020

Changes in the claims amount in previous fiscal years were as follows:

Years Ended June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payment and Claims	Ending of Fiscal Year Liability
2016	\$ 10,261	\$ 46,025	\$ 54,667	\$ 1,619
2017	\$ 1,619	\$ 19,024	\$ 20,643	\$ -
2018	\$ -	\$ 33,186	\$ 20,186	\$ 13,000
2019	\$ 13,000	\$ 223,942	\$ 73,942	\$ 163,000
2020	\$ 163,000	\$ 124,382	\$ 43,382	\$ 81,000

An excess coverage insurance policy covers individual claims in excess of \$350,000. Maximum retention exposure for aggregate claims amounts to \$1,271,042. The School Board is reporting \$81,000 claims payable as of June 30, 2020. The \$81,000 balance at June 30, 2020 was provided by the third-party administrator. The liability does not include incremental costs.

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

Note 14-Economic Dependency

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. 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 \$12,548,968 to the school board, which

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2020

represents approximately 56.83% of the School Board's total revenue for the year. Federal revenues also accounts for \$3,169,239 (14.35%) of total revenues.

Note 15-Concentrations and Uncertainties

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. Even though the outbreak occurred during the audit year, the effects of the virus are still taking place. On April 15, 2020, Governor John Bel Edwards signed a proclamation closing K-12 public schools in Louisiana for the school year due to the pandemic. The School Board was required to introduced remote learning for students from that point and into the next fiscal year. On March 25, 2020, Congress passed the CARES Act to help with the effects of the pandemic and allowing the School Board funding options in the next fiscal year. Management did not consider it necessary to make any adjustment to 2020 financial information and foresees no going concern issues relating to this event.

Note 16-Subsequent Events

Management has evaluated subsequent events through December 1, 2021, the date the financial statements were available to be issued and determined that there were no events that occurred subsequent to the reporting period that are required to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION (PART B)

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

General Fund

Budgetary Comparison Schedule (GAAP Basis) (Unaudited)

Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance at beginning of year	\$ 7,574,159	\$ 7,574,159	\$ 7,464,820	\$ (109,339)
Resources (inflows)				
Local sources				
Ad valorem taxes	1,741,000	1,745,000	1,869,630	124,630
Interest earnings	23,000	21,000	47,974	26,974
Other	49,813	95,611	102,637	7,026
State sources				
Equalization	12,107,051	12,311,528	12,279,801	(31,727)
Other	41,310	41,611	44,318	2,707
State contribution for teacher retirement				
Other	-	-	-	-
Federal sources	19,159	19,545	22,680	3,135
Amounts available for appropriations	<u>21,555,492</u>	<u>21,808,454</u>	<u>21,831,860</u>	<u>23,406</u>
Charges to appropriations (outflows)				
Instruction				
Regular programs	6,306,146	6,306,146	5,853,181	(452,965)
Special programs	1,880,393	1,880,393	1,797,393	(83,000)
Vocational programs	532,630	532,630	533,294	664
Other instructional programs	341,192	341,192	335,889	(5,303)
Student services	156,314	156,314	220,682	64,368
Support services				
Pupil support services	792,952	792,952	843,871	50,919
Instructional staff support services	658,680	658,680	616,140	(42,540)
General administration	469,523	469,523	512,173	42,650
School administration	885,066	885,066	972,230	87,164
Business services	394,365	394,365	391,284	(3,081)
Plant services	891,408	891,408	773,397	(118,011)
Student transportation services	1,026,863	1,026,863	1,082,085	55,222
Central services	75,362	75,362	83,862	8,500
Noninstructional services				
Food service operations	84,620	84,620	115,667	31,047
Capital Outlay	-	-	129,255	129,255
Principal retirement	51,274	51,274	47,802	(3,472)
Interest	-	-	3,473	3,473
Total charges to appropriations	<u>14,546,788</u>	<u>14,546,788</u>	<u>14,311,678</u>	<u>(235,110)</u>
Budgetary fund balance at end of year	\$ <u>7,008,704</u>	\$ <u>7,261,666</u>	\$ <u>7,520,182</u>	\$ <u>258,516</u>

See accompanying notes to the budgetary comparison schedules.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Sales Tax Fund

Budgetary Comparison Schedule (GAAP Basis) (Unaudited)

Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance at beginning of year	\$ 78,960	\$ 78,960	\$ 136,930	\$ 57,970
Resources (inflows)				
Local sources				
Sales taxes	2,275,194	2,275,194	2,279,272	4,078
Interest earnings	30	30	16	(14)
Amounts available for appropriations	<u>2,354,184</u>	<u>2,354,184</u>	<u>2,416,218</u>	<u>62,034</u>
Charges to appropriations (outflows)				
Instruction				
Regular programs	828,635	828,635	852,279	23,644
Special programs	390,818	390,818	325,556	(65,262)
Vocational programs	65,684	65,684	73,475	7,791
Other instructional programs	18,779	18,779	25,966	7,187
Student services	116,072	116,072	110,179	(5,893)
Support services				
Pupil support services	115,367	115,367	125,759	10,392
Instructional staff support services	109,370	109,370	98,509	(10,861)
General administration	56,036	56,036	57,378	1,342
School administration	132,568	132,568	131,710	(858)
Business services	33,477	33,477	34,379	902
Plant services	79,283	79,283	76,138	(3,145)
Student transportation services	137,911	137,911	138,735	824
Central services	12,908	12,908	18,328	5,420
Noninstructional services				
Food service operations	114,269	114,269	116,648	2,379
Total charges to appropriations	<u>2,211,177</u>	<u>2,211,177</u>	<u>2,185,039</u>	<u>(26,138)</u>
Budgetary fund balance at end of year	\$ <u>143,007</u>	\$ <u>143,007</u>	\$ <u>231,179</u>	\$ <u>88,172</u>

