

CITY OF BAKER SCHOOL BOARD

BAKER, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

**CITY OF BAKER SCHOOL BOARD
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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

To the Members of the
City of Baker School Board
Baker, 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 City of Baker School Board (the School Board), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As described in the notes to the financial statements, in 2021, the School Board adopted new accounting guidance, GASB 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 11 and 53 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information on pages 63 through 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2022, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 25, 2022

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

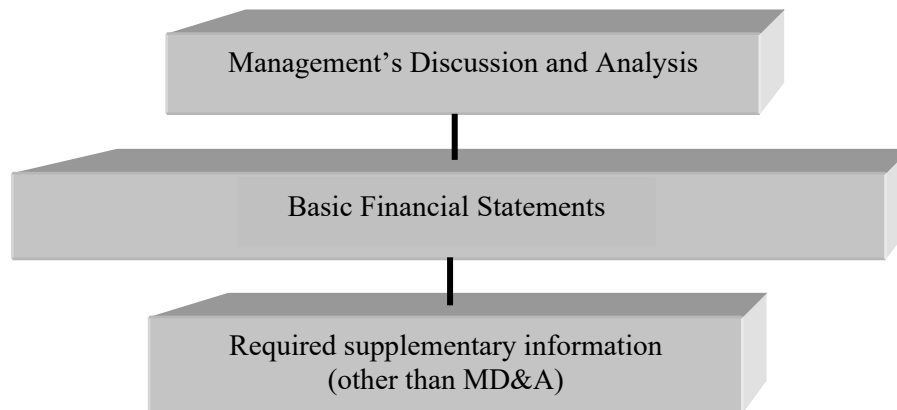
The Management’s Discussion and Analysis of the City of Baker School Board’s (the School Board) financial performance presents a narrative overview and analysis of the School Board’s financial activities for the year ended June 30, 2021. This document focuses on the current year’s activities, resulting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

FINANCIAL HIGHLIGHTS

- ★ The City of Baker School Board’s liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2021 by approximately \$4.4 million.
- ★ At June 30, 2021, the Net Deficit in the Statement of Net Position was primarily caused by the net pension liability and the net other post-employment benefits obligation that totaled approximately \$16.6 million and \$9.8 million, respectively.
- ★ Revenues exceeded expenses by approximately \$3.6 million on a full accrual basis for the 2021 fiscal year, representing a positive increase in the long-term financial condition of the School Board.
- ★ Ad valorem tax and sales and use taxes increased over the prior year by approximately \$357,000 and \$1,645,000, respectively, in comparison to 2020. Minimum Foundation Program (MFP) revenues decreased \$721,000 in comparison to 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board.



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 similar to private sector business.

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

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

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

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

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

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

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.

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY

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

	2021	2020
Assets		
Cash and cash equivalents	\$ 2,423,646	\$ 1,571,171
Receivables	3,595,219	3,530,680
Inventory	14,294	16,089
Other assets	26,583	25,971
Capital assets, net of accumulated depreciation	12,242,190	12,243,105
Total assets	18,301,932	17,387,016
Deferred outflows of resources	7,126,050	4,973,469
Total assets and deferred outflows of resources	\$ 25,427,982	\$ 22,360,485
Liabilities		
Accounts payable	\$ 19,813	\$ 4,963
Salaries and benefits payable	629,013	931,073
Long-term liabilities:		
Due within one year	64,395	818,465
Due in more than one year	472,708	509,335
Other post-employment benefit obligation	9,854,356	8,833,018
Net pension liability	16,625,934	16,372,696
Total liabilities	27,666,219	27,469,550
Deferred inflows of resources	2,204,170	1,370,979
Total liabilities and deferred inflows of resources	29,870,389	28,840,529
Net position		
Net investment in capital assets	12,242,190	12,243,105
Restricted	86,253	924,595
Unrestricted	(16,770,850)	(19,647,744)
Total net position	(4,442,407)	(6,480,044)
Total liabilities, deferred inflows of resource, and net position	\$ 25,427,982	\$ 22,360,485

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

- Cash and cash equivalents increased by approximately \$852,000 over the prior fiscal year and overall total assets increased by approximately \$915,000 over the prior year, primarily related to the increase in cash referenced above.
- Capital assets (reported net of accumulated depreciation), which accounts for 67% of the total assets of the School Board, decreased by approximately \$1,000, net of accumulated depreciation, due to depreciation expense exceeding current year asset additions by the amount referenced above.
- Salaries payable and accrued expenses experienced a decrease of approximately \$287,000 or 31%.
- Unrestricted net position increased by approximately \$2.9 million or 14.6% as a result of an increase in the deferred outflows of resources related to net pension liability, in addition to the factors referenced above.

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Statements of Revenues and Expenses
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Program revenues		
Charges for services	\$ 65,380	\$ 2,300
Operating grants	2,522,177	3,086,951
Capital grants	662,451	-
General revenues		
Taxes		
Ad valorem tax	2,534,552	2,177,119
Sales and use tax	5,355,884	3,710,603
State revenue sharing	44,022	45,719
Minimum foundation program	8,802,153	9,523,633
Other grants	269,870	311,411
Interest and investment earnings	22	8,323
Miscellaneous	<u>132,828</u>	<u>154,341</u>
Total revenue	<u>20,389,339</u>	<u>19,020,400</u>
Expenses		
Regular education programs	5,057,745	5,505,185
Special education programs	717,225	809,809
Other education programs	2,235,747	2,634,360
Pupil support services	706,404	633,273
Instructional staff services	623,611	726,998
General administrative services	1,134,517	2,035,511
School administrative services	1,015,446	920,860
Business and central services	495,194	455,625
Plant operation and maintenance	1,606,648	1,434,001
Transportation	583,252	688,177
Food services	778,970	879,332
Charter school appropriation	1,761,224	1,677,561
Facilities acquisition and constructions	86,845	-
Debt services	<u>-</u>	<u>15,384</u>
Total expenses	<u>16,802,828</u>	<u>18,416,076</u>
Change in net position	<u>\$ 3,586,511</u>	<u>\$ 604,324</u>

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Revenue

- Operating and capital grant revenue, which accounts for approximately 15.6% of total revenues, increased by approximately \$98,000. Operating grants decreased approximately \$564,000, primarily due to a decrease in COVID-related grants that were received in 2020.
- Local tax revenues consist of sales and property taxes and increased approximately \$2 million total compared to 2020. These local tax revenues are approximately 39% of total revenue in 2021. There have been nominal increases in these tax resources over the past couple fiscal years. However, the School Board did see one large sales tax deposit in 2021 and does expect sales tax revenues to return to normal amounts in 2022.
- Minimum Foundation Program (MFP) revenue decreased by \$720,000, in comparison to fiscal 2020 as result of decreased enrollment compared to the prior year. MFP revenues accounted for approximately 43% of total revenues in 2021.

Expense

- Overall expenses decreased by approximately \$1.6 million or 9% from the prior year, primarily due to a legal judgment of \$750,000 in the prior year combined with consistent reductions within the normal operating expenses of the administrative and central services of the School Board.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2021, the City of Baker School Board had approximately \$12.2 million invested in a broad range of capital assets, including land, building, and equipment. (See Table below). This amount represents a net decrease (including additions and depreciation) of \$1,000 from last year due to asset additions and depreciation expense both approximating \$450,000.

Capital Assets at June 30,
(Net of Accumulated Depreciation)

	2021	2020
Land	\$ 149,536	\$ 149,536
Work in process	4,237,147	4,216,517
Buildings and improvements	7,617,333	7,778,381
Furniture, Fixtures, and Equipment	238,174	98,671
	\$ 12,242,190	\$ 12,243,105

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

Long-term debt

The School Board’s long-term debt consists of the liability for compensated absences, claims and judgements, an obligation for postemployment benefits (OPEB), and the School Board’s net pension liability.

Long-Term Debt at June 30,

	2021	2020
Bonds payable	\$ -	\$ -
Claims and judgements	11,872	761,872
Compensated absences	525,231	565,928
Net pension liability	16,625,934	16,372,696
Net other post-employment benefit obligations	9,854,356	8,833,018
	\$ 27,017,393	\$ 26,533,514

In May 2017, the School Board issued \$1,200,000 in revenue bonds to finance the demolition and reconstruction of Baker High School as a result of flood damage. These revenue bonds were fully redeemed in 2020 and are thus no longer outstanding. The OPEB obligation increased due to various actuarial assumptions used in calculating the OPEB liability.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Budget amendments were adopted during the year ended June 30, 2021 for the General Fund to better reflect actual operations as they evolved through the fiscal year. Amendments included increases in projected ad valorem tax revenues, increases to local grant revenue, and decreases in MFP funding due to a decrease in student enrollment. Additionally, there were amendments to decrease expenditures related to special education programs, pupil support services, and plant services, along with an increase to general administration expenditures.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

For the fiscal year 2021-2022, the School Board anticipates a nominal net increase to its General Fund due to a slight increase in revenues and along with an increase in educational and capital outlay expenditures. The School Board decreased expenditures in fiscal year 2020-2021 from the prior year and, thus, has determined it can sustain this level of expenditures for the subsequent year.

