

**NATCHITOCHEs PARISH SCHOOL BOARD
ANNUAL FINANCIAL REPORT**

JUNE 30, 2021

NATCHITOCHE PARISH SCHOOL BOARD
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

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Natchitoches Parish School Board

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GRANT ELOI
Superintendent

STEVEN R. HARRIS
President

REBA PHELPS
Vice-President

Management's Discussion and Analysis

This section of the Natchitoches Parish School Board's annual financial report offers readers a narrative overview and analysis of the financial performance of the School Board for the fiscal year ended on June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the School Board's financial statements, which immediately follow this section.

Financial Highlights

- The assets of the Natchitoches Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$(144,533,332) (net position).
- As of the close of the current fiscal year, the Natchitoches Parish School Board's governmental funds reported combined ending fund balances of \$29,624,747.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,295,686 or 4% of the total general fund expenditures.
- The School Board's bonds payable totaled \$27,869,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. The School Board's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) financial statements of individual funds, and 3) notes to the financial statements.

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 a private-sector business.

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

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

NATCHITOCHE PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2021

The governmental activities of the School Board include education and interest on long-term debt. The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School Board are governmental funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses 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 financing requirements.

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

The School Board maintains numerous governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and CSD#9 Bond S2018 Construction City Schools Funds, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. The different fund types are aggregated and are provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 14 through 18.

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. The notes to the financial statements can be found on pages 20 through 43.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the Natchitoches Parish School Board, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$(144,533,332) as of June 30, 2021, which is an increase from June 30, 2020. This net position is considered unrestricted.

NATCHITOCHE PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2021

	<u>Net Position</u>	
	<u>2021</u>	<u>2020</u>
Assets:		
Cash & Other Assets	\$ 49,221,106	\$ 49,301,870
Noncurrent Assets	<u>26,589,933</u>	<u>21,858,667</u>
Total Assets	<u>\$ 75,811,039</u>	<u>\$ 71,160,537</u>
Deferred Outflows of Resources	<u>\$ 20,854,565</u>	<u>\$ 17,686,008</u>
Liabilities:		
Current and Other Liabilities	\$ 19,596,359	\$ 16,802,914
Long-term Liabilities	<u>188,938,863</u>	<u>203,766,987</u>
Total Liabilities	<u>\$ 208,535,222</u>	<u>\$ 220,569,901</u>
Deferred Inflows of Resources	<u>\$ 32,663,714</u>	<u>\$ 28,960,927</u>
Net Position:		
Net Investment in Capital Assets	\$ 0	\$ 0
Unrestricted	<u>(144,533,332)</u>	<u>(160,684,283)</u>
Total Net Position	<u>\$(144,533,332)</u>	<u>\$(160,684,283)</u>
	<u>Changes in Net Position</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Charges for Services	\$ 2,230,524	\$ 913,583
Operating Grants & Contributions	17,264,139	5,882,936
General Revenue	<u>61,376,946</u>	<u>166,624</u>
Total Revenues	<u>\$80,871,609</u>	<u>\$17,301,552</u>
Expenses:		
Instruction	\$33,251,062	\$ 2,190,760
Support Services	26,659,821	1,900,231
School Food Services	3,668,057	4,692,059
Interest	<u>1,141,718</u>	<u>30,506</u>
Total Expenses	<u>\$64,720,658</u>	<u>\$14,964,147</u>
Change in Net Position	<u>\$16,150,951</u>	<u>\$ 2,337,405</u>

NATCHITOCHEES PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2021

Financial Analysis of the Government's Funds

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

General Fund Budgetary Highlights - During the year, the School Board made revisions to the original appropriations approved by the School Board Council.

Capital Assets

The Natchitoches Parish School Board' investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$26,589,933 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Improvements made to the buildings and land.

Capital Assets at Year-end Net of Accumulated Depreciation As of June 30, 2021

	Governmental <u>Activities</u>
Capital Assets, not depreciated:	
Land	\$ 1,300,290
Construction in Progress	8,275,880
Capital Assets, depreciated:	
Buildings and Improvements	16,288,688
Furniture and Equipment	<u>725,075</u>
Total	<u>\$26,589,933</u>

Additional information on the Natchitoches Parish School Board' capital assets can be found on page 28 of this report.

Debt Administration

At the end of the current fiscal year, the Natchitoches Parish School Board had total long term debt of \$188,938,863. Long-term debt of the School Board includes net pension liability based on actuarially determined amounts in accordance with GASB No. 68.

NATCHITOCHEES PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2021

**Outstanding Debt at Year End
As of June 30, 2021**

	<u>Governmental Activities</u>
General Obligation Debt	\$ 27,869,000
Accrued Employee Vacations	2,113,959
Net Pension Liability	72,234,059
OPEB	<u>86,721,845</u>
Total	<u>\$188,938,863</u>

The School Board's current Standard and Poor's bond rating is AAA.

Additional information on the Natchitoches Parish School Board' long-term debt can be found on page 27 of this report.

Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2021-2022 budget, General Fund revenues are budgeted at a 1% increase from the 2020-2021 budget year, while expenditures are also budgeted at a 1% increase from the 2020-2021 budget year.

Request for Information

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the School Board's finances. If you have questions about this report or need any additional information, contact the Business/Finance Department, at 310 Royal Street, Natchitoches, Louisiana, 71457, call (318) 352-2358, or e-mail lee.waskom@npsb.la.

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Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

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INDEPENDENT AUDITORS' REPORT

To the Superintendent and Board Members
of the Natchitoches Parish School Board

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. 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 auditors' 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 and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1 through 5 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 Management's Discussion and Analysis 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 basic financial statements of the School Board's primary government. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditures and changes in fund balance listed as required/other supplementary information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basis financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the Schedule of Expenditures of Federal Awards, the nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditure and changes in fund balance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the Schedule of Expenditures of Federal Awards, nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditure and changes in fund balance are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 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 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 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.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana
February 3, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish School Board
Natchitoches, Louisiana
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 30,317,847
Investments	13,924,145
Revenue Receivables	4,894,004
Inventories	85,110
Total Current Assets	<u>\$ 49,221,106</u>
Noncurrent Assets-	
Capital Assets (net of accumulated depreciation)	<u>\$ 26,589,933</u>
Total Assets	<u>\$ 75,811,039</u>
Deferred Outflows of Resources-	
Pension	\$ 19,496,036
OPEB	1,358,529
Total Deferred Outflows of Resources	<u>\$ 20,854,565</u>
Liabilities-	
Current Liabilities-	
Cash Overdraft	\$ 7,339,759
Accounts Payable	1,498,612
Accrued Payroll	10,757,988
Current Portion of Long-Term Debt	1,729,000
Total Current Liabilities	<u>\$ 21,325,359</u>
Long-term Liabilities-	
Accrued Compensated Absences	\$ 2,113,959
OPEB Payable	86,721,845
Net Pension Liability	72,234,059
Long-Term Debt	26,140,000
Total Long-term Liabilities	<u>\$ 187,209,863</u>
Total Liabilities	<u>\$ 208,535,222</u>
Deferred Inflows of Resources-	
Pension	\$ 4,719,848
OPEB	27,943,866
Total Deferred Inflows of Resources	<u>\$ 32,663,714</u>
Net Position-	
Net Investment in Capital Assets	\$ -
Unrestricted (Deficit)	<u>(144,533,332)</u>
Total Net Position	<u><u>\$(144,533,332)</u></u>