See accompanying notes to the budgetary comparison schedules.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to Budgetary Comparison Schedules

For the Year Ended June 30, 2020

A. BUDGETS

General Budget Practices

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

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

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

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

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

Encumbrances

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

Budget Basis of Accounting

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)

Fiscal Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 2,028,714	\$ 1,723,684	\$ 1,844,592
Interest	1,485,266	1,356,214	1,351,401
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,935,668	-	441,045
Changes of assumptions or other inputs	22,818,048	2,321,310	(2,338,664)
Benefit payments	<u>(1,211,605)</u>	<u>(1,095,485)</u>	<u>(991,497)</u>
Net change in total OPEB liability	<u>27,056,091</u>	<u>4,305,723</u>	<u>306,877</u>
Total OPEB liability - beginning	<u>41,008,055</u>	<u>36,702,332</u>	<u>36,395,455</u>
Total OPEB liability - ending	<u>\$ 68,064,146</u>	<u>\$ 41,008,055</u>	<u>\$ 36,702,332</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 9,176,879	\$ 7,010,722	\$ 10,367,147
Total OPEB liability as a percentage of covered-employee payroll	741.69%	584.93%	354.03%

Notes to Schedule:

Discount Rate: 2.21% 3.50% 3.87%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Changes of assumption. There were no changes of assumptions for the year ended June 30, 2020.

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Employer's Proportionate Share of Net Pension Liability (Unaudited)

Fiscal Year Ended June 30, 2020

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Teachers' Retirement System of Louisiana					
2020	0.20077%	\$ 19,925,720	\$ 9,237,800	216%	68.6%
2019	0.20020%	\$ 19,675,205	\$ 9,414,859	209%	68.2%
2018	0.20802%	\$ 21,325,647	\$ 9,301,532	229%	65.6%
2017	0.21629%	\$ 25,386,164	\$ 9,620,333	264%	59.90%
2016	0.21432%	\$ 23,044,173	\$ 9,449,430	244%	62.50%
2015	0.20184%	\$ 20,630,432	\$ 9,528,791	217%	63.70%
Louisiana School Employees' Retirement System					
2020	0.281744%	\$ 1,972,382	\$ 770,352	256%	73.50%
2019	0.281594%	\$ 1,881,435	\$ 812,269	232%	74.40%
2018	0.299611%	\$ 1,917,292	\$ 857,539	224%	75.03%
2017	0.321572%	\$ 2,425,770	\$ 818,104	297%	70.09%
2016	0.324522%	\$ 2,057,882	\$ 901,855	228%	74.49%
2015	0.325000%	\$ 1,884,005	\$ 890,550	212%	76.18%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

This schedule is intended to show information for 10 years.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Employer's Contributions to Pension Plans (Unaudited)

Fiscal Year Ended June 30, 2020

Fiscal Year	(a)		(b)		Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Contributions in relation to the statutorily required contribution		
Teachers' Retirement System of Louisiana						
2020	\$ 2,582,352	\$ 2,582,352	\$ -	\$ -	\$ 9,237,800	28.0%
2019	\$ 2,550,409	\$ 2,550,409	\$ -	\$ -	\$ 9,552,093	26.7%
2018	\$ 2,504,353	\$ 2,504,353	\$ -	\$ -	\$ 9,414,859	26.6%
2017	\$ 2,371,891	\$ 2,371,891	\$ -	\$ -	\$ 9,301,532	25.5%
2016	\$ 2,531,080	\$ 2,531,080	\$ -	\$ -	\$ 9,620,333	26.3%
2015	\$ 2,744,269	\$ 2,744,269	\$ -	\$ -	\$ 9,449,430	29.0%
Louisiana School Employees' Retirement System						
2020	\$ 217,042	\$ 217,042	\$ -	\$ -	\$ 770,352	28.2%
2019	\$ 229,131	\$ 229,131	\$ -	\$ -	\$ 818,325	28.0%
2018	\$ 224,186	\$ 224,186	\$ -	\$ -	\$ 812,269	27.6%
2017	\$ 234,108	\$ 234,108	\$ -	\$ -	\$ 857,539	27.3%
2016	\$ 330,514	\$ 330,514	\$ -	\$ -	\$ 818,104	40.4%
2015	\$ 298,477	\$ 298,477	\$ -	\$ -	\$ 901,855	33.1%

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 ten year trend is compiled, only information for those years for which information is available is presented.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Required Supplemental Information for Pensions (Unaudited)

Fiscal Year Ended June 30, 2020

Changes of Benefit Terms

Teachers' Retirement System of Louisiana

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2020 and 2019.

For the year ended June 30, 2016, members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after 7/1/15 may retire with a 2.5% benefit factor after attaining age 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.

Louisiana School Employees' Retirement System

There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2020 and 2019.

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 of Assumptions

Teachers' Retirement System of Louisiana

For the actuarial valuation for the year ended June 30, 2019, the investment rate of return decreased from 7.65% to 7.55%.

For the actuarial valuation for the year ended June 30, 2018, the investment rate of return decreased from 7.70% to 7.65%, and projected salary increases decreased from 3.5%-10.0% to 3.3%-4.8%.