The City of Baker School Board’s elected and appointed officials considered the following factors and indicators when setting next year’s budget, rates, and fees. These factors and indicators include:

- Ad-valorem and sales tax revenues in total are expected to increase slightly.
- MFP revenue is projected to remain consistent.

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

CONTACTING THE SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. Sidney Stewart, Business Manager, City of Baker School Board, P.O Box 680, Baker, LA 70704-0680, 225-774-5795.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA**

**STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS	
Cash and cash equivalents	\$ 2,423,646
Receivables:	
Taxes	1,700,818
Due from other governments	1,894,401
Prepaid expenses	26,583
Inventory	14,294
Noncurrent assets:	
Non-depreciable	4,386,683
Depreciable, net	7,855,507
TOTAL ASSETS	18,301,932
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension contributions	1,803,947
Deferred amounts related to other post employment benefits	1,823,925
Deferred amounts related to net pension liability	3,498,178
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,126,050
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 25,427,982
LIABILITIES	
Accounts payable	\$ 19,813
Salaries and benefits payable	629,013
Long-term liabilities:	
Due within one year	64,395
Due in more than one year	472,708
Other post-employment benefit obligation	9,854,356
Net pension liability	16,625,934
TOTAL LIABILITIES	27,666,219
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to net pension liability	1,672,623
Deferred amounts related to other postemployment benefits	531,547
TOTAL DEFERRED INFLOWS OF RESOURCES	2,204,170
NET POSITION	
Net investment in capital assets	12,242,190
Restricted	86,253
Unrestricted	(16,770,850)
TOTAL NET POSITION	(4,442,407)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 25,427,982

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Instruction:					
Regular education programs	\$ 5,057,745	\$ -	\$ 1,992	\$ -	\$ (5,055,753)
Special education programs	717,225	-	568,891	-	(148,334)
Other education programs	2,235,747	65,245	759,140	-	(1,411,362)
Support Services:					
Pupil support services	706,404	-	-	-	(706,404)
Instructional staff services	623,611	-	-	-	(623,611)
General administration services	1,134,517	-	667,621	-	(466,896)
School administration services	1,015,446	-	-	-	(1,015,446)
Business and central services	495,194	-	-	-	(495,194)
Plant operation and maintenance	1,606,648	-	-	-	(1,606,648)
Transportation	583,252	-	-	-	(583,252)
Food services	778,970	135	524,533	-	(254,302)
Appropriation to charter schools	1,761,224	-	-	-	(1,761,224)
Facilities construction and repairs	86,845	-	-	662,451	575,606
Total Governmental Activities	\$ 16,802,828	\$ 65,380	\$ 2,522,177	\$ 662,451	(13,552,820)
General Revenues:					
Local sources:					
Ad valorem taxes				\$ 2,534,552	
Sales and use taxes				5,355,884	
State revenue sharing				44,022	
Grants and contributions not restricted to specific purposes:					
Minimum foundation program (MFP)				8,802,153	
Other grants				269,870	
Earnings on investments				22	
Other				132,828	
				<u>17,139,331</u>	
					Change in Net Position 3,586,511
					Net Position - beginning of year, as restated (8,028,918)
					<u>Net Position - end of year \$ (4,442,407)</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	General	Flood Recovery	Title I	School Food Service	Non-major Governmental	Total
ASSETS						
Cash and cash equivalents	\$ 2,305,508	\$ 4	\$ -	\$ 25,011	\$ 93,123	\$ 2,423,646
Receivables:						
Due from other governments	503,301	650,000	126,615	231,362	383,123	1,894,401
Taxes	1,700,818	-	-	-	-	1,700,818
Due from other funds	1,836,884	-	-	-	-	1,836,884
Prepaid expenses	26,168	-	-	-	415	26,583
Inventory	-	-	-	14,294	-	14,294
TOTAL ASSETS	\$ 6,372,679	\$ 650,004	\$ 126,615	\$ 270,667	\$ 476,661	\$ 7,896,626
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 10,393	\$ -	\$ 8,289	\$ -	\$ 1,131	\$ 19,813
Salaries and benefits payable	629,013	-	-	-	-	629,013
Due to other funds	-	877,141	118,326	500,237	341,180	1,836,884
TOTAL LIABILITIES	639,406	877,141	126,615	500,237	342,311	2,485,710
Fund balances:						
Nonspendable	26,168	-	-	14,294	415	40,877
Restricted	-	-	-	-	86,253	86,253
Unassigned	5,707,105	(227,137)	-	(243,864)	47,682	5,283,786
TOTAL FUND BALANCES	5,733,273	(227,137)	-	(229,570)	134,350	5,410,916
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,372,679	\$ 650,004	\$ 126,615	\$ 270,667	\$ 476,661	\$ 7,896,626

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Fund Balances at June 30, 2021 - Governmental Funds		\$ 5,410,916
Amounts reported for governmental activities in the statement of net position is different due to the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds		
Cost of capital assets at June 30, 2021	19,219,456	
Less: Accumulated depreciation as of June 30, 2021	<u>(6,977,266)</u>	12,242,190
Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds.		
Long-term liabilities at June 30, 2021:		
Claims payable	(11,872)	
Compensated absences payable	(525,231)	
Net other post-employment benefit obligation	(9,854,356)	
Net pension liability	<u>(16,625,934)</u>	(27,017,393)
Deferred inflows and outflows of resources are not reported in the governmental funds.		
Deferred outflows of resources - deferred pension contributions	1,803,947	
Deferred outflows of resources related to net pension liability	3,498,178	
Deferred outflows of resources related to other postemployment benefits	1,823,925	
Deferred inflows of resources related to net pension liability	(1,672,623)	
Deferred inflows of resources related to other postemployment benefits	<u>(531,547)</u>	<u>4,921,880</u>
Total Net Position at June 30, 2021 - Governmental Activities		<u>\$ (4,442,407)</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	General	Flood Recovery	Title I	School Food Service	Other Non- Major	Total
REVENUES						
Local sources:						
Ad valorem taxes	\$ 2,534,552	\$ -	\$ -	\$ -	\$ -	\$ 2,534,552
Sales and use tax	5,355,884	-	-	-	-	5,355,884
Earnings on investments	22	-	-	-	-	22
Food sales	-	-	-	135	-	135
Other	132,828	-	-	-	65,245	198,073
State sources:						
Minimum foundation program (MFP)	8,788,210	-	-	13,943	-	8,802,153
Restricted grants-in-aid	35,596	-	-	23,520	212,746	271,862
Other	44,022	-	-	-	-	44,022
Federal grants	667,621	662,451	705,675	524,533	622,356	3,182,636
TOTAL REVENUES	17,558,735	662,451	705,675	562,131	900,347	20,389,339
EXPENDITURES						
Current:						
Instruction:						
Regular education programs	5,053,229	-	-	-	36,000	5,089,229
Special education programs	447,482	-	-	-	269,743	717,225
Other education programs	1,303,143	-	585,740	-	346,864	2,235,747
Support:						
Pupil support services	654,334	-	-	-	-	654,334
Instructional staff services	385,601	-	119,935	-	170,145	675,681
General administration services	1,134,517	-	-	-	-	1,134,517
School administration services	1,015,446	-	-	-	-	1,015,446
Business and central services	285,991	-	-	-	-	285,991
Plant operation and maintenance	1,210,449	-	-	-	-	1,210,449
Transportation	583,252	-	-	-	-	583,252
Food services	-	-	-	778,970	-	778,970
Central services	209,203	-	-	-	-	209,203
State appropriations to charter schools	1,761,224	-	-	-	-	1,761,224
Facility construction and capital outlay	536,156	-	-	-	-	536,156
Legal settlements	-	650,000	-	-	-	650,000
TOTAL EXPENDITURES	14,580,027	650,000	705,675	778,970	822,752	17,537,424
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,978,708	12,451	-	(216,839)	77,595	2,851,915
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	250,801	-	250,801
Transfers out	(250,801)	-	-	-	-	(250,801)
TOTAL OTHER FINANCING SOURCES (USES)	(250,801)	-	-	250,801	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES						
	2,727,907	12,451	-	33,962	77,595	2,851,915
FUND BALANCES - beginning of year, as restated	3,005,366	(239,588)	-	(263,532)	56,755	2,559,001
FUND BALANCES - end of year	\$ 5,733,273	\$ (227,137)	\$ -	\$ (229,570)	\$ 134,350	\$ 5,410,916

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, 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, 2021**

Excess of Revenues and Other Financing Sources over Expenditures and Other Uses - Total Governmental Funds	\$ 2,851,915
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Amounts reported for governmental activities in the statement of activities are different due to the following:

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

Capital outlay and other expenditures capitalized	449,311	
Depreciation expense for year ended June 30, 2021	<u>(450,226)</u>	(915)

Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in net pension liability and deferred inflows and outflows in accordance with GASB 68	686,112	
Other post-employment benefit expense	(641,298)	
Change in claims and judgments payable	650,000	
Change in compensated absences payable	<u>40,697</u>	<u>735,511</u>

Change in Net Position - Governmental Activities	<u>\$ 3,586,511</u>
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The accompanying notes are an integral part of this statement.