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Statement of Activities
Year Ended June 30, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities-					
Instruction-					
Regular Programs	(14,616,495)	1,080,374	307,405	-	(13,228,716)
Special Education Programs	(7,755,428)			-	(7,755,428)
Career & Technical Programs	(1,020,380)		73,391	-	(946,989)
All Other Programs	(9,858,759)		10,014,729	-	155,970
Support Services-					
Student Services	(3,828,502)	1,100,842	1,586,656	-	(1,141,004)
Instructional Staff Support	(3,910,295)		2,049,076	-	(1,861,219)
General Administration	(1,846,932)			-	(1,846,932)
School Administration	(4,223,960)			-	(4,223,960)
Business Services	(742,234)			-	(742,234)
Plant Services	(6,511,654)			-	(6,511,654)
Student Transportation Services	(4,853,005)			-	(4,853,005)
Central Services	(743,239)		199,361	-	(543,878)
School Food Services	(3,668,057)	49,308	3,033,521	-	(585,228)
Debt Service-					
Interest	(1,141,718)			-	(1,141,718)
Total Governmental Activities	<u>\$ (64,720,658)</u>	<u>\$ 2,230,524</u>	<u>\$ 17,264,139</u>	<u>\$ -</u>	<u>(45,225,995)</u>

General Revenues:

Taxes-		
Ad Valorem	\$	10,744,742
Sales & Use		18,957,317
Grants & Contributions not Restricted to Specific Programs-		
Minimum Foundation Program		30,976,163
State Revenue Sharing		180,735
Investment Earnings		233,992
NEC Revenue		265,412
Local Revenue Transfers - Private Schools		(123,288)
Miscellaneous		<u>141,873</u>
Total General Revenues	\$	<u>61,376,946</u>
Change in Net Position	\$	16,150,951
Net Position July 1, 2020 *		<u>(160,684,283)</u>
Net Position (Deficit) June 30, 2021	\$	<u>(144,533,332)</u>

*Restated, see note 14

FUND
FINANCIAL STATEMENTS

Natchitoches Parish School Board
Natchitoches, Louisiana
Governmental Funds
Balance Sheet
June 30, 2021

Major Funds

	<u>General Fund</u>	<u>CSD #9 Bond S2018 Construction City Schools Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$ 17,777,116	\$ -	\$ 12,540,731	\$ 30,317,847
Investments	-	13,924,145	-	13,924,145
Revenue Receivables	74,700	-	4,819,304	4,894,004
Inventories	-	-	85,110	85,110
Total Assets	<u>\$ 17,851,816</u>	<u>\$ 13,924,145</u>	<u>\$ 17,445,145</u>	<u>\$ 49,221,106</u>
<u>Liabilities</u>				
Cash Overdraft	\$ -	\$ 3,109,726	\$ 4,230,033	\$ 7,339,759
Accounts Payable	293,348	599,951	605,313	1,498,612
Accrued Payroll	9,262,782	-	1,495,206	10,757,988
Total Liabilities	<u>\$ 9,556,130</u>	<u>\$ 3,709,677</u>	<u>\$ 6,330,552</u>	<u>\$ 19,596,359</u>
<u>Fund Balance</u>				
Nonspendable	\$ -	\$ -	\$ 85,110	\$ 85,110
Restricted	-	10,214,468	11,029,483	21,243,951
Unassigned	8,295,686	-	-	8,295,686
Total Fund Balance	<u>\$ 8,295,686</u>	<u>\$ 10,214,468</u>	<u>\$ 11,114,593</u>	<u>\$ 29,624,747</u>
Total Liabilities & Fund Balance	<u>\$ 17,851,816</u>	<u>\$ 13,924,145</u>	<u>\$ 17,445,145</u>	<u>\$ 49,221,106</u>

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2021

Total Governmental Fund Balances	\$	29,624,747
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
<p>Noncurrent assets used in Governmental Activities are not financial resources. Therefore, they are not reported in the Governmental Fund Balance Sheet-</p>		
Capital Assets		36,608,516
Less, Accumulated Depreciation		(10,018,583)
Deferred Outflows of Resources		20,854,565
<p>Long-term Liabilities are not due and payable in the current period. Therefore they are not reported in the Governmental Fund Balance Sheet-</p>		
Accrued Compensated Absences		(2,113,959)
Other Post-Employment Benefit Obligation		(86,721,845)
Net Pension Liability		(72,234,059)
Long-Term Debt		(27,869,000)
Deferred Inflows of Resources		<u>(32,663,714)</u>
Total Net Position of Governmental Activities at June 30, 2021	\$	<u>(144,533,332)</u>

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2021

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>CSD #9 Bond S2018 Construction City Schools Fund</u>	<u>Nonmajor Funds</u>	
Revenues:				
Local Sources:				
Taxes-				
Ad Valorem	\$ 4,706,705	\$ -	\$ 6,038,037	\$ 10,744,742
Sales & Use	18,957,317	-	-	18,957,317
Investment Earnings	106,416	103,415	24,161	233,992
Charges for Services	-	-	49,308	49,308
Other	883,131	-	1,298,085	2,181,216
State Sources:				
Minimum Foundation Programs	30,479,414	-	496,749	30,976,163
Other	458,315	-	882,153	1,340,468
Federal Sources:				
Intergovernmental	250,417	-	15,995,864	16,246,281
Total Revenues	<u>\$ 55,841,715</u>	<u>\$ 103,415</u>	<u>\$ 24,784,357</u>	<u>\$ 80,729,487</u>
Expenditures:				
Current-				
Instruction-				
Regular Programs	\$ 25,486,223	\$ 2,582	\$ 673,652	\$ 26,162,457
Special Programs	7,225,329	-	530,100	7,755,429
Vocational Programs	950,038	-	70,343	1,020,381
All Other Programs	1,659,451	8,074	8,191,235	9,858,760
Support Services-				
Student Services	2,909,516	-	918,986	3,828,502
Instructional Staff Support	1,843,875	-	2,066,420	3,910,295
General Administration	1,813,564	7,508	25,859	1,846,931
School Administration	4,162,145	-	31,174	4,193,319
Business Services	712,113	19,670	10,450	742,233
Plant Services	4,257,399	112,878	2,141,377	6,511,654
Student Transportation Services	4,778,693	-	74,312	4,853,005
Central Services	698,644	-	44,595	743,239
School Food Services	24,915	-	3,643,142	3,668,057
Debt Service-				
Principal	-	-	1,661,000	1,661,000
Interest	-	-	1,141,719	1,141,719
Capital Outlay	92,763	4,881,025	790,174	5,763,962
Total Expenditures	<u>\$ 56,614,668</u>	<u>\$ 5,031,737</u>	<u>\$ 22,014,538</u>	<u>\$ 83,660,943</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (772,953)	\$ (4,928,322)	\$ 2,769,819	\$ (2,931,456)

Continued on next page.

Natchitoches Parish School Board
Natchitoches, Louisiana
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2021

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>CSD #9 Bond S2018 Construction City Schools Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses):				
Operating Transfers In	\$ 2,085,791	\$ -	\$ 345,518	\$ 2,431,309
Operating Transfers Out	(345,518)	-	(2,085,791)	(2,431,309)
Local Revenue Transfers - Private Schools	(123,288)	-	-	(123,288)
Total Other Financing	<u>\$ 1,616,985</u>	<u>\$ -</u>	<u>\$ (1,740,273)</u>	<u>\$ (123,288)</u>
 Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	 \$ 844,032	 \$ (4,928,322)	 \$ 1,029,546	 \$ (3,054,744)
 Fund Balances-Beginning of Year *	 <u>7,451,654</u>	 <u>15,142,790</u>	 <u>10,085,047</u>	 <u>32,679,491</u>
 Fund Balances-End of Year	 <u>\$ 8,295,686</u>	 <u>\$ 10,214,468</u>	 <u>\$ 11,114,593</u>	 <u>\$ 29,624,747</u>

*Restated; see note 14

Natchitoches Parish School Board
Natchitoches, Louisiana
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances-Total Governmental Funds \$ (3,054,744)

Amounts reported for Governmental Activities in the Statement of Activities are different because: Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The current year amounts for these items were-

Capital Expenditures	5,763,962
Depreciation Expense	(1,032,696)

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in the governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. These timing differences are summarized below:

Principal Debt Payments	1,661,000
Accrued Compensated Absences	(30,641)
Other Post-Employment Benefit Obligation	10,679,886
Non Employer Pension Revenue	265,412
Pension Expense	<u>1,898,772</u>

Change in Net Position of Governmental Activities \$ 16,150,951

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

Introduction

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

The School Board operates 14 schools within the parish with a total enrollment of 5,583 pupils at the October 1, 2020 count date. In conjunction with the regular education 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.