For the actuarial valuation for the year ended June 30, 2017, the investment rate of return decreased from 7.75% to 7.70%.

Louisiana School Employees' Retirement System

For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.0625% to 7.0000%.

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

There were no changes of assumptions for the actuarial valuation for the year ended June 30, 2017.

For the actuarial valuation for the year ended June 30, 2016, the discount rate was increased from 7.000% to 7.125%, the inflation rate was decreased from 2.75% to 2.625% and salary increases were decreased from a range of 3.2% to 5.5% to a range of 3.075% to 5.375%.

OTHER SUPPLEMENTARY INFORMATION

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Combining Balance Sheet
NONMAJOR GOVERNMENTAL FUNDS
Governmental Activities
For the Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 873,971	\$ 401,141	\$ 1,275,112
Receivables	728,537	91,448	819,985
Interfund receivables	372,934	-	372,934
Prepaid expenses and other assets	7,982	-	7,982
Inventory	59,762	-	59,762
Total assets	\$ <u>2,043,186</u>	\$ <u>492,589</u>	\$ <u>2,535,775</u>
 Liabilities and fund balances			
Liabilities			
Accounts payable	64,496	-	64,496
Salaries payable	223,957	-	223,957
Interfund payables	548,445	-	548,445
Unearned revenues	22,963	-	22,963
Total liabilities	<u>859,861</u>	<u>-</u>	<u>859,861</u>
 Fund balances			
Nonspendable	36,799	-	36,799
Restricted	1,064,325	492,589	1,556,914
Unassigned	82,201	-	82,201
Total fund balances	<u>1,183,325</u>	<u>492,589</u>	<u>1,675,914</u>
 Total liabilities and fund balances	 \$ <u>2,043,186</u>	 \$ <u>492,589</u>	 \$ <u>2,535,775</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2020

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
REVENUES			
Local sources			
Taxes			
Ad valorem taxes	\$ 618,056	\$ 879,345	\$ 1,497,401
Interest earnings	289	918	1,207
Food services	37,132	-	37,132
Other	6,425	-	6,425
State sources:			
Equalization	269,167	-	269,167
Other	475,987	-	475,987
Federal sources	3,149,678	-	3,149,678
Total revenues	<u>4,556,734</u>	<u>880,263</u>	<u>5,436,997</u>
EXPENDITURES			
Current			
Instructional services			
Regular programs	271,677	-	271,677
Special education programs	234,084	-	234,084
Vocational programs	95,940	-	95,940
Other instructional programs	74,793	-	74,793
Special programs	1,453,069	-	1,453,069
Support services			
Adult / continuing education	-	-	-
Pupil support services	29,458	-	29,458
Instructional staff support services	559,921	-	559,921
General administration	172,071	32,644	204,715
School administration	-	-	-
Business services	2,768	-	2,768
Plant services	830,608	-	830,608
Student transportation services	4,853	-	4,853
Central services	-	-	-
Central Services			
Noninstructional services			
Food service operations	1,078,341	-	1,078,341
Community service programs	-	-	-
Capital outlay	5,998	-	5,998
Debt service:			
Principal	-	765,000	765,000
Interest	-	196,925	196,925
Total expenditures	<u>4,813,581</u>	<u>994,569</u>	<u>5,808,150</u>
Excess (deficiency) of revenues over expenditures	<u>(256,847)</u>	<u>(114,306)</u>	<u>(371,153)</u>
Fund balances at beginning of year	<u>1,440,172</u>	<u>606,895</u>	<u>2,047,067</u>
Fund balances at end of year	\$ <u>1,183,325</u>	\$ <u>492,589</u>	\$ <u>1,675,914</u>

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Combining Balance Sheet
SPECIAL REVENUE FUNDS (NONMAJOR)
June 30, 2020

	<u>Maintenance</u>	<u>Food Service</u>	<u>Title I</u>	<u>Title II</u>	<u>Special Education</u>	<u>LA-4</u>	<u>Early Childhood</u>	<u>Vocational / Jag</u>	<u>Education Excellence</u>	<u>Head Start</u>	<u>Teacher Incentive Fund</u>	<u>Other Miscellaneous</u>	<u>Total</u>
Assets													
Cash and cash equivalents	\$ 662,649	\$ 67,951	\$ -	\$ -	\$ -	\$ 37,270	\$ -	\$ -	\$ 33,589	\$ -	\$ -	\$ 72,512	\$ 873,971
Receivables	64,275	-	112,332	551	97,603	-	17,945	40,508	-	229,869	43,758	121,696	728,537
Interfund Receivables	299,051	-	73,883	-	-	-	-	-	-	-	-	-	372,934
Prepaid expenses and other assets	-	-	-	6,840	-	-	-	-	-	-	-	1,142	7,982
Inventory	-	59,762	-	-	-	-	-	-	-	-	-	-	59,762
Total assets	\$ 1,025,975	\$ 127,713	\$ 186,215	\$ 7,391	\$ 97,603	\$ 37,270	\$ 17,945	\$ 40,508	\$ 33,589	\$ 229,869	\$ 43,758	\$ 195,350	\$ 2,043,186
Liabilities and fund balances													
Liabilities													
Accounts payable	\$ 16,229	\$ 291	\$ 11,745	\$ 860	\$ 11,477	\$ 3,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,085	\$ 64,496
Salaries payable	-	36,811	34,296	-	32,865	33,461	9,528	9,109	-	57,167	-	10,720	223,957
Interfund payables	-	-	140,174	6,501	53,261	-	8,417	31,399	-	172,702	43,758	92,233	548,445
Unearned revenue	-	22,963	-	-	-	-	-	-	-	-	-	-	22,963
Total liabilities	16,229	60,065	186,215	7,361	97,603	37,270	17,945	40,508	-	229,869	43,758	123,038	859,861
Fund balances													
Nonspendable	-	36,799	-	-	-	-	-	-	-	-	-	-	36,799
Restricted	1,009,746	-	-	-	-	-	-	-	33,589	-	-	20,990	1,064,325
Unassigned	-	30,849	-	30	-	-	-	-	-	-	-	51,322	82,201
Total fund balances	1,009,746	67,648	-	30	-	-	-	-	33,589	-	-	72,312	1,183,325
Total liabilities and fund balances	\$ 1,025,975	\$ 127,713	\$ 186,215	\$ 7,391	\$ 97,603	\$ 37,270	\$ 17,945	\$ 40,508	\$ 33,589	\$ 229,869	\$ 43,758	\$ 195,350	\$ 2,043,186