CITY OF BAKER SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Baker School Board (School System) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting.

Reporting Entity

The City of Baker School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education within the boundaries of the City of Baker. The School Board is authorized by LSA-R.S 17:51 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 five members who are elected from five districts for terms of four years.

The School Board operates five schools within the City of Baker, Louisiana, with a total enrollment of approximately 1,200 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

Basis of Presentation and Accounting

The School Board's Basic Financial Statements consist of the government-wide statements (on all of the non-fiduciary activities) and the fund financial statements (individual major fund, combined non-major funds, and the combined fiduciary funds.) The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental entities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements present all of the non-fiduciary fund activity of the School Board and were prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Sales taxes are recognized when the underlying sales transactions occur and property taxes are recognized when a legally enforceable claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

Fund Financial Statements (FFS)

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

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

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

Flood Recovery Fund is used to account for the proceeds of funds received from FEMA and associated debt as part of a plan to rebuild school facilities damaged in the Flood of 2016.

Title I Fund is used to account for funds received and expended related to the Title I program, which is administered by the State to provide supplementary instruction for at-risk students.

School Food Service fund is used to account for activities of the School System's food service program.

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

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

Revenues

Ad valorem taxes are recognized when a legally enforceable claim arises (generally when levied) and the resources are available.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Revenues

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

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

Expenditures

Salaries and benefits are recorded as earned. Salaries for nine-month employees are accrued as of June 30, 2021.

Vendor payments are recorded as the obligation is incurred.

Other Financing Sources (Uses) consist of transfers between funds that are not expected to be repaid, capital lease transactions, sales of fixed assets, debt extinguishments, and long-term debt proceeds, and are recognized at the time the underlying events occur.

Cash and Investments

Cash consists of demand deposits. Time deposits and those investments with original maturities of 90 days or less are categorized as cash.

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. Investments are generally restricted to debt securities backed by the U.S. Government or its agencies.

Short-term Interfund Receivables/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the governmental funds balance sheet.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Elimination and Reclassification

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.

Inventory

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

Capital Assets

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

Capital assets are recorded in the GWFS but are not reported in the FFS. All depreciable capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School System, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 5 to 10 years for furniture and equipment; and 40 years for buildings and improvements.

Compensated Absences

All 12-month employees earn up to twenty days of vacation leave each year, depending on their length of service with the School System. Vacation leave can be accumulated up to 50 days. Upon separation, all unused vacation is paid to the employee.

All School Board employees earn up to twelve days of sick leave each year, depending upon the length of service and employment status. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement computation as earned service.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

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

Accounting standards further provide that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- 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.

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Non-spendable - represent balances that are not expected to be converted to cash.

Restricted - represent balances where constraints have been established by parties outside of the School Board or by enabling legislation.

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

Assigned - represent balances where informal constraints have been established by the School Board or committee or delegate thereof but are neither restricted nor committed.

Unassigned - represent balances for which there are no constraints.

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

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. (Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement.) All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Sales and Use Taxes

The voters of the City of Baker School Board authorized the School Board to levy and collect a permanent sales and use tax for 2% of all taxable activity within the geographical confines of the school district. Revenues generated by the tax must be used to supplement other revenues available to the School System, to pay for salary and benefits of school personnel, and to maintain and operate the school system. The receipt and expenditure of the sales and use taxes are included in the operations of the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Pension Plans

The City of Baker School Board is a participating employer in three defined benefit pension plans as described in Note 5. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

Other Postemployment Benefits

The total OPEB liability is reported in compliance with GASB Statement No. 75 because the School Board does not pre-fund the OPEB plan in a trust that meets the criteria in the GASB standards. The total OPEB liability represents the actuarial present value of projected OPEB benefit payments attributable to employees' past service as of June 30, 2021.

NOTE 2 - AD VALOREM TAXES

The School Board levies taxes on real and business personal property located within the City of Baker's boundaries. Property taxes are levied by the School Board on property values assessed by the East Baton Rouge Parish Tax Assessor, except for public utility property which is assessed by the Louisiana Tax Commission. Assessed values are approved by the Louisiana Tax Commission. The East Baton Rouge Parish Sheriff's Office bills and collects property taxes for the School System. Collections are remitted to the School Board monthly.

Ad valorem taxes are assessed and levied on a calendar year basis by the East Baton Rouge Parish Assessor's Office, based on the assessed value on January 1 of the assessment year. However, before taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are billed on November 30, and are due by December 31. An enforceable lien attaches on the property as of January 1. After December 31, taxes become delinquent and interest and penalty accrue. Taxes are generally collected in January, February and March of the following fiscal year.

NOTE 2 - AD VALOREM TAXES (CONTINUED)

Total net assessed value less homestead exemption was \$57,503,704 in calendar year 2020. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes.

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

Property taxes are recorded in the general fund on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises to the extent available. All taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

A summary of the various taxes levied for 2021 is as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
City-wide taxes			
Constitutional tax	5.00	5.00	N/A
Special school maintenance tax	38.20	38.20	12/31/2022

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

The carrying amount of the School Board's deposits with the financial institutions was \$2,423,646.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the School Board's deposits may not be returned. The School Board does not have a policy for custodial credit risk. However, to mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. These deposits are stated at cost, which approximates fair value. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the School Board or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2021, the School Board's deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$ 3,529,987</u>
Federal deposit insurance	362,888
Pledged securities	<u>3,167,099</u>
Total federal insurance and pledged securities	<u>\$ 3,529,987</u>

Deposits in the amount of \$3,167,099 were exposed to custodial credit risk that were collateralized with securities held by the pledging institution in the School Board's name.

(Continued)

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 149,536	\$ -	\$ -	\$ 149,536
Construction in progress	<u>4,216,517</u>	<u>20,630</u>	<u>-</u>	<u>4,237,147</u>
Total	<u>4,366,053</u>	<u>20,630</u>	<u>-</u>	<u>4,386,683</u>
Capital assets being depreciated:				
Buildings and improvements	13,893,026	231,288	(38,996)	14,085,318
Furniture, fixtures, and equipment	<u>550,062</u>	<u>197,393</u>	<u>-</u>	<u>747,455</u>
Total	<u>14,443,088</u>	<u>428,681</u>	<u>(38,996)</u>	<u>14,832,773</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,124,034)	(382,947)	38,996	(6,467,985)
Furniture, fixtures, and equipment	<u>(442,002)</u>	<u>(67,279)</u>	<u>-</u>	<u>(509,281)</u>
Total	<u>(6,566,036)</u>	<u>(450,226)</u>	<u>38,996</u>	<u>(6,977,266)</u>
Total capital assets, being depreciated, net	<u>7,877,052</u>	<u>(21,545)</u>	<u>-</u>	<u>7,855,507</u>
Total capital assets, net	<u>\$ 12,243,105</u>	<u>\$ (915)</u>	<u>\$ -</u>	<u>\$ 12,242,190</u>

Depreciation expense of \$450,226 for the year ended June 30, 2021 was charged to the following governmental functions:

Regular education programs	\$ 54,027
Plant operation and maintenance	<u>396,199</u>
	<u>\$ 450,226</u>

NOTE 5 - DEFINED BENEFIT PENSION PLANS

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

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

TRSL:	LSERS:	LASERS:
8401 United Plaza Blvd.	8660 United Plaza Blvd.	8401 United Plaza Blvd.
P.O. Box 94123	Baton Rouge, Louisiana 70804	1 st Floor
Baton Rouge, Louisiana	(225) 925-6484	Baton Rouge, Louisiana
70804-9123	www.lasers.net	70809
(225) 925-6446		(225) 922-0600
www.trsl.org		www.lasersonline.org

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

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL)

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. The School Board has participants in TRSL's Regular Plan and in Plan A. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761. Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of creditable service, 2) at the age of 55 with at least 25 years of creditable service, or 3) at any age with at least 30 years of creditable service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Final average salary is based upon the member's highest successive 36 months (highest successive 60 months for members employed after January 1, 2011).