1. Summary of Significant Accounting Policies:

The financial statements of the School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School Board's accounting policies are described below.

A. Reporting Entity-

The School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units defined 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.

Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies, and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

B. Basis of Presentation-

Government-Wide Financial Statements

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the School Board as a whole. They include all funds of the reporting government. For the most part, the effect of interfund activity has been removed from these statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

The Statement of Net Position presents the governmental type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

The funds of the School Board are categorized as governmental funds. The funds report detailed information about the School Board. The focus of the Fund Financial Statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The funds of the School Board are described below:

General Fund - is the general operating fund of the School Board. It is used to account for all financial resources except for those required to be accounted for in another fund.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects Funds - are used to account for the acquisition or construction of major capital facilities.

Debt Service Funds - are used to account for accumulation of resources for and payment of general long-term debt principal, interest, and related costs.

The major funds of the School Board are described below:

General Fund – To account for all financial resources except those required to be accounted for in another fund.

CSD#9 Bond S2018 Construction City Schools Fund – To account for expenditures and bond proceeds obtained from the CSD#9 bond for school construction projects within the district.

C. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

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

Governmental Fund Financial Statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both 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" if collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, post-employment benefit obligations, pension expense and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting-

Annual budgets are adopted and recorded in the accounting records for the General Fund and the Special Revenue Funds. The proposed budgets are prepared by the business manager, the superintendent, and the finance committee of the School Board during July and/or August of each year. During August and/or September, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At a board meeting in September, a public hearing is held and the proposed budgets are legally adopted by the School Board. After the budget is adopted, it is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Formal budgetary integration (within the accounting records) is employed as a management control device. The superintendent is authorized to transfer amounts between line items within a fund; however, budgetary comparisons are prepared and presented to the School Board during regular meetings. The School Board adopts a budget amendment when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more.

E. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

The cash includes all demand accounts, savings accounts, and money market accounts of the School Board. The School Board considers cash equivalents as amounts in time deposits and those income-producing items with original maturities of 90 days or less.

Investments-

The School Board considers investments as amounts with original maturities exceeding 90 days. Investments are stated at fair value.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

Receivables-

Receivables are charged against revenue as they become uncollectible. The School Board considers all accounts to be collectible, therefore an allowance for doubtful accounts was not recorded.

Inventories-

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used, using a first-in, first-out basis. Inventory of the Child Nutrition Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. Inventory on hand at year-end is reported as nonspendable fund balance to indicate that it is not a part of expendable available financial resources.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Natchitoches Parish School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings	40 years
Building/Land Improvements	15 years
Furniture and Equipment	7 years

Compensated Absences-

All 12-month employees can earn 10 days of vacation leave each year. Vacation leave can accumulate up to 20 days and upon any termination, unused vacation leave will be paid to the employee (or heirs) based on the employee's current rate of pay.

All School Board employees earn 10 days of sick leave each year. Sick leave for teachers and school employees can be accumulated without limitation, however all other employees are limited to 25 days of accumulated sick leave. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefits computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System, all accumulated sick leave, excluding the 25 days paid to the employee (or heirs), is used in the retirement benefit computation as earned service.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

Sabbatical leave may be granted for professional and cultural improvement and for medical reasons. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after 3 years of continuous service or two semesters of sabbatical leave after 6 or more years of continuous service. Professional and cultural improvement sabbaticals are restricted in nature as a condition of the leave and, therefore, are considered only a change in the types of services being rendered and not subject to accrual. Medical sabbaticals require the use of virtually all sick leave before a sabbatical can be taken and are not material. Sabbatical leave benefits are recorded as expenditures in the period paid.

Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Equity Classifications-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expenses.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Natchitoches Parish School Board
 Natchitoches, Louisiana
 Notes to Financial Statements
 June 30, 2021

- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$8,295,686. If applicable, the Natchitoches Parish School Board would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Interfund Transactions-

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of governmental funds. Interfund transfers are eliminated for the Statement of Activities. The following is a summary of interfund operating transfers:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$2,085,791	\$ 345,518
Special Revenue Funds	<u>345,518</u>	<u>2,085,791</u>
Total	<u>\$2,431,309</u>	<u>\$2,431,309</u>

Transfers are primarily used to move funds:

- To move revenues from the collected fund required by statute, voter-approved resolution, or budget to the fund required by statute or budget to expend them.
- To use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Natchitoches Parish School Board are subject to the following risk:

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Natchitoches Parish School Board will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Natchitoches Parish School Board that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Natchitoches Parish School Board's name.

At year end, the School Board had collected bank balances of \$20,227,628, which were fully secured by \$723,997 of federal depository insurance and pledged securities with a market value in excess of \$19,503,631 held by the custodial banks in the name of the School Board.

3. Investments:

As of June 30, 2021, the School Board had investments totaling \$13,924,145, with the recurring fair value measurement of Level 1. Level 1 type of investments are valued using quoted market prices for identical assets.

Interest Rate Risk. This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The School Board's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial Credit Risk: This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board has custodial risk exposure for the investment balance because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities. Investments are held with an investment management company which is insured by SIPC for up to \$500,000.

4. Receivables:

The following is a summary of receivables at June 30, 2021:

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>
Intergovernmental-			
Federal	\$ 0	\$4,648,994	\$ 0
State	0	145,307	0
Other Receivables	<u>74,700</u>	<u>11,934</u>	<u>13,069</u>
Total	<u>\$74,700</u>	<u>\$4,806,235</u>	<u>\$13,069</u>

5. Long-Term Debt:

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

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/21</u>
Compensated Absences	\$ 2,083,318	\$ 30,641	\$ -	\$ 2,113,959
Net OPEB	99,616,683	-	12,894,838	86,721,845
Net Pension Liability	63,127,928	9,106,131	-	72,234,059
Long-Term Debt	<u>29,530,000</u>	<u>-</u>	<u>1,661,000</u>	<u>27,869,000</u>
Total	<u>\$ 194,357,929</u>	<u>\$ 9,136,772</u>	<u>\$ 14,555,838</u>	<u>\$ 188,938,863</u>

The General Obligation Bonds Outstanding at June 30, 2021, are as follows:

<u>Issue</u>	<u>Issue Date</u>	<u>Original Issue Amount</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>	<u>Due In One Year</u>
General Obligation-						
Series 2017	11-07-2017	\$ 7,200,000	03-01-2037	2.0-4.0%	\$ 6,050,000	\$ 290,000
Series 2012	09-18-2012	\$ 5,189,000	03-01-2023	2.18%	1,164,000	574,000
Series 2015	09-10-2015	\$ 3,500,000	03-01-2035	2.5-3.5%	2,870,000	145,000
Series 2018	11-11-2018	\$19,750,000	03-01-2038	3.0-5.0%	<u>17,785,000</u>	<u>720,000</u>
Total General Obligation Debt					<u>\$27,869,000</u>	<u>\$1,729,000</u>

The annual debt service requirements to maturity of general obligation bonds outstanding at June 30, 2021 are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,729,000	\$ 1,102,638	\$ 2,831,638
2023	1,800,000	1,041,437	2,841,437
2024	1,255,000	985,113	2,240,113
2025	1,310,000	940,012	2,250,012
2026	1,370,000	884,738	2,254,738
2027-2031	7,805,000	3,526,450	11,331,450
2032-2036	9,295,000	1,901,350	11,196,350
2037-2041	<u>3,305,000</u>	<u>232,300</u>	<u>3,537,300</u>
Total	<u>\$27,869,000</u>	<u>\$10,614,038</u>	<u>\$38,483,038</u>

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

6. Capital Assets:

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

	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital Assets; not depreciated-				
Land	\$ 1,300,290	\$ -	\$ -	\$ 1,300,290
Construction in Progress	7,519,649	5,410,611	4,654,380	8,275,880
Capital Assets; depreciated-				
Building and Improvements	15,977,545	4,667,120	-	20,644,665
Furniture and Equipment	6,047,070	340,611	-	6,387,681
Total Assets	<u>\$ 30,844,554</u>	<u>\$ 10,418,342</u>	<u>\$ 4,654,380</u>	<u>\$ 36,608,516</u>
Accumulated Depreciation-				
Building and Improvements	\$ 3,524,742	\$ 831,235	\$ -	\$ 4,355,977
Furniture and Equipment	5,461,145	201,461	-	5,662,606
Total Accumulated Depreciation	<u>\$ 8,985,887</u>	<u>\$ 1,032,696</u>	<u>\$ -</u>	<u>\$ 10,018,583</u>
Total Capital Assets, net	<u>\$ 21,858,667</u>	<u>\$ 9,385,646</u>	<u>\$ 4,654,380</u>	<u>\$ 26,589,933</u>

Depreciation expense of \$1,032,696 for the year ended June 30, 2021, was charged to instruction.