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

	<u>Maintenance</u>	<u>Food Service</u>	<u>Title I</u>	<u>Title II</u>	<u>Special Education</u>	<u>LA-4</u>	<u>Early Childhood</u>	<u>Vocational / Jag</u>	<u>Education Excellence</u>	<u>Head Start</u>	<u>Teacher Incentive Fund</u>	<u>Other Miscellaneous</u>	<u>Total</u>
REVENUES													
Local sources													
Taxes													
Ad valorem	\$ 618,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,056
Interest earnings	-	289	-	-	-	-	-	-	-	-	-	-	289
Food services	-	37,132	-	-	-	-	-	-	-	-	-	-	37,132
Other	-	-	-	-	-	-	-	-	-	-	-	6,425	6,425
State sources													
Equalization	-	200,000	-	-	-	-	-	-	-	-	-	69,167	269,167
Other	36,422	-	-	-	-	303,654	70,249	-	64,167	-	-	1,495	475,987
Federal sources	-	719,791	638,161	100,557	399,800	-	-	81,015	-	642,947	259,861	307,546	3,149,678
Total revenues	<u>654,478</u>	<u>957,212</u>	<u>638,161</u>	<u>100,557</u>	<u>399,800</u>	<u>303,654</u>	<u>70,249</u>	<u>81,015</u>	<u>64,167</u>	<u>642,947</u>	<u>259,861</u>	<u>384,633</u>	<u>4,556,734</u>
EXPENDITURES													
Current													
Instructional services													
Regular programs	-	-	-	-	-	-	-	6,124	52,003	-	181,151	32,399	271,677
Special education programs	-	-	-	-	234,084	-	-	-	-	-	-	-	234,084
Vocational programs	-	-	-	-	-	-	-	74,891	-	-	-	21,049	95,940
Other instructional programs	-	-	-	-	28,072	-	-	-	9,680	-	-	-	37,041
Special programs	-	-	320,581	94,759	17,095	303,275	70,249	-	-	534,242	-	112,868	1,453,069
Support services													
Adult / continuing education	-	-	-	-	-	-	-	-	-	-	-	-	-
Pupil support services	-	-	-	-	29,458	-	-	-	-	-	-	-	29,458
Instructional staff support services	-	-	271,668	-	63,602	-	-	-	-	36,694	74,244	113,713	559,921
General administration	27,036	-	45,774	5,768	27,418	-	-	-	-	45,368	4,466	16,241	172,071
School administration	-	-	-	-	-	-	-	-	-	-	-	-	-
Business services	-	-	-	-	-	-	-	-	-	2,768	-	-	2,768
Plant services	810,998	-	-	-	-	-	-	-	-	19,610	-	-	830,608
Student transportation services	-	-	138	-	71	379	-	-	-	4,265	-	-	4,853
Central services	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services													
Food service operations	-	1,078,341	-	-	-	-	-	-	-	-	-	-	1,078,341
Community service programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	5,998	-	-	-	-	-	-	-	-	-	-	-	5,998
Total expenditures	<u>844,032</u>	<u>1,078,341</u>	<u>638,161</u>	<u>100,527</u>	<u>399,800</u>	<u>303,654</u>	<u>70,249</u>	<u>81,015</u>	<u>61,683</u>	<u>642,947</u>	<u>259,861</u>	<u>333,311</u>	<u>4,813,581</u>
Excess (deficiency) of revenues over expenditures	(189,554)	(121,129)	-	30	-	-	-	-	2,484	-	-	51,322	(256,847)
Fund balances at beginning of year	1,199,300	188,777	-	-	-	-	-	-	31,105	-	-	20,990	1,440,172
Fund balances at end of year	<u>\$ 1,009,746</u>	<u>\$ 67,648</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,312</u>	<u>\$ 1,183,325</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Combining Schedule of Changes in Fiduciary Assets and Liabilities

Fiduciary Fund - Agency Funds

For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash and cash equivalents				
School Activity Funds	\$ 306,487	\$ 567,989	\$ 554,612	\$ 319,864
4-H Scholarship Fund	331	-	331	-
Total	<u>\$ 306,818</u>	<u>\$ 567,989</u>	<u>\$ 554,943</u>	<u>\$ 319,864</u>
Liabilities:				
Deposits due student groups				
School Activity Funds	\$ 306,487	\$ 567,989	\$ 554,612	\$ 319,864
4-H Scholarship Fund	331	-	331	-
Total	<u>\$ 306,818</u>	<u>\$ 567,989</u>	<u>\$ 554,943</u>	<u>\$ 319,864</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Changes in Deposits Due Others