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement System of Louisiana (TRSL) (continued)

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

Under LRS 11:778, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and have five or more years creditable service, or if employed on or after January 1, 2011 and attained at least 10 years of creditable service. Members employed prior to January 1, 2011 receive disability benefits equal to 2 ½% of his average compensation multiplied by his years of creditable service, but not more than 50% of his average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equal to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in LRS 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service credit regardless of when earned. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if he had retired on the date of his death using a factor of 2 ½% regardless of years of service or age, or \$600 per month, whichever is greater.

Louisiana School Employees' Retirement System (LSERS)

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service.

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Louisiana School Employees' Retirement System (LSERS) (continued)

For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3 1/3% of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2 1/2% of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement once the member reaches the appropriate age for retirement, benefits become payable. LRS 11:1147 provides that members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2 1/2% of his average compensation multiplied by his years of creditable service, but not less than 33 1/3% of his average compensation for members employed prior to July 1, 2006 and 3% of his average compensation multiplied by his years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age. Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members salary are available for surviving spouses and minor children of members with at least five years of service.

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Louisiana State Employees' Retirement System (LASERS)

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy

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

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2020, for the School Board and covered employees were as follows:

	<u>School</u>	<u>Employees</u>
School Employees' Retirement System (LSERS)		
Members hired prior to 07/01/2010	29.40%	7.50%
Members hired on or after 07/01/2010	29.40%	8.00%
Teachers' Retirement System (TRSL)		
K-12 Regular Plan	26.00%	8.00%
Higher Ed Regular Plan	25.30%	8.00%
Plan A	26.00%	9.10%
Plan B	26.00%	5.00%
State Employees' Retirement System (LASERS)		
Regular Employees hired before 7/01/06	40.10%	7.50%
Regular Employees hired on or after 7/01/06	40.10%	8.00%
Regular Employees hired on or after 1/01/11	40.10%	8.00%
Regular Employees hired on or after 7/01/15	40.10%	8.00%

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2020 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2021 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2021	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
LSERS	\$ 1,176,373	0.146414%	0.147349%	-0.000935%
TRSL	15,245,854	0.137060%	0.152670%	-0.015610%
LASERS	<u>203,707</u>	0.002460%	0.002610%	-0.000150%
Total	<u>\$ 16,625,934</u>			

The following schedule list each pension plan's recognized pension expense plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the School Board for the year ended June 30, 2021:

	<u>Pension Expense (Benefit)</u>
School Employees' Retirement System (LSERS)	\$ 165,573
Teachers' Retirement System (TRSL)	1,054,958
State Employees' Retirement System (LASERS)	<u>(65,218)</u>
Total	<u>\$ 1,155,313</u>

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (275,644)
Changes of assumptions	914,639	-
Net difference between projected and actual earnings on pension plan investments	2,097,446	(711,666)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	486,093	(685,313)
Employer contributions subsequent to the measurement date	<u>1,803,947</u>	<u>-</u>
	<u>\$ 5,302,125</u>	<u>\$ (1,672,623)</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
School Employees' Retirement System	\$ 293,938	\$ (65,618)
Teachers' Retirement System	4,957,043	(1,539,715)
State Employees' Retirement System	<u>51,144</u>	<u>(67,290)</u>
	<u>\$ 5,302,125</u>	<u>\$ (1,672,623)</u>

The School Board reported a total of \$1,803,947 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in Net Pension Liability in the subsequent period. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
School Employees' Retirement System	\$ 107,815
Teachers' Retirement System	1,675,418
State Employees' Retirement System	<u>20,714</u>
	<u>\$ 1,803,947</u>

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Year	LSERS	TRSL	LASERS	Total
2021	(20,854)	603,120	(58,148)	\$ 524,118
2022	46,019	574,320	5,194	625,533
2023	54,382	379,730	9,202	443,314
2024	40,958	184,740	6,892	232,590
	\$ 120,505	\$ 1,741,910	\$ (36,860)	\$ 1,825,555

Actuarial Assumptions

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

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
LSERS	June 30, 2020	3 years	7.00%, net of plan investment expenses
TRSL	June 30, 2020	5 years	7.45% net of investment expenses
LASERS	June 30, 2020	2 years	7.55% per annum, net of investment expenses

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	TRSL	LSERS	LASERS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Inflation Rate	2.30% per annum	2.50% per annum	2.30% per annum
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, adjust by 1.111 for males and by 1.134 for females.	Mortality rates were projected based on RP-2014 Healthy Annuitant Mortality Table, RP-2014 Sex Distinct Mortality Table and RP-2014 Sex Distinct Disabled Mortality Table.	Non-disabled members - Mortality rates were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five 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 (2014-2018) experience study of the System's members for 2019.
Salary Increases	3.30% - 4.80% varies depending on duration of service	2013-2017 experience study, 3.25%.	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for regular members is 3.2% - 13.0%.
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.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

TRSL	LSERS	LASERS
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.17% for 2020.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges 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 ranges are combined to produce the long-term expected rate of return by adding expected inflation of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020.</p>

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation			Long - Term Expected Real Rate of Return		
	LSERS	TRSL	LASERS	LSERS	TRSL	LASERS
Domestic Equity		27%			4.60%	4.79%
International Equity		19%			5.54%	5.83%
Equity	39%		57%	2.82%		
Private Equity		25.5%			8.62%	
Domestic Fixed Income		13%			0.69%	1.76%
Fixed Income	26%		14%	0.92%		
International Fixed Income		5.5%			1.50%	3.98%
Alternatives	23%		22%	1.95%		6.69%
Real Estate	12%			0.69%		
Other		10%	7%		4.45%	4.20%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	6.38%	5.87%	5.95%
Inflation				<u>2.00%</u>	<u>2.30%</u>	<u>2.30%</u>
Expected Arithmetic Nominal Return				<u>8.38%</u>	<u>8.17%</u>	<u>8.25%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for LSERS, TRSL, and LASERS changed to 7.00%, 7.45%, and 7.55%, respectively for the year ended June 30, 2020 (measurement date). Previously, the discount rate used to measure the total pension liability for LSERS, TRSL, and LASERS was 7.0%, 7.55%, and 7.60%, respectively for the year ended June 30, 2019 (measurement date).

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS			
Discount Rates	6.00%	7.00%	8.00%
Shares of Net Pension Liability	\$ 1,540,875	\$ 1,176,373	\$ 864,630
TRSL			
Discount Rates	6.45%	7.45%	8.45%
Shares of Net Pension Liability	\$ 19,902,175	\$ 15,245,854	\$ 11,326,138
LASERS			
Discount Rates	6.60%	7.60%	8.60%
Shares of Net Pension Liability	\$ 250,324	\$ 203,707	\$ 164,147

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan description

The School Board provides certain continuing health care and life insurance benefits for its retired employees. The City of Baker 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*.

(Continued)

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Benefits provided

Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), the Louisiana State Employees' Retirement System (LASERS) or the Louisiana School Employees' Retirement System (LSRS). We have assumed a composite retirement (D.R.O.P. entry) eligibility provision are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or age 65 and 5 years of service. Employees hired on or after January 1, 2011 must have attained at least age 60 at retirement (or D.R.O.P. entry) to avoid actuarial reduction in the retirement benefit. Former employees of the East Baton Rouge Parish School Board who were over age 30 in 2003 have been assumed to have been hired at age 30 for purposes of determining retirement (D.R.O.P. entry) eligibility. Complete plan provisions are contained in the official plan documents.

Data used

Active employee and retiree census data were provided by the administrative staff of the School System. Data for active and retired employees included date of birth, date of hire and/or retirement, medical coverage type (single, employee/child, family, etc.) and the current total portion of the premiums paid by the employer and employee/retiree. The valuation used the "Closed Group" method; i.e., the employees and retirees as of the valuation date were used and employees to be hired in the future were not considered. Employees were assumed to continue the same types of coverage into retirement, except that employee and employee/spouse were substituted for employee/child and family, respectively, after age 65.

Method of determining value of benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays varying percentages of the retiree premium according to a schedule based on service, but the service is only up to ten years, for which 100% is paid by the employer. The rates provided are "blended" rates for active and retired. Since GASB 74/75 requires the use of "unblended" rates, we have used estimated "unblended" rates as follows.

The pre-Medicare employer provided rates were determined by adding 30% to the currently prevailing blended rates. The post-Medicare employer provided rates were determined by subtracting 20% from the currently prevailing blended rates.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions and Basis

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

Inflation	2.50%
Salary increases	4.0%, including inflation
Discount rate	2.21% annually (Beginning of Year to Determine ADC) 2.16% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.50% annually for ten years, 4.50% thereafter
Mortality	SOA RP-2000 Table

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

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

Actuarial cost method (ARC)

The ARC is determined using the Individual Entry Age Normal Cost Method. Each employee's service costs are calculated as a level percentage of that employee's projected pay. The attribution period extends from the first period for which the employee provides service under the benefit terms through the assumed commencement of benefit payments for that employee. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), morality, and turnover.