7. Employee Retirement Systems:

Substantially all employees of the School Board are members of the Teachers' Retirement System of Louisiana (TRSL) and Louisiana School Employees' Retirement System (LSERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. General Information about the Plans

Teachers' Retirement System of Louisiana (TRSL)

Plan Description

TRSL was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LA R.S. 11:700-999, as amended, for eligible teachers, 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. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Benefits Provided

The following is a description of the plan and its benefits, and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

Retirement

Members hired prior to July 1, 1999:

- 2% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit.
- 2.5% benefit factor (1) at least age 65 with at least 20 years of service credit, or (2) at least age 55 with at least 25 years of service credit, or (3) any age with at least 30 years of service credit.

Members joining system between July 1, 1999 and December 31, 2010:

- 2.5% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) at least age 55 with at least 25 years of service credit, or (3) any age with at least 20 years of service credit (actuarially reduced), or (4) any age with at least 30 years of service credit.

Members first eligible to join and hired between January 1, 2011 and June 30, 2015:

- 2.5% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit (actuarially reduced).

Members first eligible to join and hired on or after July 1, 2015:

- 2.5% benefit factor (1) at least age 62 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit (actuarially reduced).

Plan A is closed to new entrants. All Plan A members with a 3% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) at least age 55 with at least 25 years of service credit, or (3) any age with at least 30 years of service credit.

Plan B members hired before July 1, 2015 with 2% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) at least age 55 with at least 30 years of service credit. Plan B members first eligible to join and hired on or after July 1, 2015 with 2% benefit factor (1) at least age 62 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit (actuarially reduced).

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

A retiring member is entitled to receive the maximum monthly benefit payable until the member's death. In lieu of the maximum monthly benefit, the member can elect to receive a reduced monthly benefit payable in the form of a Joint and Survivor Option, or a monthly benefit (maximum or reduced Joint and Survivor Option) with a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount.

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

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Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or as an additional annuity based upon the account balance.

Disability Retirement Benefits

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

Survivor's Benefits

A surviving spouse with minor children of an active member with at least five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with on minor child(ren). Benefits for the minor children cease when he/she is no longer eligible.

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse with minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

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Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee’s working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts - fixed, variable, or both - for benefits payable at retirement.

Contributions

The employer contribution rate is established annually under R.S. 11:101-11:104 by the Public Retirement Systems’ Actuarial Committee (PRSAC), taking into consideration the recommendation of TRSL’s actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan.

The normal cost portion of each plan’s employer contribution rate varies based upon that plan’s benefits, member demographics, and the rate contributed by employees. The Unfunded Accrued Liability (UAL) contribution rate is determined in aggregate for all plans. The UAL resulting from legislation specific to a plan or group of plans will be allocated entirely to that plan or those plans.

For ORP, only the UAL portion of the employer contribution is retained by the plan. Therefore, only the UAL projected rates were used in the projection of future contributions in determining an employer’s proportionate share.

Rates for the year ended June 30, 2020 were as follows:

Plan	Employer Contribution Rate
K-12 Regular Plan	26.0%
Higher Ed Regular Plan	25.3%
Plan A	26.0%
Plan B	26.0%
ORP 2020	22.2%

The School Board’s contractually required composite contribution rate for the year ended June 30, 2021 was 25.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Center were \$7,904,789 for the year ended June 30, 2021.

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In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions of \$265,412 are recognized as revenue.

Louisiana School Employees' Retirement System (LSERS)

Plan Description

The School Board contributes to the Louisiana School Employees' Retirement System which is a cost-sharing multiple employer defined benefit pension plan. LSERS was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes to provide retirement, disability and survivor benefits to all eligible school bus operators, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children. LSERS is a component unit of the State of Louisiana.

Eligibility Requirements

Membership is mandatory for all persons employees by a Louisiana Parish or City School Board who work more than twenty hours per week as a school bus operator, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employees who works on a school bus helping with the transportation of school children. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 who have less than 10 years of creditable service are not eligible for membership in LSERS. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefit Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

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

For members who joined LSERS prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the highest three consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2/month for each year

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

Disability Benefits

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with 20 or more years of creditable service, who has withdrawn from active service prior to the age at which he is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins LSERS on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

Upon the death of a member with five or more years of creditable service, LSERS provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Deferred Retirement Option Plan (DROP)

Members of LSERS may elect to participate in 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 LSERS terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in DROP. 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 DROP Plan Fund Account.

LSERS maintains subaccounts within this account reflecting the credits attributed to each participant in LSERS. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(F)(3). Upon termination of participation in both LSERS and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

LSERS 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.

Initial Benefit Retirement Plan (IBRP)

Effective January 1, 1996, the state legislature authorized LSERS to establish an IBRP program. IBRP is available to members who have not participated in DRIP and who select certain benefit options. Thereafter, these members are ineligible to participate in DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with LA R.S. 11:152(F)(3).

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Members who enter DROP or IBRP on or after January 1, 2004, are required to participate in LSERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP/IBRP participants to choose from a menu of investment options for the allocation of their DROP/IBRP balances. Participants may diversify their investments by choosing from an approved list of mutual funds which different holdings, managements styles, and risk factors.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 29.40%.

The School Board's contractually required composite contribution rate for the year ended June 30, 2021 was 28.70% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$480,873 for the year ended June 30, 2021.

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

At June 30, 2021 and 2020, the School Board reported its proportionate shares of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	June 30, 2020	June 30, 2019
TRSL	\$68,418,523	\$59,709,274
LSERS	3,815,536	3,418,654
Total	\$72,234,059	\$63,127,928

The Net Pension Liabilities were measured as of June 30, 2020 for TRSL and LSERS, and the total pension liability used to calculate the Net Pension Liabilities were determined by an actuarial valuation as of those dates. The School Board's proportion of the Net Pension Liabilities was based on a projection of the School Board's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At the measurement dates, the School Board's proportions of each were as follows:

Plan	Proportionate Share	
	June 30, 2020	June 30, 2019
TRSL	.61508%	.60163%
LSERS	.47489%	.48834%
Total	1.08997%	1.08997%

For the year ended June 30, 2021 and 2020, the School Board recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

Plan	Measurement Date	
	June 30, 2020	June 30, 2019
TRSL	\$5,804,621	\$4,164,017
LSERS	570,652	489,462
Total	\$6,375,273	\$4,653,479

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

	TRSL		LSERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,098,269	\$ -	\$ 93,925	\$ -	\$ 1,192,194
Changes in Assumptions	4,070,224	-	22,738	-	4,092,962	-
Net Difference between projected and actual earnings on pension plan	5,281,502	-	580,949	-	5,862,451	-
Changes in employer's proportion of beg NPL	1,064,949	3,467,569	16,830	60,085	1,081,779	3,527,654
Differences between employer and proportionate share of contributions	117,268	-	67,532	-	184,800	-
Subsequent Measurement Contributions	7,840,310	-	433,734	-	8,274,044	-
Total	\$ 18,374,253	\$ 4,565,838	\$ 1,121,783	\$ 154,010	\$ 19,496,036	\$ 4,719,848

The deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date in the amount of \$8,274,044, will be recognized as a reduction of the Net Pension Liabilities in the year June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (711,060)
2023	1,677,862
2024	3,087,025
2025	2,448,317
Total	\$6,502,144

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation dates of June 30, 2020 for TRSL and LSERS are as follows:

<u>Assumptions</u>	<u>TRSL</u>	<u>LSERS</u>
Actuarial cost method	Entry age normal cost	Entry age normal cost
Expected remaining service lives	5 years	3 years
Investment rate of return	7.450%	7.000%
Inflation rate	2.300%	2.500%
Projected salary increases	3.1% - 4.6%	3.250%

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Mortality rates for TRSL were based on RP-2014 tables. For active members, RP-2014 White Collar Employee tables were used, adjusted by 1.010 for males and by 0.997 for females. For non-disabled retiree/inactive members, RP-2014 White Collar Healthy Annuitant tables were used, adjusted by 1.366 for males and by 1.189 for females. For disability retiree mortality, RP-2014 Disability tables were used, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables. The mortality rate assumption was based upon an experience study performed on plan data for the period July 1, 2012 through June 30, 2017.

Mortality rates for LSERS were based on RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Mortality Table.

The long-term expected rate of return on TRSL 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 expense and inflation) are developed for each major asset class.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in pensions target asset allocation as of June 30, 2020 for TRSL and LSERS are summarized in the following table:

<u>Asset Class</u>	TRSL		LSERS	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	71.5%	18.76%	39%	2.82%
Fixed Income	18.5%	2.19%	26%	0.92%
Alternative	0.0%	0.00%	23%	1.95%
Other	10.0%	4.45%	12%	0.69%
Totals	100.0%	25.40%	100%	6.38%

The discount rate used to measure the total pension liability was 7.45% for TRSL and 7.00% for LSERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, TRSL and LSERS fiduciary net position was projected to be available to make all

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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.

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

The following presents the School Board's proportionate share of the Net Pension Liabilities using the discount rates as shown above, as well as what the School Board's proportionate share of the Net Pension Liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL	\$89,314,602	\$68,418,523	\$50,828,090
LSERS	\$ 4,997,788	\$ 3,815,536	\$ 2,804,405

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net positions are available in the separately issued financial statements of the Plans.

Payables to the Pension Plans

These financial statements include payables to the pension plans of \$3,520,479, which is the legally required contributions due at June 30, 2021. This amount is recorded in accrued expenses.

8. Risk Management/Contingencies/Pending Litigation:

- Risk Management-The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the School Board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. With respect to injuries to employees (worker's compensation), the School Board has initiated a risk management program for worker's compensation insurance. Operations of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$400,000 with an aggregate limit of \$1,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.
- Federal Grants-The School Board has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the School Board.
- Litigation-The School Board is party to legal proceedings which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, of the School Board with respect to the various proceedings. The School Board's legal counsel has reviewed the School Board's claims and lawsuits in order to evaluate the likelihood of any unfavorable outcome to the School Board and to arrive at an estimate, if any of the amount or

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range of potential loss to the School Board. As a result of the review, the various claims and lawsuits have been categorized into probable, reasonable possible, or remote as defined by the Governmental Accounting Standards Board. The amounts of claims and lawsuits which have been classified as reasonably possible with a potential financial exposure totaling \$20,000 for each claim with a good portion of which would be covered by insurance should the plaintiff(s) be successful. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

- Economic Dependency-The School Board received Minimum Foundation funding of \$30,976,163 (39% of revenue) for the year. The Minimum Foundation funding is provided by the state to all public school systems in Louisiana primarily based on October 1 student count.

9. Ad Valorem Taxes:

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

The Natchitoches Tax Commission bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

<u>Property Tax Calendar</u>	
Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties & interest added	January 31
Lien date	January 31
Tax sale	May 15

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

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2020. Total assessed value was \$438,505,124 in 2021. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$54,444,890 of the assessed value in 2021.

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The distribution of the School Board's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2021:

	<u>Mills</u>
Parish-Wide Taxes-	
General School	4.65
Special School	7.00
District Taxes-	
School District #9	
Maintenance	7.00
Debt Service	8.00
School District #7	
Special	12.00
Debt Service	11.50
School District #8	
Maintenance	7.00
Debt Service	33.00
Special	7.00
School District #10	
Maintenance	20.00

Total ad valorem tax revenues recognized by the School Board were \$10,744,742 for the year ended June 30, 2021.

10. Tax Abatement:

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 Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2021, approximately \$399,110 in School Board ad valorem tax revenues were abated by the State of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

11. Dedication of Proceeds and Flow of Funds-Sales & Use Tax:

The School Board is authorized to collect, within Natchitoches Parish, the following sales and use taxes for the benefit of the School Board:

- A) 1% parish-wide sales and use tax, the proceeds of the tax are dedicated to the operation, maintenance, and upgrading the public schools in Natchitoches Parish. This tax was effective August 1, 2003, with an expiration date of August 1, 2023;
- B) ½ of 1% sales and use tax, the proceeds are dedicated for the payment of salaries and benefits of teachers and other employees of the school system in Natchitoches Parish. This tax was effective July 1, 1996, with no expiration date;
- C) ½ of 1% sales and use tax, the proceeds are dedicated for the payment of salaries and benefits of teachers and other employees of the school system in Natchitoches Parish. This tax was effective July 1, 2004, with no expiration date.

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12. Schedule of Compensation Paid to Board Members:

<u>Board Member</u>	<u>Compensation</u>
Rhonda Guidroz	\$ 7,800
Tan'Keia Palmer	7,800
Dorothy McGaskey	7,800
Billy Benefield, Jr.	8,100
Katrina Willis	7,800
Reba Phelps	7,800
Eugean Garner	7,800
Steven Harris	8,100
Beverly Broadway	7,800
Russell Danzy	7,800
Emile Metoyer	<u>7,800</u>
Total	<u>\$86,400</u>

13. Post-Employment Benefits:

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

Benefits Provided - Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The plan is deemed to be a single employer defined benefit OPEB plan for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the TRSL, whose retirement eligibility (DROP entry) provisions as follows: 30 years of service at any age; age 55 and 25 years; or, age 60 and 5 years of service. Employees who entered one of the four state systems on or after January 1, 2011 may not retire until age 60 without actuarial reduction in their pension benefits.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	513
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>527</u>
Total	<u>1,040</u>

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Total OPEB Liability

The School Board's total OPEB liability of \$86,721,845 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50%
Salary increases	4.00% 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 average of the Bond Buyer 20 Year General Obligation municipal bond index as of June 30, 2021, the end of the applicable measurement period.

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

Changes in the Total OPEB Liability

Balance at July 1, 2021	\$ 99,616,683
Changes for the year:	
Service cost	1,380,123
Interest	2,160,010
Differences between expected and actual experience	1,811,372
Changes in assumptions	(14,488,958)
Benefit payments and net transfers	(3,757,385)
Net changes	(12,894,838)
Balance at June 30, 2021	\$ 86,721,845

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	\$104,807,970	\$86,721,845	\$72,761,686

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:

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$74,517,732	\$86,721,845	\$102,676,533

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 \$(6,922,501). At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,358,529	\$ 4,482,974
Changes in assumptions	0	23,460,892
Total	\$1,358,529	\$27,943,866

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

<u>June 30:</u>	
2022	\$(10,462,632)
2023	(9,202,861)
2024	<u>(6,919,844)</u>
Total	<u>\$(26,585,337)</u>

14. Restatement of Fund Balance/Net Position:

The School Board recorded the following prior period adjustments to restate fund balances and net position for correction of accounting errors:

	<u>Fund Balances</u>	<u>Net Position</u>
Beginning Balances	\$32,474,378	\$(138,067,585)
Interest Payable	(387,086)	(193,543)
Accounts Payable	(950,064)	(950,064)
Accrued Payroll	393,270	393,270
School Activity Funds	1,148,993	1,148,993
Long-Term Debt Premiums	0	343,626
OPEB	0	(9,589,593)
Fixed Assets & Depreciation	0	<u>(13,769,387)</u>
Balances as Restated	<u>\$32,679,491</u>	<u>\$(160,684,283)</u>

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2021

15. Subsequent Events:

Management has evaluated events through February 3, 2022, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Natchitoches Parish School Board
Natchitoches, Louisiana
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
Revenues:				
Local Sources:				
Taxes-				
Ad Valorem	\$ 4,365,954	\$ 4,703,807	\$ 4,706,705	\$ 2,898
Sales & Use	16,540,634	17,906,225	18,957,317	1,051,092
Investment Earnings	483,457	203,085	106,416	(96,669)
Charges for Services	-	-	-	-
Other	1,500,872	1,059,891	883,131	(176,760)
State Sources:				
Minimum Foundation Programs	31,517,124	30,211,939	30,479,414	267,475
Other	316,506	147,000	458,315	311,315
Federal Sources:				
Intergovernmental	<u>262,687</u>	<u>300,115</u>	<u>250,417</u>	<u>(49,698)</u>
Total Revenues	<u>\$ 54,987,234</u>	<u>\$ 54,532,062</u>	<u>\$ 55,841,715</u>	<u>\$ 1,309,653</u>
Expenditures:				
Current-				
Instruction-				
Regular Programs	\$ 24,053,207	\$ 23,778,433	\$ 25,486,223	\$ (1,707,790)
Special Programs	8,427,000	7,511,403	7,225,329	286,074
Vocational Programs	1,175,902	1,059,144	950,038	109,106
All Other Programs	1,272,989	1,575,572	1,659,451	(83,879)
Support Services-				
Student Services	2,824,877	3,215,245	2,909,516	305,729
Instructional Staff Support	1,973,107	1,950,401	1,843,875	106,526
General Administration	1,666,726	1,760,575	1,813,564	(52,989)
School Administration	4,029,881	4,090,089	4,162,145	(72,056)
Business Services	780,346	682,651	712,113	(29,462)
Plant Services	3,926,475	4,107,575	4,257,399	(149,824)
Student Transportation Services	4,572,314	4,652,045	4,778,693	(126,648)
Central Services	768,359	668,112	698,644	(30,532)
School Food Services	24,862	26,746	24,915	1,831
Debt Service-				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	<u>29,376</u>	<u>91,500</u>	<u>92,763</u>	<u>(1,263)</u>
Total Expenditures	<u>\$ 55,525,421</u>	<u>\$ 55,169,491</u>	<u>\$ 56,614,668</u>	<u>\$ (1,445,177)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (538,187)	\$ (637,429)	\$ (772,953)	\$ (135,524)

Continued on next page.

Natchitoches Parish School Board
Natchitoches, Louisiana
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Other Financing Sources (Uses):				
Operating Transfers In	\$ 1,475,550	\$ 1,581,765	\$ 2,085,791	\$ 504,026
Operating Transfers Out	(937,363)	(944,336)	(345,518)	598,818
Local Revenue Transfers - Private Schools	<u>-</u>	<u>-</u>	<u>(123,288)</u>	<u>(123,288)</u>
Total Other Financing	<u>\$ 538,187</u>	<u>\$ 637,429</u>	<u>\$ 1,616,985</u>	<u>\$ 979,556</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ -	\$ -	\$ 844,032	\$ 844,032
Fund Balances-Beginning of Year *	<u>7,451,654</u>	<u>7,451,654</u>	<u>7,451,654</u>	<u>-</u>
Fund Balances-End of Year	<u>\$ 7,451,654</u>	<u>\$ 7,451,654</u>	<u>\$ 8,295,686</u>	<u>\$ 844,032</u>

*Restated; see note 14

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2021

<u>Fiscal</u> <u>Year*</u>	<u>Employer's</u> <u>Proportion of the</u> <u>Net Pension</u> <u>Liability (Asset)</u>	<u>Employer's</u> <u>Proportion of the</u> <u>Net Pension</u> <u>Liability (Asset)</u>	<u>Employer's</u> <u>Covered</u> <u>Employee</u> <u>Payroll</u>	<u>Employer's</u> <u>Share of the Net</u> <u>Pension Liability</u> <u>(Asset) as a</u> <u>Percentage of</u> <u>Covered Payroll</u>	<u>Plan Fiduciary</u> <u>Net Pension as a</u> <u>Percentage of the</u> <u>Total Pension</u> <u>Liability</u>
<i>Teachers' Retirement System of Louisiana</i>					
2015	0.69850%	\$ 71,396,513	\$ 31,177,287	229.0%	63.7%
2016	0.68301%	\$ 73,439,237	\$ 30,558,771	240.3%	62.5%
2017	0.69517%	\$ 81,591,542	\$ 33,291,460	245.1%	59.9%
2018	0.66508%	\$ 68,183,390	\$ 30,204,310	225.7%	65.6%
2019	0.60560%	\$ 59,518,882	\$ 27,640,842	215.3%	68.2%
2020	0.60163%	\$ 59,709,274	\$ 27,578,648	216.5%	68.6%
2021	0.61508%	\$ 68,418,523	\$ 30,386,587	225.2%	65.6%
<i>School Employees' Retirement System</i>					
2015	0.55190%	\$ 3,199,283	\$ 330,958	966.7%	76.2%
2016	0.49069%	\$ 3,111,591	\$ 361,642	860.4%	74.5%
2017	0.51337%	\$ 3,872,562	\$ 1,400,927	276.4%	70.1%
2018	0.48515%	\$ 3,104,619	\$ 1,273,109	243.9%	75.0%
2019	0.48051%	\$ 3,210,467	\$ 1,558,811	206.0%	74.4%
2020	0.48834%	\$ 3,418,654	\$ 1,713,177	199.6%	73.5%
2021	0.47489%	\$ 3,815,536	\$ 1,511,267	252.5%	69.7%

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

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

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Employer Contributions
For the Year Ended June 30, 2021

<u>Fiscal</u> <u>Year*</u>	<u>Contributions in</u> <u>Relation to</u>			<u>Employer's</u> <u>Covered Payroll</u>	<u>Contributions as a</u> <u>Percentage of</u> <u>Covered Employee</u> <u>Payroll</u>
	<u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>		
<i>Teachers' Retirement System of Louisiana</i>					
2015	\$ 8,556,546	\$ 8,556,546	\$ -	\$ 31,177,287	27.4%
2016	\$ 8,755,654	\$ 8,755,654	\$ -	\$ 30,558,771	28.7%
2017	\$ 7,702,099	\$ 7,702,099	\$ -	\$ 33,291,460	23.1%
2018	\$ 7,352,464	\$ 7,352,464	\$ -	\$ 30,204,310	24.3%
2019	\$ 7,363,499	\$ 7,363,499	\$ -	\$ 27,640,842	26.6%
2020	\$ 7,540,700	\$ 7,540,700	\$ -	\$ 27,578,648	27.3%
2021	\$ 7,840,310	\$ 7,840,310	\$ -	\$ 30,386,587	25.8%

School Employees' Retirement System

2015	\$ 490,864	\$ 490,864	\$ -	\$ 1,491,081	32.9%
2016	\$ 109,216	\$ 109,216	\$ -	\$ 361,642	30.2%
2017	\$ 382,453	\$ 382,453	\$ -	\$ 1,400,927	27.3%
2018	\$ 420,126	\$ 420,126	\$ -	\$ 1,273,109	33.0%
2019	\$ 436,467	\$ 436,467	\$ -	\$ 1,558,811	28.0%
2020	\$ 503,675	\$ 503,675	\$ -	\$ 1,713,177	29.4%
2021	\$ 433,734	\$ 433,734	\$ -	\$ 1,511,267	28.7%