School Activities Agency Fund

For the Year Ended June 30, 2020

	Beginning		Additions		Deductions		Ending
	Balance						Balance
Caldwell Parish High School	\$ 113,368	\$	278,355	\$	257,097	\$	134,626
Caldwell Parish Junior School	42,427		122,537		128,851		36,113
Union Central Elementary School	5,222		45,758		50,028		952
Columbia Elementary School	74,855		62,615		60,165		77,305
Grayson Elementary School	60,677		41,890		41,963		60,604
Pre-K	9,938		16,834		16,508		10,264
4-H Scholarship Account	331		-		331		-
	<u>\$ 306,818</u>	\$	<u>567,989</u>	\$	<u>554,943</u>	\$	<u>319,864</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Compensation Paid Board Members

For the year ended June 30, 2020

<u>Board Member</u>		<u>Date</u>	<u>Amount</u>
Randy Rentz, Vice President	Ward 1	7/1/2019-6/30/2020	\$ 5,100
Judith McKee	Ward 2	7/1/2019-6/30/2020	5,100
John Robinson	Ward 3	7/1/2019-2/28/2020	3,700
Melinda Ballard	Ward 3	3/1/2020-6/30/2020	1,700
Baron Glass	Ward 4	7/1/2019-6/30/2020	5,100
C R Martin, Former President	Ward 5	7/1/2019-4/30/2020	4,450
Jamie Martin	Ward 5	5/1/2020-6/30/2020	850
James King	Ward 6	7/1/2019-6/30/2020	5,100
Gary Cassels, President, Former Vice President	Ward 7	7/1/2019-6/30/2020	5,200
Total Compensation			\$ 36,300

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

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

For the year ended June 30, 2020

Chief Executive Officer:	Superintendent (7/1/2019-1/5/2020)	Interim (1/6/2020- 2/13/2020)	Superintendent (2/14/2020-6/30/2020)
<u>Purpose</u>	<u>John Gullatt</u>	<u>Mary Wiley</u>	<u>Nicki McCann</u>
Salary	\$ 82,417	\$ 1,100	\$ 50,304
Benefits-insurance	3,066	-	-
Benefits-retirement	18,022	286	14,459
Travel-included in contract	6,911	-	5,306
Travel-outside of parish	2,598	-	562
Dues	525	-	375
Total Compensation	\$ 113,539	\$ 1,386	\$ 71,006

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



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

**School Board
Caldwell Parish School Board
Columbia, 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 Caldwell Parish School Board, (the 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 December 1, 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 to those in charge of governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

**School Board
Caldwell Parish School Board
Columbia, Louisiana**

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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which is described in the accompanying schedule of findings and questioned costs as items 2020-003 and 2020-004.

The School Board's Response to Findings

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

Purpose of this Report

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

Woodard & Associates

(A Professional Accounting Corporation)

December 1, 2021



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

**School Board
Caldwell Parish School Board
Columbia, Louisiana**

Report on Compliance for Each Major Federal Program

We have audited Caldwell Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2020. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

**School Board
Caldwell Parish School Board
Columbia, Louisiana**

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph 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 or significant deficiencies.

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

Woodard & Associates

**(A Professional Accounting Corporation)
December 1, 2021**

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>2020 Expenditures</u>
United States Department of Agriculture			
<i>Passed through Louisiana Department of Education</i>			
Child Nutrition Cluster			
Non Cash Assistance (Commodities):			
National School Lunch Program	10.555	N/A	\$ 59,703
Cash Assistance:			
School Breakfast Program	10.553	N/A	136,217
Seamless Summer Option- Breakfast	10.553	N/A	19,925
National School Lunch Program	10.555	N/A	394,342
Seamless Summer Option- Lunch	10.555	N/A	46,586
Total Child Nutrition Cluster			<u>656,772</u>
Fresh Fruit & Vegetables Grant	10.582	N/A	63,019
Total United States Department of Agriculture			<u>719,791</u>
United States Department of Education			
<i>Passed Through Louisiana Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010A	28-20-T1-11	638,161
Title I Grants to Local Educational Agencies (Direct Student Service)	84.010A	28-20-DSS-11	36,739
Title I Grants to Local Educational Agencies (Redesign 1003a)	84.010	28-19-RD19-11	46,494
Total Title I Grants to Local Educational Agencies			<u>721,394</u>
Special Education Cluster			
Special Education- Grants to State	84.027A	28-20-B1-11	381,434
Special Education- Preschool Grants	84.173A	28-20-P1-11	18,366
Total Special Education Clusters			<u>399,800</u>
Vocational Education			
Career and Technical Education-Basic Grants to States	84.048A	28-20-02-11	22,680
Rehabilitation Services- Vocational Rehabilitation Grants to States	84.126A	Contract (200464707)	81,015
Rural Education	84.358B	28-20-RE-11	30,623
Supporting Effective Instruction State Grants	84.367A	28-20-50-11	100,557
Striving Readers (SRCL2 Grades 6 - 8)	84.371C	28-18-SR03-11	151,747
Striving Readers (SRCL Grades K-2)	84.371C	28-18-SR05-11	10,562
Teacher and School Leader Incentive Grants (PBCS Teacher Incentive Funds)	84.374A	28-18-PBCS-11	90,027
Teacher and School Leader Incentive Grants (Teacher Incentive Funds)	84.374A	28-20-TP-11	169,834
Student Support and Academic Enrichment Program	84.424A	28-20-71-11	15,715
Total United States Department of Education			<u>1,793,954</u>
United States Department of Health & Human Services			
Direct Programs:			
Head Start	93.600	06CH7156-06-02	642,947
<i>Passed through Louisiana Department of Education:</i>			
Every Student Succeeds Act/Preschool Development Grants	93.434	28-19-GRC-11	12,547
Child Care and Development Block Grant	93.575	28-19-CO-11	3,119
Total United States Department of Health & Human Services			<u>658,613</u>
TOTAL FEDERAL AWARDS			<u>\$ 3,172,358</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to Schedule of Expenditures of Federal Awards