Actuarial value of plan assets

Since the OPEB obligation is not being funded, the actuarial value of assets is zero.

Mortality

Mortality rates were based on the SOA RP-2000 Table without projection with 50%/50% unisex blend. Projected future mortality improvement has not been used since it is our opinion that this table contains a substantial conservative margin for the population involved in this valuation.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Discount rate

This plan is a defined benefit OPEB plan which does not meet the requirements of paragraph 4 of the GASB Statement No. 75. We have therefore used a discount rate of 2.16%, which was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2021, the end of the applicable measurement period and 2.21% as of June 30, 2020, the measurement date at the end of the immediately preceding measurement period.

Post-retirement benefit increases

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Expected time of commencement of benefits

It is assumed that entitlement to benefits will commence for years after the assumed earliest eligibility to retire as described previously in "benefits provided". The four year period covers three years in D.R.O.P. plus one additional year.

Turnover

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefit payments	25
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>120</u>
Total	<u>145</u>

Total OPEB Liability

The School Board's total OPEB liability of \$9,854,356 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the total OPEB liability

	<u>Amount</u>
Balance at June 30, 2020	\$ 8,833,018
Changes for the year:	
Service cost	369,195
Interest	193,559
Differences between expected and actual experience	382,446
Changes in assumption	225,549
Benefit payments and net transfers	<u>(149,411)</u>
Net change	<u>1,021,338</u>
Balance at June 30, 2021	<u>\$ 9,854,356</u>
Covered-employee payroll	5,201,457
Net OPEB liability as a percentage of covered-employee payroll	189.45%

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

The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1.0% Decrease (1.16%)	Current Discount Rate (2.16%)	1.0% Increase (3.16%)
Total OPEB liability	\$ 11,909,514	\$ 9,854,356	\$ 8,268,039

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

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 8,467,581	\$ 9,854,356	\$ 11,667,315

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2021, the School Board recognized OPEB expense of \$790,710. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 553,249	\$ 305,371
Changes of assumptions	<u>1,270,676</u>	<u>226,176</u>
Total	<u>\$ 1,823,925</u>	<u>\$ 531,547</u>

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

<u>Year</u>	<u>Amount</u>
2022	\$ 227,956
2023	227,956
2024	227,956
2025	227,956
2026	227,956
2027 and thereafter	<u>152,598</u>
Total	<u>\$ 1,292,378</u>

Funding Policy

The School Board recognizes the cost of providing post-employment medical benefits (School Board's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. The other postemployment benefits liability is typically liquidated through the General Fund.

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of the changes in general long-term obligations for the year ended June 30, 2021:

	July 1, 2020	Additions	Deductions	June 30, 2021	Amount due in one year
Claims & Judgments	\$ 761,872	\$ -	(750,000)	\$ 11,872	\$ 11,872
Compensated Absences	<u>565,928</u>	<u>254,915</u>	<u>(295,612)</u>	<u>525,231</u>	<u>52,523</u>
Total	<u>\$ 1,327,800</u>	<u>\$ 254,915</u>	<u>\$ (1,045,612)</u>	<u>\$ 537,103</u>	<u>\$ 64,395</u>

The majority of the long-term liabilities will be liquidated through the General Fund.

In accordance with LSA-R.S. 39:562(L), the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2021, the statutory limit is \$27,441,515.

NOTE 8 - INTERFUND TRANSACTIONS

The primary purpose of interfund advances is to cover expenditures on cost reimbursement grant programs until reimbursements are received from the granting agencies. Interfund balances as of June 30, 2021 are as follows:

Interfund Receivable		Interfund Payable	
General	\$ 1,836,884	General	\$ -
Flood Recovery	-	Flood Recovery	877,141
Title I	-	Title I	118,326
School Food Service	-	School Food Service	500,237
Non-Major	-	Non-Major	<u>341,180</u>
	<u>\$ 1,836,884</u>		<u>\$ 1,836,884</u>

The purpose of interfund transfers is to cover operating expenditures of the general fund through indirect cost recoveries charged to grant programs and to transfer general fund surplus to the capital projects fund to be used for capital improvements. Transfers during 2021 were as follows:

Transfers In		Transfers Out	
General	\$ -	General	\$ (250,801)
Flood Recovery	-	Flood Recovery	-
Title I	-	Title I	-
School Food Service	250,801	School Food Service	-
Non-Major	-	Non-Major	-
	<u>\$ 250,801</u>		<u>\$ (250,801)</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The School Board manages its exposure under general liability, fleet, workers' compensation, and errors and omissions through the purchase of commercial insurance. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the last three years.

Litigation

The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position. An accrual of \$11,872 has been made within the statement of net position to cover any potential exposure. During 2021, the School Board settled a suit for which a previous estimated liability of \$750,000 was accrued on the statement of net position. The School Board ultimately paid previously disputed contractor invoices totaling \$650,000 which was allowed and reimbursable by FEMA.

Grant Disallowances

The School Board participates in several state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach as well as audits conducted by the Louisiana and U.S. Departments of Education. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants.

NOTE 10 - OPERATING LEASES

The School Board leases school buses through various lease arrangements which qualify as operating leases. The pricing for the agreements are based on the quantity of buses needed. The lease payments are to be made on a monthly basis. The leases range from a period of one year to five years.

Management has estimated that the minimum future lease payments under non-cancellable lease agreements in effect at June 30, 2021 are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 180,407
2023	180,407
2024	29,907
2025	29,907
2026	29,907
2027	29,907
	<u>\$ 480,443</u>

Lease payments made during 2021 totaled approximately \$200,000 for the school bus lease arrangement.

NOTE 11 - ON-BEHALF PAYMENTS

The accompanying financial statements include on-behalf payments made by the Parish Tax Collector for \$62,879 to the Teacher’s Retirement System of Louisiana for employee retirement benefits.

NOTE 12 - APPROPRIATIONS TO CHARTER SCHOOLS AND OTHER AGENCIES

Appropriations to Charter Schools and other agencies during the year ended June 30, 2021, were as follows:

	<u>General Fund</u>
Madison Prep	\$ 43,200
Louisiana Key Academy	55,296
GEO Prep Mid-City	20,736
Impact Charter	592,704
Advantage Charter Academy	857,088
GEO Prep Academy	50,112
GEO Next Generation High	19,008
Collegiate Academy	31,104
Baton Rouge University Prep	43,200
Louisiana Virtual Charter Academy	17,107
Office of Juvenile Justice	2,120
University View Academy	<u>29,549</u>
Total Appropriations	<u>\$ 1,761,224</u>

NOTE 13 - TAX REVENUES ABATED

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2021, there were no City of Baker School Board ad valorem tax revenues abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

NOTE 14 - COMPENSATION OF BOARD MEMBERS

A detail of the compensation paid to individual board members for the year ended June 30, 2021 follows:

	<u>Amount</u>
Shona Boxie	\$ 6,000
Sharlous Booker	6,600
Elaine Davis	6,000
Joyce Burgess	6,000
Vaness Parker	<u>6,000</u>
	<u>\$ 30,600</u>

NOTE 15 - SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

The schedules of compensation, benefits, and other payments to the individuals that held the Superintendent position during the year ended June 30, 2021 are as follows:

Herman Brister: July 2020-Dec.2020

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 117,256
Benefits - Retirement	39,687
Benefits - Medicare	1,700
Benefits - Life Insurance	342
Benefits - Workers' Comp.	106
Auto Allowance	3,600
Technology Allowance	<u>3,000</u>
Total	<u>\$ 165,691</u>

(Continued)

NOTE 15 - SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD (CONTINUED)

Angela Dominigue: Oct. 2020- Dec. 2020

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 23,815
Benefits - Retirement	-
Benefits - Medicare	345
Benefits - Life Insurance	235
Benefits - Workers' Comp.	21
Auto Allowance	900
Total	<u>\$ 25,316</u>

De'Ette Perry: Jan. 2021- June 2021

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 81,752
Benefits - Retirement	-
Benefits - Medicare	1,185
Benefits - Life Insurance	401
Benefits - Workers' Comp.	74
Auto Allowance	3,600
Technology Allowance	500
Travel Expense Reimbursement	400
Total	<u>\$ 87,912</u>

NOTE 16 - FUND BALANCE DEFICIT

At June 30, 2021, the Flood Recovery Fund, School Food Service Fund, and SRCL Fund had deficit fund balances of \$227,137, \$229,570 and \$21,519, respectively. These fund deficits will be reimbursed by a transfer from the General Fund in 2022.

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated events and transactions for potential recognition or disclosure through May 25, 2022, which was the date the financial statements were available to be issued.