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

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

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 280,793	\$ 280,793	\$ 280,793	\$ 3,650,223
Interest	344,825	344,825	321,733	3,311,693
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	(235,063)	(235,063)	-	-
Changes of Assumptions	1,738,956	1,738,956	-	(7,717,515)
Benefit Payments	<u>(331,257)</u>	<u>(331,257)</u>	<u>(308,909)</u>	<u>(3,971,451)</u>
Net Change in Total OPEB Liability	\$ 1,798,254	\$ 1,798,254	\$ 293,617	\$ (4,727,050)
 Total OPEB Liability - Beginning	 <u>10,093,464</u>	 <u>8,295,210</u>	 <u>8,001,593</u>	 <u>120,524,931</u>
 Total OPEB Liability - Ending	 <u>\$ 11,891,718</u>	 <u>\$ 10,093,464</u>	 <u>\$ 8,295,210</u>	 <u>\$ 115,797,881</u>
 Covered-employee Payroll	 <u>\$ 2,566,971</u>	 <u>\$ 2,566,971</u>	 <u>\$ 2,935,185</u>	 <u>\$ 27,278,554</u>
 Net OPEB Liability as a percentage of covered employee payroll	 393.21%	 393.21%	 282.61%	 424.50%
 Notes to Schedule:				
<i>Benefit Changes:</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
<i>Changes in Assumptions:</i>				
Discount Rate:	2.16%	2.79%	2.98%	3.13%
Mortality:	RP-2000	MP-2017	RP-2014	RP-2014
Trend:	Variable	5.50%	7.00%	7.00%

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

Natchitoches Parish School Board
 Natchitoches, Louisiana
 Schedule of Compensation, Benefits and Other Payments to
 Agency Head or Chief Executive Officer
 For the Year Ended June 30, 2021

Agency Head Name: Grant Eloi, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 139,940
Benefits-Insurance	7,555
Benefits-Retirement	37,962
Travel	<u>7,200</u>
Total	<u>\$ 192,657</u>

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

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	
United States Department of Agriculture:				
Passed through Louisiana Department of Education:				
National School Lunch Program	10.555		\$	<u>3,033,521</u>
United States Department of Defense:				
Direct Program				
Reserve Officers' Training Corps	12.xxx			<u>108,542</u>
United States Department of Interior:				
Direct Program				
Timber Sales	15.xxx		\$	18,454
Payments in Lieu of Taxes	15.226			<u>123,421</u>
Total United States Department of Interior				<u>141,875</u>
United States Department of Education:				
Passed through Louisiana Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	28-21-T1-35	4,355,199	
	84.010A	28-21-DSS-35	130,572	
	84.010A	28-20-RD19-35	<u>349,755</u>	4,835,526
Migrant Education - State Grant Program	84.011A	28-21-M1-35		10,738
Special Education - Grants to States (IDEA, Part B)	84.027	28-21-B1-35	84,744	
	84.027A	28-21-B1-35	<u>1,432,962</u>	1,517,706
Career and Technical Education-Basic Grants to States (Perkins V)	84.048A	28-21-2-35		73,391
Special Education - Preschool Grants (IDEA Preschool)	84.173A	28-21-P1-35		54,420
Rural Education	84.358B	28-21-RLIS-35		45,965
Supporting Effective Instruction State Grants	84.367A	28-21-50-35		357,513
Striving Readers	84.371C	28-18-SR01-35	124,195	
	84.371C	28-18-SR05-35	147,967	
	84.371C	28-18-SR06-35	135,319	
	84.371C	28-18-SR04-35	<u>192,149</u>	599,630
Student Support and Academic Enrichment Program	84.424A	28-21-71-35		181,306
Education Stabilization Fund (ESF) - COVID-19	84.425B	28-21-REL2-35	28,364	
	84.425C	28-20-GERF-35	214,968	
	84.425D	28-21-ES2F-35	1,674,587	
	84.425D	28-20-ESRI-35	292,676	
	84.425D	28-20-ESRF-35	2,286,284	
	84.425U	28-21-ESEB-35	<u>351,761</u>	4,848,640
Total United States Department of Education				<u>12,524,835</u>

See independent auditors' report and notes to financial statements.

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

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	
United States Department of Health & Human Services:				
Passed through Louisiana Department of Education:				
Every Student Succeeds Act/Preschool Development Grants	93.434	28-21-RSB5-35	15,385	
	93.434	28-21-PDGS-35	191,732	
	93.434	28-21-RSB5-35	<u>146,423</u>	353,540
Child Care and Development Block Grant	93.575	28-21-CO-35	18,655	
	93.575	28-21-CCCR-35	<u>65,313</u>	<u>83,968</u>
Total United States Department of Health & Human Services				<u>437,508</u>
Total Federal Financial Assistance				<u>\$ 16,246,281</u>

See independent auditors' report and notes to financial statements.

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal financial assistance activity of the Natchitoches Parish School Board under programs of the federal government for the year ended June 30, 2021. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Basis of Accounting

Expenditures reported on the SEFA are reporting on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain type of expenditures are not allowable or are limited to reimbursement.

Indirect Cost Rate

The Natchitoches Parish School Board has not elected to use the 10% de minimis indirect cost as allowed under the Uniform Guidance.

Subrecipients

There were no awards passed through to subrecipients.

OTHER SUPPLEMENTARY SCHEDULES

Natchitoches Parish School Board
Natchitoches, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 8,333,308	\$ 230,346	\$ 3,977,077	\$ 12,540,731
Revenue Receivables	4,806,235	-	13,069	4,819,304
Inventories	85,110	-	-	85,110
Total Assets	<u>\$ 13,224,653</u>	<u>\$ 230,346</u>	<u>\$ 3,990,146</u>	<u>\$ 17,445,145</u>
<u>Liabilities</u>				
Cash Overdraft	\$ 3,024,966	\$ -	\$ 1,205,067	\$ 4,230,033
Accounts Payable	237,767	-	367,546	605,313
Accrued Payroll	1,495,206	-	-	1,495,206
Total Liabilities	<u>\$ 4,757,939</u>	<u>\$ -</u>	<u>\$ 1,572,613</u>	<u>\$ 6,330,552</u>
<u>Fund Balance</u>				
Nonspendable	\$ 85,110	\$ -	\$ -	\$ 85,110
Restricted	8,381,604	230,346	2,417,533	11,029,483
Unassigned	-	-	-	-
Total Fund Balance	<u>\$ 8,466,714</u>	<u>\$ 230,346</u>	<u>\$ 2,417,533</u>	<u>\$ 11,114,593</u>
Total Liabilities & Fund Balance	<u>\$ 13,224,653</u>	<u>\$ 230,346</u>	<u>\$ 3,990,146</u>	<u>\$ 17,445,145</u>

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Local Sources:				
Taxes-				
Ad Valorem	\$ 3,250,556	\$ -	\$ 2,787,481	\$ 6,038,037
Investment Earnings	498	23,453	210	24,161
Charges for Services	49,308	-	-	49,308
Other	1,298,085	-	-	1,298,085
State Sources:				
Minimum Foundation Program	496,749	-	-	496,749
Other	882,153	-	-	882,153
Federal Sources:				
Intergovernmental	15,995,864	-	-	15,995,864
Total Revenues	<u>\$ 21,973,213</u>	<u>\$ 23,453</u>	<u>\$ 2,787,691</u>	<u>\$ 24,784,357</u>
Expenditures:				
Current-				
Instruction-				
Regular Programs	\$ 673,652	\$ -	\$ -	\$ 673,652
Special Programs	530,100	-	-	530,100
Vocational Programs	70,343	-	-	70,343
All Other Programs	8,191,235	-	-	8,191,235
Support Services-				
Student Services	918,986	-	-	918,986
Instructional Staff Support	2,066,420	-	-	2,066,420
General Administration	19,504	3,030	3,325	25,859
School Administration	31,174	-	-	31,174
Business Services	10,450	-	-	10,450
Plant Services	2,141,377	-	-	2,141,377
Student Transportation Services	74,312	-	-	74,312
Central Services	44,595	-	-	44,595
School Food Services	3,643,142	-	-	3,643,142
Debt Service-				
Principal	-	-	1,661,000	1,661,000
Interest	-	113,063	1,028,656	1,141,719
Capital Outlay	225,143	565,031	-	790,174
Total Expenditures	<u>\$ 18,640,433</u>	<u>\$ 681,124</u>	<u>\$ 2,692,981</u>	<u>\$ 22,014,538</u>