June 30, 2020

Note 1-Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Caldwell Parish School Board (the School Board) for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School Board.

Note 2-Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports, except for the amounts in the reports submitted as of a date subsequent to June 30, 2020.

Note 3-Relationship to the Financial Statements

	Federal Programs
General Fund	\$ 22,680
Nonmajor Funds	
School Food Services	719,791
Title I	721,394
Special Education	399,800
Title IIA	100,557
Teacher Incentive Fund	169,834
Head Start	642,947
Vocational / JAG Other	81,015
Miscellaneous	314,340
Total Nonmajor Funds	<u>3,149,678</u>
Total Governmental Funds Revenues	<u>\$ 3,172,358</u>

Note 4-Noncash Program

Included in the Child Nutrition Cluster National School Lunch Program, CFDA 10.555, is \$59,703 of non-cash awards in the form of commodities provided by the United States Department of Agriculture. The commodities received, which are noncash revenues, are valued using prices provided by the Louisiana Department of Agriculture and Forestry.

Note 5-Indirect Cost Rate

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

We have audited the financial statements of the governmental activities and each major fund of the Caldwell Parish School Board, as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprise the basic financial statements and have issued our report thereon dated December 1, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2020 resulted in an unmodified opinion.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting

Material Weaknesses yes no

Significant Deficiency yes none noted

Noncompliance material to financial statements yes no

Federal Awards

Internal Control

Material Weaknesses yes no

Significant Deficiency yes none noted

Type of Opinion on Compliance Unmodified Modified

For Major Programs Disclaimer Adverse

Are there findings required to be reported in accordance with the Uniform Guidance? No

Identification of Major Programs:

CFDA #10.553, 10.555 Child Nutrition Cluster

CFDA #93.600 Head Start

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000.

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

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

2020-001 Internal Controls over Accounts Payable (First Reported-2015)

Entity-wide or Program / Department Specific

This finding is entity-wide.

Criteria or Specific Requirement

Management is responsible for establishing and maintaining internal controls and assessing those controls for effectiveness in design and operation. Internal controls include such practices as ensuring proper segregation of duties, authorizing, approving and reviewing transactions, and performing reconciliations. Implementing controls and maintaining adequate documentation of such controls are characteristics of a sound internal control environment.

Conditions Found

The individual responsible for disbursements can add vendors to the system, input payments and print checks with signatures on them. There is no intermediate control to prevent illegitimate or erroneous disbursements prior to payment. The School Board plans to prevent such disbursements by implementing Positive Pay in January 2022. Also identified were the lack of written documentation of internal controls and sign in/out and leave slips were not always signed by a supervisor.

Cause

Internal controls were not adequately designed and operating regarding the controls around accounts payable checks, supervisor approval of timekeeping and written documentation.

Effect

The School Board's internal control environment is weakened which increases the risk of a material misstatement in the financial statements, as well as the susceptibility to potential fraud.

Recommendation

Management should ensure implementation of the Positive Pay program as soon as possible. Internal controls need to be updated and/or implemented to ensure that supervisors approve timekeeping and that written documentation of internal controls is complete.

Management's Response

Refer to Corrective Action Plan for Current Year Audit Findings and Questioned Costs.

2020-002 Internal Controls over Information Technology

Criteria or Specific Requirement

Management is responsible for establishing and maintaining internal controls and assessing those controls for effectiveness in design and operation. Internal controls include ensuring proper

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

operation of software to allow for efficient and effective completion of the School Board's mission.

Condition Found

The School Board's accounting software does not allow for timely and accurate computation of compensated absences.

Cause

Internal controls did not ensure that the reports are correctly designed in the accounting software.

Effect

The School Board is unable to produce a software generated accurate report of compensated absences for the year ended June 30, 2020.

Recommendation

The School Board should work with software provider to have necessary reports designed and producible.

Management's Response

Refer to Corrective Action Plan for Current Year Audit Findings and Questioned Costs.

2020-003 Louisiana Bid Law (First Reported 2019)

Criteria or Specific Requirement

Louisiana Revised Statute 38:2212 requires Caldwell Parish School Board (the School Board) to advertise for bids and let to the lowest responsible and responsive bidder for public works projects costing \$157,700 or more and all materials and supplies exceeding \$30,000 or more. Purchases of materials and supplies in excess of \$10,000 but less than \$30,000 must have documentation of telephone quotes.

Condition Found

The School Board did not provide documentation supporting compliance with the bid law for five purchases. Curriculum recommended by the Louisiana Department of Education accounted for two of these purchases. Of the remaining three, one was for classroom materials and supplies and the remaining two were repair and maintenance supplies: variety of hardware supplies and HVAC supplies.