NOTE 18 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

NOTE 18 - NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. In April of 2020, GASB extended the implementation date of this Statement by one year. The effect of implementation on the School Board's financial statements has not yet been determined.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of local governments. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Additionally, this statement resulted in some activities, previously reported as fiduciary activities, to be reclassified as special revenue funds. The School Board adopted this standard during the year, the effect of which is disclosed in Note 19.

NOTE 19 - PRIOR PERIOD ADJUSTMENTS

During 2021, the School Board recorded various prior period adjustments, which had the following effect on beginning balances:

	Governmental activities net position	Governmental fund balance
June 30, 2020, as previously reported	\$ (6,480,044)	4,207,875
Reduction in previously accrued claims payable based on actual (government-wide basis only)	100,000	-
Reduction in previously accrued grant receivables for amounts deemed uncollectible	(1,727,148)	(1,727,148)
Re-classification of student activity funds from fiduciary amounts held for others to restricted fund balance (See Note 18)	78,274	78,274
June 30, 2020, as restated	<u>\$ (8,028,918)</u>	<u>\$ 2,559,001</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources:				
Taxes:				
Ad-valorem	\$ 2,441,743	\$ 2,467,280	\$ 2,534,552	\$ 67,272
Sales and use	3,512,000	3,512,000	5,355,884	1,843,884
Earnings on investments	12,000	25	22	(3)
Other	38,000	84,100	132,828	48,728
State sources:				
Minimum foundation program	9,682,904	8,804,785	8,788,210	(16,575)
Revenue Sharing	42,000	52,000	44,022	(7,978)
Other restricted revenues	48,000	127,921	35,596	(92,325)
Federal grants	75,000	25,000	667,621	642,621
TOTAL REVENUES	<u>15,851,647</u>	<u>15,073,111</u>	<u>17,558,735</u>	<u>2,485,624</u>
EXPENDITURES				
Current:				
Instruction:				
Regular education programs	5,487,447	4,572,445	5,053,229	(480,784)
Special education programs	931,165	515,500	447,482	68,018
Vocational Programs	269,606	229,675	237,256	(7,581)
Other instructional programs	448,866	325,780	405,428	(79,648)
Special programs	157,912	157,912	660,459	(502,547)
Support services:				
Pupil support services	754,842	699,845	654,334	45,511
Instructional staff services	515,644	440,665	385,601	55,064
General administration services	1,230,822	1,210,822	1,134,517	76,305
School administration services	1,004,185	1,004,185	1,015,446	(11,261)
Business administration services	351,586	321,085	285,991	35,094
Plant services	1,351,430	1,251,430	1,210,449	40,981
Student transportation services	672,762	567,765	583,252	(15,487)
Central services	229,957	229,957	209,203	20,754
State appropriation to charter schools	1,689,803	1,761,224	1,761,224	-
Facility acquisition & construction	429,407	829,407	536,156	293,251
TOTAL EXPENDITURES	<u>15,525,434</u>	<u>14,117,697</u>	<u>14,580,027</u>	<u>(462,330)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	326,213	955,414	2,978,708	2,023,294
OTHER FINANCING SOURCES (USES)				
Transfers out	(350,000)	(985,000)	(250,801)	734,199
Transfers in	40,000	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(310,000)</u>	<u>(985,000)</u>	<u>(250,801)</u>	<u>734,199</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	16,213	(29,586)	2,727,907	2,757,493
FUND BALANCES - beginning of year, as restated	<u>3,675,156</u>	<u>3,675,156</u>	<u>3,005,366</u>	<u>(669,790)</u>
FUND BALANCES - end of year	<u>\$ 3,691,369</u>	<u>\$ 3,645,570</u>	<u>\$ 5,733,273</u>	<u>\$ 2,087,703</u>

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
FLOOD RECOVERY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal grants	\$ -	\$ -	\$ 662,451	\$ 662,451
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>662,451</u>	<u>662,451</u>
EXPENDITURES				
Current:				
Legal settlements	-	650,000	650,000	-
TOTAL EXPENDITURES	<u>-</u>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(650,000)	12,451	662,451
OTHER FINANCING SOURCES (USES)				
Transfers in	-	650,000	-	(650,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>650,000</u>	<u>-</u>	<u>(650,000)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	12,451	12,451
FUND BALANCES - beginning of year, as restated	-	-	(239,588)	(239,588)
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (227,137)</u>	<u>\$ (227,137)</u>

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
TITLE I FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal grants	\$ 931,443	\$ 1,033,580	\$ 705,675	\$ (327,905)
EXPENDITURES				
Current:				
Instruction:				
Other education programs	931,443	1,033,580	585,740	447,840
Support services:				
Instructional staff services	-	-	119,935	(119,935)
TOTAL EXPENDITURES	931,443	1,033,580	705,675	327,905
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-
 FUND BALANCES - beginning of year	-	-	-	-
 FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
SCHOOL FOOD SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources:				
Food sales	\$ -	\$ -	\$ 135	\$ 135
State sources:				
Minimum foundation program			13,943	13,943
Revenue Sharing			23,520	23,520
Federal grants	825,260	384,636	524,533	139,897
TOTAL REVENUES	<u>825,260</u>	<u>384,636</u>	<u>562,131</u>	<u>177,495</u>
EXPENDITURES				
Current:				
Food services	825,260	719,636	778,970	\$ 59,334
TOTAL EXPENDITURES	<u>825,260</u>	<u>719,636</u>	<u>778,970</u>	<u>59,334</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(335,000)	(216,839)	236,829
OTHER FINANCING SOURCES (USES)				
Transfers in	-	335,000	250,801	(84,199)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>335,000</u>	<u>250,801</u>	<u>(84,199)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	33,962	152,630
FUND BALANCES - beginning of year	-	-	(263,532)	(263,532)
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (229,570)</u>	<u>\$ (110,902)</u>

CITY OF BAKER SCHOOL SYSTEM
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

BUDGETS

General Budget Practices

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

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

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

Encumbrances

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

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the System. Legally, the System 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 System to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School System approves budgets at the functional level and management can transfer amounts between line items within a function.

CITY OF BAKER SCHOOL SYSTEM

**Schedule of Changes in Net OPEB Liability and Related Ratios for the
For the Year Ended June 30, 2021**

Total OPEB Liability	2021	2020	2019	2018
Service cost	\$ 369,195	\$ 301,621	\$ 274,625	\$ 292,310
Interest	193,559	266,256	250,797	233,230
Differences between expected and actual experience	382,446	(282,720)	293,279	(137,905)
Changes of assumptions	225,549	1,016,491	445,817	(301,568)
Benefit payments	(149,411)	(151,914)	(123,553)	(117,112)
Net change in total OPEB liability	1,021,338	1,149,734	1,140,965	(31,045)
Total OPEB liability - beginning	8,833,018	7,683,284	6,542,319	6,573,364
Total OPEB liability - ending	\$ 9,854,356	\$ 8,833,018	\$ 7,683,284	\$ 6,542,319
Covered-employee payroll	\$ 5,201,457	\$ 5,001,401	\$ 5,548,064	\$ 5,334,677
Net OPEB liability as a percentage of covered-employee payroll	189.45%	176.61%	138.49%	122.64%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2021.

Changes of Assumptions. In 2019, the discount rate used decreased from 3.87% to 3.50%.

In 2020, the discount rate used decreased from 3.50% to 2.21%.

In 2021, the discount rate used decreased from 2.21% to 2.16%.

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

There are no assets accumulated in a trust.

**CITY OF BAKER SCHOOL SYSTEM
BAKER, LOUISIANA**

**SCHEDULE OF CONTRIBUTIONS TO EACH RETIREMENT SYSTEM
COST SHARING PLANS ONLY**

FOR THE YEAR ENDED JUNE 30, 2021

Pension Plan	Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
Teachers Retirement System of Louisiana						
	2021	1,675,418	1,675,418	-	6,224,447	26.9167%
	2020	1,867,875	1,867,875	-	6,829,211	27.3513%
	2019	2,083,769	2,083,769	-	7,834,408	26.5977%
	2018	2,008,020	2,008,020	-	7,592,328	26.4480%
	2017	2,142,700	2,142,700	-	8,402,745	25.5000%
	2016	1,914,774	1,914,774	-	7,277,202	26.3120%
	2015	2,842,607	2,842,607	-	10,152,168	28.0000%
Louisiana School Employees Retirement System						
	2021	107,815	107,815	-	366,739	29.3983%
	2020	127,426	127,426	-	433,397	29.4017%
	2019	121,329	121,329	-	431,926	28.0902%
	2018	124,387	124,387	-	451,016	27.5793%
	2017	105,920	105,920	-	387,985	27.3000%
	2016	135,773	135,773	-	449,581	30.1999%
	2015	218,864	218,864	-	657,982	33.2629%
Louisiana State Employees Retirement System						
	2021	20,714	20,714	-	51,656	40.0999%
	2020	20,731	20,731	-	50,937	40.6993%
	2019	17,014	17,014	-	42,164	40.3520%
	2018	34,641	34,641	-	91,400	37.9004%