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues over Expenditures	\$ 3,332,780	\$ (657,671)	\$ 94,710	\$ 2,769,819
Other Financing Sources (Uses):				
Operating Transfers In	\$ 345,518	\$ -	\$ -	\$ 345,518
Operating Transfers Out	<u>(2,085,791)</u>	<u>-</u>	<u>-</u>	<u>(2,085,791)</u>
Total Other Financing	<u>\$ (1,740,273)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,740,273)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	1,592,507	(657,671)	94,710	1,029,546
Fund Balances (Deficit)- Beginning of Year *	<u>6,874,207</u>	<u>888,017</u>	<u>2,322,823</u>	<u>10,085,047</u>
Fund Balances (Deficit)- End of Year	<u>\$ 8,466,714</u>	<u>\$ 230,346</u>	<u>\$ 2,417,533</u>	<u>\$ 11,114,593</u>

*Restated; see note 14

OTHER REPORTS/SCHEDULES

T | C | B | T
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Superintendent and Board Members
of the Natchitoches Parish School Board

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish School Board's basic financial statements and have issued our report thereon dated February 3, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Natchitoches Parish School Board's internal control over financial reporting (internal control) to determine the 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 Natchitoches Parish School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish School Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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. 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 that, 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 Natchitoches Parish 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*.

Natchitoches Parish School Boards Response to Finding

The School Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of 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, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana

February 3, 2022

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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

To the Superintendent and Board Members
of the Natchitoches Parish School Board

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the School Board's major federal program 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the 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 its major federal program 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

February 3, 2022

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Natchitoches Parish School Board as of and for the year ended June 30, 2021.
2. The audit disclosed one significant deficiency in internal control that is required to be reported under *Government Auditing Standards*, which was not determined to be a material weakness.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any instances of material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any instances of noncompliance related to federal awards that are required to be reported under the Uniform Guidance.
7. The following programs were major for the year ended June 30, 2021:
 - o Title I Grants to Local Educational Agencies (CFDA #84.010)
 - o Education Stabilization Funds (CFDA # 84.425)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. The Natchitoches Parish School Board does not qualify as a low risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2021-001 Segregation of Duties

Criteria – For internal controls to be effective, there should be an adequate division of responsibilities among the individuals who handle assets and those who perform accounting procedures.

Condition – In reviewing the internal control structure, we noted that some of the Student Activity Funds do not have adequate segregation of duties with respect to all areas of the accounting procedures.

Cause – Some of the schools do not adequately separate authorization, custody, record keeping and reconciliations with regard to the Student Activity Funds.

Effect – Without adequate segregation of duties and oversight, opportunities to misappropriate assets or conceal intentional misstatements in the accounting procedures may not be prevented or detected.

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2021

Recommendation - Procedures should be implemented to ensure that all schools implement adequate segregation of duties for the Student Activity Funds.

Management's Response – Management's Corrective Action Plan is attached.

III. FINDINGS IN ACCORDANCE WITH *THE UNIFORM GUIDANCE*

None identified.

III. PRIOR YEAR FINDINGS

Federal Award Findings-

2020-001

Program: U.S. Department of Education
Passed-through the Louisiana Department of Education
National School Lunch Program
Grant Number: 05-SFS-054A
CFDA# 10.555

Compliance Requirement: Reporting

Condition – The majority of monthly reports were not submitted to the Louisiana Department of Education by the 10th of the following reporting month.

Status - This status was cleared as June 30, 2021.

2020-002

Program: U.S. Department of Education
Passed-through the Louisiana Department of Education
Special Education Cluster
Grant Number: 28-20-B1-35 & 28-20-PI-35
CFDA# 84.027 & 84.173

Compliance Requirement: Allowable Costs/Cost Principles

Condition – The School Board did not properly perform semi-annual certifications or time and effort distribution records for employees paid partially or in full with grant funding.

Status - This status was cleared as June 30, 2021.

AGREED-UPON PROCEDURES

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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Natchitoches Parish 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 Natchitoches Parish School Board for the fiscal year ended June 30, 2021, to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the Natchitoches Parish School Board is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

No exceptions were noted.

Class Size Characteristics (Schedule 2)

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

No exceptions were 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.

In our test of twenty-five individuals, we noted three individuals whose information did not agree to the October 1, 2020 PEP report.

Public School Staff Data: Average Salaries (No Schedule)

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

No exceptions were noted.

We were engaged by the Natchitoches Parish 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana

February 3, 2022

Natchitoches Parish School Board
Natchitoches, 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 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.

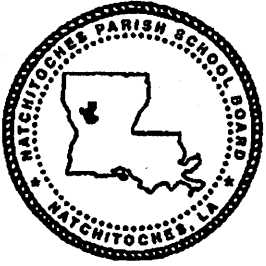
Natchitoches Parish School Board
Natchitoches, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources (Schedule 1)
For the Year Ended June 30, 2021

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 15,354,554	
Other Instructional Staff Activities	-	
Instructional Staff Employee Benefits	9,819,501	
Purchased Professional and Technical Services	512,963	
Instructional Materials and Supplies	256,116	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 25,943,134
Other Instructional Activities		412,972
Pupil Support Activities	2,251,295	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	2,251,295
Instructional Staff Services	1,869,415	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	1,869,415
School Administration	3,107,256	
Less: Equipment for School Administration	-	
Net School Administration	-	3,107,256
Total General Fund Instructional Expenditures (Total of Column B)		\$ 33,584,072
Total General Fund Equipment Expenditures		\$ 7,945
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 1,719,949
Renewable Ad Valorem Tax		2,589,170
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		398,585
Sales and Use Taxes		18,957,317
Total Local Taxation Revenue		\$ 23,665,021
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 5,220
Earnings from Other Real Property		90,173
Total Local Earnings on Investment in Real Property		\$ 95,393
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 66,495
Revenue Sharing - Other Taxes		69,066
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		123,420
Total State Revenue in Lieu of Taxes		\$ 258,981
Nonpublic Textbook Revenue		\$ 9,522
Nonpublic Transportation Revenue		\$ -

Natchitoches Parish School Board
 Natchitoches, Louisiana
 Class Size Characteristics (Schedule 2)
 For the Year Ended June 30, 2021

School Type	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination	75.2%	2,016	18.5%	497	5.9%	157	0.4%	12
Combination Activity Classes	84.2%	373	12.2%	54	3.2%	14	0.5%	2

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



Natchitoches Parish School Board

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GRANT ELOI
 Superintendent

STEVEN R. HARRIS
 President

REBA PHELPS
 Vice-President

Management's Corrective Action Plan Year Ended June 30, 2021

The Natchitoches Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2021.

Independent Public Accounting Firm: Thomas, Cunningham, Broadway & Todtenbier, CPA's
 321 Bienville Street
 Natchitoches, La 71457

Audit Period: July 1, 2020 to June 30, 2021

Agreed-Upon Procedures Report – Schedule 1

N/A – No exceptions noted.

Agreed-Upon Procedures Report – Schedule 2

N/A – No exceptions noted.

Agreed-Upon Procedures Report – Education Levels/Experience of Public School Staff (No Schedule)

The Accounting Clerk will review employees to verify their years of experience during the 2021-2022 year. The Accounting Manager will work with the Accounting Clerk to ensure the correct experience level is verified.

Agreed-Upon Procedures Report – Public School Staff Data: Average Salaries (No Schedule)

The Accounting Manager will work with the Accounting Clerk to compare PEP reported salaries to actual salaries to ensure that the PEP data is reported correctly.

Respectfully submitted,

Lee Waskom
 Director