Cause

Policies and procedures were not implemented properly to ensure bids and quotes requirements.

Effect

Noncompliance with Louisiana Revised Statute 38:2212 of the Public Bid Law.

Recommendation

Documentation should be maintained to support the School Boards compliance of the bid law

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

through an annual and periodic review of spending per category and supporting choice of vendors.

Management's Response

Refer to Corrective Action Plan for Current Year Audit Findings and Questioned Costs.

2020-004 Misappropriation of Assets

Criteria or Specific Requirement

Louisiana Constitution of 1974 Article VII Section 14(A) prohibits the donation of public funds to any person. This would be interpreted to include theft of public funds by public servants.

Condition Found

A phishing instance took place on March 25, 2020 for \$3,471.61 when an email requested a change of an alleged employee's account number and related routing number.

Cause

Internal controls were in place but not operating as designed. Procedures were bypassed due to changeover in staffing and the timing of the middle of their response to the COVID-19 pandemic.

Effect

This is an immaterial loss for the year ended June 30, 2020.

Recommendations to Prevent Future Occurrences

The School Board should be especially diligent to follow all controls during times of irregular operations, such as a pandemic, as criminals may take advantage of such times, as happened in this case.

Management's Response

Refer to Corrective Action Plan for Current Year Audit Findings and Questioned Costs.

Section III - Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance.

There were no findings identified that are required to be reported under the Uniform Guidance.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Corrective Action Plan for Current Year Audit Findings and Questioned Costs

For the Year Ended June 30, 2020

2020-001 Internal Controls over Payroll and Accounts Payable

Management's Corrective Action Plan

We will be reviewing our internal controls in this area and will address this issue to rectify the situation discussed.

Person responsible for corrective action plan

David Soignier, Business Manager (318) 649-2689

Anticipated completion

Completed by 06/30/2021

2020-002 Internal Controls over Information Technology

Management's Corrective Action Plan

We will continue the same process as before in that if something breaks, it will be fixed...which is what we did for the 2020 compensated absences and why it should not have been reported as a finding. We have also advised our software provider that this situation was simply unacceptable.

Person responsible for corrective action plan

David Soignier, Business Manager (318) 649-2689

Anticipated completion

It was corrected before the records were given to the auditor so in effect, this finding can be marked as already resolved.

2020-003 Louisiana Bid Law

Management's Corrective Action Plan

We (or the School Board depending upon how the other CAPs start out) will work to improve on our documentation of our bid process and to improve on all facets of the Louisiana Bid Law to ensure compliance as required.

Person responsible for corrective action plan

David Soignier, Business Manager (318) 649-2689

Anticipated completion

Completed by 06/30/2022

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Corrective Action Plan for Current Year Audit Findings and Questioned Costs

For the Year Ended June 30, 2020

2020-004 Misappropriation of Assets

Management's Corrective Action Plan

We re-implemented our control over this issue immediately upon discovery. No issues have occurred since the March 25, 2020 date to the present time.

The background of this finding is that we realized our error within the same day. Our typical procedure was (and is) to require the person requesting the change to appear before us before making any such change. As stated in the Cause above, we were dealing with a changeover in staff and the School Board Office staff and on March 25, 2020 was limited to three people...the superintendent who had been hired in February 2020, a new business manager who had been hired on March 17, 2020 and the assistant business manager who had assumed payroll duties due to the departure of the previous business manager in January 2020. March 25, 2020 was the second working day for these three staff members after being off the previous week and due to the many issues occurring both COVID-19 related and the changeover in staff, we were too quick to react to the requested change.

As noted in the effect, the \$3,471.61 transaction accounts for 0.03% of the School Board's total payroll for fiscal year 2020 of approximately \$11,500,000 and is an immaterial balance.

As required, the transaction was reported to the Louisiana Legislative Auditor, the Caldwell Parish District Attorney and our auditors on May 15, 2020 when we had complete documentation.

Person responsible for corrective action plan

David Soignier, Business Manager (318) 649-2689

Anticipated completion

This finding can be deemed as resolved in that it has been actively avoided since this situation was discovered.

CALDWELL PARISH SCHOOL DISTRICT

Columbia, Louisiana

Summary Status of Prior Year Findings

For the Year Ended June 30, 2020

The following is a summary of the status of the prior year findings included in our 2019 audit report dated January 31, 2019, covering the audit of the financial statements of Caldwell Parish School Board (the School Board), as of and for the year ended June 30, 2019.

Financial Statements Findings Reported in Accordance with *Government Auditing Standards*.

2019-001 Internal Controls over Payroll and Accounts Payable (First Reported-2015)

Conditions Found

There is inadequate segregation of duties regarding the payroll function. The business manager is responsible for the payroll function and performs all aspects of payroll with the exception of the superintendent's review of batch totals prior to submission for direct deposit transfer. There is no review of individual transactions or analysis of any changes in payroll from month-to-month.

During our test of payroll transactions, the sign in and sign out sheets were not approved by the principal/supervisor and principals do not sign in or sign out and that leave slips are not always signed by an employee's supervisor.

The individual responsible for disbursements had the ability to add vendors to the system and print checks with signatures printed onto them with no intermediate control to identify and stop illegitimate or erroneous disbursements prior to payment. Also, during our test of cash disbursement transactions, we noted that a significant and material amount of the disbursements did not have purchase orders before purchase. However, all transactions are reviewed monthly by the finance committee and any such payments would be identified subsequent to the event. Controls need to be strengthened to ensure that disbursements are correct prior to payment.