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

**CITY OF BAKER SCHOOL SYSTEM
BAKER, LOUISIANA**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST SHARING PLANS ONLY**

FOR THE YEAR ENDED JUNE 30, 2021 (*)

Pension Plan:	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System of Louisiana						
	2021	0.1371%	15,245,854	6,224,447	244.9351%	65.61%
	2020	0.1527%	15,152,360	6,829,211	221.8757%	68.57%
	2019	0.1530%	15,032,644	7,834,408	191.8798%	68.17%
	2018	0.1443%	14,794,689	7,592,328	194.8637%	65.60%
	2017	0.1309%	15,361,134	8,402,745	182.8109%	59.90%
	2016	0.1756%	18,878,956	7,277,202	259.4260%	62.50%
	2015	0.1939%	19,814,863	10,152,168	195.1786%	63.70%
Louisiana School Employees Retirement System						
	2021	0.1464%	1,176,373	366,739	320.7657%	69.67%
	2020	0.1473%	1,031,534	433,397	238.0113%	73.49%
	2019	0.1620%	1,082,329	431,926	250.5820%	74.44%
	2018	0.1377%	881,218	451,016	195.3851%	75.03%
	2017	0.1596%	1,203,697	387,985	310.2432%	70.09%
	2016	0.2368%	1,501,689	449,581	334.0197%	74.49%
	2015	0.2152%	1,247,389	657,982	189.5780%	76.18%
Louisiana State Employees Retirement System						
	2021	0.0025%	203,707	51,656	394.3530%	58.00%
	2020	0.0026%	188,802	50,937	370.6579%	62.90%
	2019	0.0052%	351,363	42,164	833.3246%	64.30%
	2018	0.0064%	449,640	91,400	491.9475%	62.50%

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

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

CITY OF BAKER SCHOOL SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Change of Benefit Terms Include:

Teachers Retirement System of Louisiana

- There were no changes of benefit terms for the years ended June 30, 2021, 2020, 2019, and 2018.

Louisiana School Employees Retirement System

- There were no changes of benefit terms for the years ended June 30, 2021, 2020, 2019, and 2018.

Louisiana State Employees Retirement System

- There were no changes of benefit terms for the years ended June 30, 2021, 2020, 2019, and 2018.

Change of Assumptions

Teachers Retirement System of Louisiana

- In 2020, (valuation date June 30, 2019), the discount rate used to measure total pension liability changed from 7.55% to 7.45%.
- In 2020, (valuation date June 30, 2019), the discount rate used to measure total pension liability changed from 7.65% to 7.55%.
- In 2019 (valuation date June 30, 2018), the discount rate used to measure total pension liability changed from 7.70% to 7.65%.
- In 2018 (valuation date June 30, 2017), the discount rate used to measure total pension liability changed from 7.75% to 7.70%

Louisiana School Employees Retirement System

- In 2021 (valuation date June 30, 2019), the following changes of assumptions were incorporated:
 - The discount rate used to measure total pension liability decreased from 7.0625% to 7.00%,
- In 2020 (valuation date June 30, 2019), the following changes of assumptions were incorporated:
 - The discount rate used to measure total pension liability decreased from 7.0625% to 7.00%,
- In 2019 (valuation date June 30, 2018), the following changes of assumptions were incorporated:

- Louisiana School Employees Retirement System (Continued)
 - The discount rate used to measure total pension liability decreased from 7.125% to 7.0625%,
 - The inflation rate decreased from 2.625% to 2.50%,
 - The mortality assumption was updated to reflect the results of the new experience study and was based on the RP-2014 Healthy Annuitant, Sex Distinct Employee, and Sex Distinct Disabled Lives mortality tables with generational projections using the full generational scale MP2017. The previous valuation set mortality from the RP-2000 Combined Healthy Sex Distinct and Disabled Lives mortality tables with no projection scale.
 - The salary increase assumption was updated to 3.25% to reflect the results of the new experience study and change to the inflation rate. The previous valuation included a range of 3.075% to 5.375%.
- There were no changes of benefit assumptions for the year ended June 30, 2018.

Louisiana State Employees Retirement System

- In 2021 (valuation date June 30, 2020), the inflation rate decreased from 2.5% to 2.3% per annum.
- In 2020 (valuation date June 30, 2019), the discount rate used to measure total pension liability changed from 7.65% to 7.60%.
 - In 2020 (valuation date June 30, 2019), the inflation rate decreased from 2.75% to 2.5% per annum.
 - The salary increase assumption was updated to use the range 3.2% - 13.0% to reflect the results of the new experience study. The previous valuation included a range of 3.8% to 12.8%.
- In 2019 (valuation date June 30, 2018), the discount rate used to measure total pension liability changed from 7.70% to 7.65%.
- There were no changes of benefit assumptions for the year ended June 30, 2018.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BAKER SCHOOL SYSTEM
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

Vocational Education – This fund accounts for a federal grant, the goal of which is to provide salaries, supplies, and equipment to be used in vocational education programs.

Title II – This fund accounts for the federal grants which combine the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training and recruiting high quality teachers.

State Grants – This fund is used to account for special non-federal grants received from various departments of the State of Louisiana.

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

Temporary Assistance for Needy Families (TANF) – This fund is for a pre-GED/Skills Option Program which is a counseling and guidance program with components for pre-GED academic, workplace readiness and skills instructions for students who are at risk of dropping out of high school.

Direct Student Services – This fund is for grant allotments to support the School System’s students in gaining access to academic courses, credentials, and services that are not otherwise available within the schools.

School Redesign – This fund accounts for amounts received under the School Redesign grants which are intended to support school systems as they build and execute plans focused on core academics, special populations, and talent, in an effort to improve struggling schools.

SRCL – This is a grant fund aimed at improving the reading and writing skills of students. The funds support the school systems in their literacy efforts to benefit children from birth through twelfth grade.

Student Activity Funds – This is a fund which accounts for the various student activities of the schools within the district such as athletics, clubs, and other student organizations.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	Vocational Education	State Grants	TANF	School Redesign	SRCL	Special Education	Student Activity Funds	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 6,870	\$ -	\$ -	\$ -	\$ 86,253	\$ 93,123
Receivables:								
Due from other governments	35,779	13,464	76,944	7,655	42,250	207,031	-	383,123
Prepaid expenses	415	-	-	-	-	-	-	415
TOTAL ASSETS	\$ 36,194	\$ 13,464	\$ 83,814	\$ 7,655	\$ 42,250	\$ 207,031	\$ 86,253	\$ 476,661
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,131	\$ -	\$ 1,131
Due to other funds	36,194	13,464	14,198	7,655	63,769	205,900	-	341,180
TOTAL LIABILITIES	36,194	13,464	14,198	7,655	63,769	207,031	-	342,311
Fund balances:								
Nonspendable	415	-	-	-	-	-	-	415
Restricted	-	-	-	-	-	-	86,253	86,253
Unassigned	(415)	-	69,616	-	(21,519)	-	-	47,682
TOTAL FUND BALANCES	-	-	69,616	-	(21,519)	-	86,253	134,350
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,194	\$ 13,464	\$ 83,814	\$ 7,655	\$ 42,250	\$ 207,031	\$ 86,253	\$ 476,661

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2021**

	Vocational Education	State Grants	TANF	School Redesign	SRCL	Special Education	Student Activity Funds	Total
REVENUES								
Local sources:								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,245	\$ 65,245
State sources:								
Restricted grants-in-aid	-	41,413	171,333	-	-	-	-	212,746
Federal grants	35,779	-	-	17,686	42,250	526,641	-	622,356
TOTAL REVENUES	35,779	41,413	171,333	17,686	42,250	526,641	65,245	900,347
EXPENDITURES								
Current:								
Instruction:								
Regular education programs	-	-	-	-	-	36,000	-	36,000
Special education programs	-	-	-	-	-	269,743	-	269,743
Other education programs	35,779	41,413	101,717	17,686	42,250	50,753	57,266	346,864
Support:								
Instructional staff services	-	-	-	-	-	170,145	-	170,145
TOTAL EXPENDITURES	35,779	41,413	101,717	17,686	42,250	526,641	57,266	822,752
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	69,616	-	-	-	7,979	77,595
FUND BALANCES - beginning of year	-	-	-	-	(21,519)	-	78,274	56,755
FUND BALANCES - end of year	\$ -	\$ -	\$ 69,616	\$ -	\$ (21,519)	\$ -	\$ 86,253	\$ 134,350

The accompanying notes are an integral part of this statement.

KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the
City of Baker School Board
Baker, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the CBSB, (the School Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated May 25, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

City of Baker School Board's Response to Findings

The City of Baker School Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Baker 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 25, 2022

KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the
City of Baker School Board
Baker, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 25, 2022

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA**

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

Federal Grantor/ Pass-Through Grantor/ Program Name	Grantor Project Number	CFDA Number	Expenditures 2021
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Pass-through program from Louisiana Department of Education:			
Summer Feeding		10.559	524,533
<u>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u>			
Pass-through program from Restore Louisiana Infrastructure			
Community Development Block Grant Disaster Recovery Program	B-16-DL-22-0001	14.228	650,000
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Passed through Louisiana Department of Education:			
Aim High	N/A	84.027A	36,000
High Cost Services Rnd 1 IDEA	28-18-RH-68	84.027A	37,364
IDEA Special Education Regular Project	28-18-B1-68	84.027A	391,205
Subtotal CFDA No. 84.027A			464,569
Title I Regular Project	28-18-T1-68	84.010A	657,025
School Redesign Planning	28-16-RD1	84.010A	17,686
Subtotal CFDA No. 84.010A			674,711
IDEA Special Education Preschool Project	28-13-P1-68	84.173A	4,819
Vocational Education - Carl Perkins	28-18-02-68	84.048A	35,779
Striving Readers Comprehensive Literacy		84.371C	42,250
Title III Student Influx		84.365A	6,500
Title IV Student Support & Academic Enrichment	28-18-71-68	84.424A	50,753
Title I SIG 1003G Round 6 Believe and Succeed	28-16-BE-68	84.377A	48,650
Elementary & Secondary School Emergency Relief Fund (ESSER) - COVID-19	28-20-ESRF-19	84.425D	667,621
			1,995,652
Total Expenditures of Federal Awards			\$ 3,170,185
Child Nutrition Cluster	\$		524,533
Special Education Cluster	\$		464,569

See the accompanying notes to the schedule of expenditures of federal awards.

CITY OF BAKER SCHOOL SYSTEM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Baker School System and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE B - NON-MONETARY ASSISTANCE

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the School System had food commodities totaling \$14,294 in inventory. Commodities received, which are non-cash revenues, are valued using pricing provided by the United States Department of Agriculture.

NOTE C - DE MINIMUS COST RATE

During the year ended June 30, 2021, the City of Baker School System did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

NOTE D - AMOUNTS PASSED THROUGH TO SUB-RECIPIENTS

During the year ended June 30, 2021, the City of Baker School System did not pass through any federal funding to sub-recipients.

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes x No
Significant deficiencies identified? x Yes None reported

Noncompliance material to financial statements noted? Yes x No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes x No
Significant deficiencies identified? Yes x None reported

Type of auditor's report issued on compliance for major programs: Unmodified

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

Major programs:

CFDA Numbers

Name of Federal Program or Cluster

84.425D

Education Stabilization Fund – COVID 19

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

Auditee qualified as low-risk auditee? x Yes No

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2021

Part II. Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

A. Internal Control Findings –

2021-001 Financial Records/Reconciliations

Criteria: Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The School Board's internal controls over financial records include those policies and procedures that pertain to the School Board's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

Condition: Several of the School Board's funds were not timely monitored for overspending and/or submission of reimbursement requests and corrections were not made until the annual year-end financial statement closeout process.

Cause: Limited staffing and experience did not permit the School Board to adequately review financial records.

Effect: The School Board could miss opportunities for new grants and funding opportunities or under-request existing grants. Over expenditures with various funds may go undetected. Should this occur, the General Fund would absorb any related costs which would reduce the availability of funds for other purposes.

Recommendation: The School System should consider implementing additional controls and dedicate appropriate staffing resources to business operations to permit timely and accurate financial recordings and reconciliations.

View of Responsible Officials:

The School System concurs with this finding. The School System has implemented controls and procedures that include but not limited to reconciling Special Revenue Funds as well as General Fund accounts on a monthly basis. All Funds or Account discrepancies will be corrected timely and all Reimbursement Requests will be processed monthly. Additionally, the School System has engaged in a contract with a CPA Firm to assist with quarterly reviews of the Special Revenue Fund accounts.

B. Compliance Findings –

There are no findings to be reported under this section.

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2021

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

There are no findings to be reported under this section.

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2021

Finding 2020-001: Allowable Costs/Activities Allowed

Condition: Supporting documentation for three (3) out of fifty-six (56) transactions tested indicated that the expenditure was incurred by the School Board after the end of the fiscal year but was charged to the program during the fiscal year.

Recommendation: The School System should consider providing additional training to personnel of functions related to Title I reimbursements and remind them of the importance of following established procedures to ensure proper internal controls to avoid noncompliance.

Current Status: Resolved.



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CITY OF BAKER SCHOOL SYSTEM

www.bakerschools.org

De'Ette Perry, Ed.D., Superintendent

Board Members

Elaine G. Davis
District 1

City of Baker School Board respectfully submits the following corrective action plan for the year ended June 30, 2021.

Sharlous S. Booker
Vice President
District 2

Audit conducted by:
Kolder, Slaven & Company, LLC
200 S. Main Street
Abbeville, LA 70510

Joyce Burges
District 3

Shona P. Boxie
President
District 4

Audit Period: Fiscal year ended June 30, 2021

Vanessa W. Parker
District 5

The finding from the June 30, 2021 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

2021-001 Financial Records/Reconciliations

RECOMMENDATION: The School System should consider implementing additional controls and dedicate appropriate staffing resources to business operations to permit timely and accurate financial recordings and reconciliations.

CORRECTIVE ACTION PLAN: *The School Board concurs with this finding. Subsequent to year-end, the City of Baker School System has implemented various controls and procedures that include, but not limited to, reconciling Special Revenue Funds as well as General Fund accounts on a monthly basis in an effort to identify and correct all account discrepancies on a timely basis. Additionally, the Special Revenue Funds' reimbursement requests will be processed monthly, along with any necessary corrections noted during the monthly review. The City of Baker School System continues to evaluate its finance department to ensure sufficient staffing and has entered into a contract with a CPA Firm to assist with quarterly reviews of the Special Revenue Fund accounts.*

If there are questions regarding the plan, please call Sidney Stewart, Business Manager, at 225-774-5795.

Sincerely,

Sidney Stewart
Business Manager

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)

KOLDER, SLAVEN & COMPANY, LLC

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the City of Baker School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the City of Baker School Board (School Board) for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514. Management of the School Board is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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

There were no exceptions noted.

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 determined if the class was properly classified on the schedule.

There were no exceptions noted.

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

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

There was one exception noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

There were three exceptions noted.

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

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

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statute 24:514, 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 25, 2022

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2021

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

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

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana
Schedule I

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

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 3,395,030	
Other instructional staff salaries	544,031	
Instructional staff employee benefits	1,599,194	
Purchased professional and technical services	242,030	
Instructional materials and supplies	72,910	
Instructional equipment	-	
Total teacher and student interaction activities	-	\$ 5,853,195
Other instructional activities:		
Pupil support activities	608,097	97,627
Less: Equipment for pupil support activities	-	
Net pupil support activities	-	608,097
Instructional staff services	385,423	
Less: Equipment for instructional staff services	-	
Net instructional staff services	-	385,423
School Administration	1,015,447	
Less: Equipment for school administration	-	
Net school administration	-	1,015,447
Total general fund instructional expenditures		\$ 7,959,789
Total general fund equipment expenditures (Object 730; Function series 1000-4000)		\$ 71,985

Certain Local Revenue Sources

Local taxation revenue:		
Constitutional ad valorem taxes	\$ 284,559	
Renewable ad valorem tax	2,174,029	
Debt service ad valorem tax	-	
Up to 1% of collections by the Sheriff on taxes other than school taxes	62,879	
Sales and use taxes	5,263,936	
Total local taxation revenue	\$ 7,785,403	
Local earnings on investment in real property:		
Earnings from 16th section property	\$ -	
Earnings from other real property	-	
Total local earnings on investment in real property	\$ -	
State revenue in lieu of taxes:		
Revenue sharing - constitutional tax	\$ 44,022	
Revenue sharing - other taxes	-	
Revenue sharing - excess portion	-	
Other revenue in lieu of taxes	-	
Total state revenue in lieu of taxes	\$ 44,022	
Nonpublic textbook revenue	\$ -	
Nonpublic transportation revenue	\$ -	

CITY OF BAKER SCHOOL BOARD
 Baker, Louisiana
 Schedule 2

Class Size Characteristics
 As of October 1, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	66%	102	26%	41	5%	8	3%	4
Elementary Activity Classes	54%	13	25%	6	4%	1	17%	4
Middle/Jr. High	90%	55	10%	6	0%	-	0%	-
Middle/Jr. High Activity Classes	79%	19	21%	5	0%	-	0%	-
High	62%	123	25%	50	12%	25	1%	3
High Activity Classes	78%	18	13%	3	9%	2	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 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.