Finally, while certain elements of the components of internal control exist, the School Board does not possess comprehensive written documentation of the design, implementation, and maintenance of its internal control environment.

Status

Partially resolved; refer to 2020-001

2019-002 Louisiana Bid Law (First Reported-2019)

Condition Found

When performing bid law test, we identified that purchases from 26 vendors were subject to bid law. Out of the 26, 10 were purchases of \$30,000 or more and 16 were purchases of \$10,000 or more but less than \$30,000. Out of the purchases from 26 total vendors, 14 of them were in compliance with the State Bid Law but the remaining 12 were identified non-compliant. The client

CALDWELL PARISH SCHOOL DISTRICT

Columbia, Louisiana

Summary Status of Prior Year Findings

For the Year Ended June 30, 2020

was unable to provide us the proof of advertisement for the purchases from 4 vendors applicable for bid. For the remaining 8 vendors, we requested client to provide us three telephone, fax or regular quotations and written specifications, quotations and confirmation of accepted offers for such purchases, but they were unable to provide such required documents.

Status

Partially resolved, refer to 2020-003

2018-003 Late Filing

(First Reported-2018)

Condition Found

The School Board's audited financial statements for the year ending June 30, 2019 were not completed within the six month deadline as per Revised Statute 24:513.

Status

Resolved.

Financial Award Findings and Responses

2019-004 Noncompliance with Federal Regulations

(First Reported-2018)

Conditions Found

We identified that all checks are electronically printed with both signatures printed on them during our testing of internal controls over compliance. Additionally, the employee that performs the cash disbursement duties and processes payments can add vendors to the system. A listing of checks is generated and reviewed by the Business Manager prior to check release and two members of the Finance Committee review all checks monthly. These items were also identified during the financial statement audit.

There is inadequate segregation of duties regarding the payroll function. None of the Child Nutrition Cluster and Head Start payroll disbursements reviewed had a timesheet approved by a supervisor. However, the superintendent does review the batch totals prior to submission for direct deposit transfer and the Assistant Business Manager reviews the payroll comparison report and investigates changes.

Status

Resolved.

OTHER REPORTS

AGREED-UPON PROCEDURES REPORT

SCHEDULES REQUIRED BY STATE LAW



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Keeping you on course!

**Independent Accountant's Report
on Applying Agreed-Upon Procedures
For the Year Ended June 30, 2020**

To the Caldwell Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Caldwell Parish School Board; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School Board for the fiscal year ended June 30, 2020; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin 1929, in compliance with Louisiana Revised Statute 24:514 I. Management of the School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

Total General Fund Instructional Expenditures
Total General Fund Equipment Expenditures
Total Local Taxation Revenue
Total Local Earnings on Investment in Real Property
Total State Revenue in Lieu of Taxes
Nonpublic Textbook Revenue
Nonpublic Transportation Revenue

Comment: No exception was noted as a result of applying agreed-upon procedure.

Class Size Characteristics (Schedule 2)

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

Comment: One exception was noted as a result of applying agreed upon procedures. The School Board was unable to provide October 1 roll book for one of the classes.

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

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

Comment: One exception was noted as a result of applying agreed upon procedures. Experience level indicated on the personnel file of one teacher did not match the PEP report.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Comment: During our agreed upon procedures, we identified that stipends paid to teachers were not included on the PEP report.

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

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

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, LA

December 1, 2021

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data
As of and for the Year Ended June 30, 2020

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

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

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 4,690,607	
Other Instructional Staff Activities	625,941	
Instructional Staff Employee Benefits	3,040,319	
Purchased Professional and Technical Services	47,627	
Instructional Materials and Supplies	225,741	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 8,630,235
Other Instructional Activities		81,521
Pupil Support Services	843,871	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		843,871
Instructional Staff Services	616,140	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		616,140
School Administration	972,230	
Less: Equipment for School Administration	-	
Net School Administration		972,230
Total General Fund Instructional Expenditures		\$ 11,143,997
Total General Fund Equipment Expenditures		\$ 82,529
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 339,177
Renewable Ad Valorem Tax		2,062,069
Debt Service Ad Valorem Tax		879,345
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		86,440
Sales and Use Taxes		2,279,272
Total Local Taxation Revenue		\$ 5,646,303
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 9,420
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		\$ 9,420
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 36,422
Revenue Sharing - Other Taxes		36,422
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		\$ 72,844
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -

**Caldwell Parish School Board
School Board Agreed-Upon Procedures**

**Class Size Characteristics
As of October 1, 2019**

School Type	Class Size Range									
	1-20		21-26		27-33		34+		Total	
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	79.73%	232	20.27%	59	0.00%		-		100.00%	291
Elementary Activity Classes	72.97%	27	18.92%	7	0.00%		8.11%	3	100.00%	37
Middle/Jr. High	72.55%	148	25.98%	53	1.47%	3	0.00%		100.00%	204
Middle/Jr. High Activity Classes	60.00%	33	32.73%	18	5.45%	3	1.82%	1	100.00%	55
High	85.78%	187	14.22%	31	0.00%		0.00%		100.00%	218
High Activity Classes	98.41%	62	0.00%	-	1.59%	1	0.00%		100.00%	63
Combination	0.00%	-	0.00%		0.00%	-	0.00%		0.00%	-
Combination Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total		<u>689</u>		<u>168</u>		<u>7</u>		<u>4</u>		<u>868</u>

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.