

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2021

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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

INDEPENDENT AUDITOR'S REPORT

Members of the
Beauregard Parish School Board
DeRidder, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish 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 foregoing 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Beauregard Parish School Board as of June 30, 2021, and the changes in financial position and 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 certain budget, other post-retirement employee benefits information, and pension information (Exhibits 1-7) 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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. The Beauregard Parish School Board has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board also determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information. My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying combining and individual nonmajor fund schedules, the schedule of compensation paid to board members, and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Beauregard Parish School Board. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated March 31, 2022, on my consideration of the Beauregard Parish School Board's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

DeRidder, Louisiana

March 31, 2022

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement A

Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 69,289,740
Receivables	5,015,431
Inventory	440,400
Prepaid expenses	512,131
Restricted assets:	
Investments	300,000
Capital assets (net of accumulated depreciation):	
Land	305,618
Buildings	35,622,792
Improvements other than buildings	2,273,122
Furniture and equipment	3,313,476
Construction in progress	1,948,384
	<u>119,021,094</u>
DEFERRED OUTFLOWS OF RESOURCES	
Postretirement related deferrals	<u>24,609,592</u>
LIABILITIES	
Accounts payable	2,324,249
Salaries and benefits payable	9,684,375
Unearned revenue	72,978
Interest payable	448,583
Long-term liabilities:	
Due within one year	16,371,943
Due in more than one year	220,135,484
Total liabilities	<u>249,037,612</u>
DEFERRED INFLOWS OF RESOURCES	
Postretirement related deferrals	<u>16,600,284</u>
NET POSITION	
Invested in capital assets, net of related debt	19,807,242
Restricted for:	
Debt service	3,089,095
Future salaries from sales tax proceeds	2,050,180
Capital improvements	29,022,442
Maintenance, books, instructional items, etc.	6,140,436
Federal programs	339,284
Unrestricted	<u>(182,455,889)</u>
TOTAL NET POSITION	<u>\$ (122,007,210)</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2021

	Expenses	Program Revenues		Governmental
		Charges for Services	Operating Grants and Contributions	Activities - Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction:				
Regular programs	\$ 27,871,528	\$ -	\$ 1,246,374	\$ (26,625,154)
Special education programs	7,597,865	-	669,269	(6,928,596)
Vocational programs	1,923,585	-	75,547	(1,848,038)
Other instructional programs	3,656,459	-	1,469,319	(2,187,140)
Special programs	2,496,501	-	639,096	(1,857,405)
Support services:				
Student services	4,063,810	-	498,746	(3,565,064)
Instructional staff support	2,632,077	-	510,333	(2,121,744)
General administration	1,273,136	-	-	(1,273,136)
School administration	4,121,657	-	-	(4,121,657)
Business services	1,200,216	-	221,562	(978,654)
Plant services	9,504,528	-	1,324	(9,503,204)
Student transportation services	3,557,109	-	79	(3,557,030)
Central services	1,359,340	-	47,597	(1,311,743)
Food services	3,726,852	21,021	2,961,080	(744,751)
Community service programs	80,810	-	-	(80,810)
Interest on long-term debt	1,742,923	-	-	(1,742,923)
Total governmental activities	\$ 76,808,396	\$ 21,021	\$ 8,340,326	(68,447,049)
Taxes:				
Property taxes, levied for general purposes				1,439,686
Property taxes, levied for maintenance				8,918,458
Property taxes, levied for debt services				5,003,954
Sales and use taxes, levied for salaries				15,115,785
State revenue sharing, unrestricted				309,855
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				36,516,790
Other state funding				533,498
Interest and investment earnings				45,914
Special items:				
Miscellaneous				1,890,480
Insurance proceeds				8,825,889
Total general revenues and special items				78,600,309
Excess of revenues over expenses				10,153,260
Beginning net position, as restated				(132,160,470)
Ending net position				<u>\$ (122,007,210)</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Balance Sheet - Governmental Funds
June 30, 2021

	General Fund	Sales Tax Fund	Operations and Maintenance Fund	Capital Projects Fund
Assets				
Assets:				
Equity in pooled cash	\$ 26,490,554	\$ 1,597,355	\$ 6,316,573	\$ 29,900,294
Restricted investments	300,000	-	-	-
Receivables	51,784	1,482,994	288,358	-
Interfund receivable	2,134,723	-	-	-
Inventory	283,390	-	-	-
Prepaid items	36,270	-	475,861	-
	<u>29,296,721</u>	<u>3,080,349</u>	<u>7,080,792</u>	<u>29,900,294</u>
Total assets	\$ 29,296,721	\$ 3,080,349	\$ 7,080,792	\$ 29,900,294
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 458,856	\$ 22,034	\$ 430,578	\$ 877,852
Salaries and benefits payable	8,136,166	1,008,135	33,917	-
Interfund payable	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u>8,595,022</u>	<u>1,030,169</u>	<u>464,495</u>	<u>877,852</u>
Fund balances:				
Nonspendable items	319,660	-	475,861	-
Restricted for:				
Debt service	-	-	-	-
Capital improvements	-	-	-	29,022,442
Federal programs	-	-	-	-
Future salaries from sales tax proceeds	-	2,050,180	-	-
Workers compensation	500,000	-	-	-
Maintenance, books, instructional items, etc.	-	-	6,140,436	-
Committed for:				
Stabilization	3,489,772	-	-	-
Future facilities acquisition	2,135,315	-	-	-
Assigned for:				
Other	107,318	-	-	-
Unassigned	14,149,634	-	-	-
Total fund balances	<u>20,701,699</u>	<u>2,050,180</u>	<u>6,616,297</u>	<u>29,022,442</u>
	<u>29,296,721</u>	<u>3,080,349</u>	<u>7,080,792</u>	<u>29,900,294</u>
Total liabilities and fund balances	\$ 29,296,721	\$ 3,080,349	\$ 7,080,792	\$ 29,900,294

The accompanying notes are an integral part of this statement.

Statement C

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,928,738	\$ 2,056,226	\$ 69,289,740
-	-	300,000
160,357	3,031,938	5,015,431
-	-	2,134,723
-	157,010	440,400
-	-	512,131
<u>\$ 3,089,095</u>	<u>\$ 5,245,174</u>	<u>\$ 77,692,425</u>
\$ -	\$ 534,929	\$ 2,324,249
-	506,157	9,684,375
-	2,134,723	2,134,723
-	72,978	72,978
-	<u>3,248,787</u>	<u>14,216,325</u>
-	157,010	952,531
3,089,095	-	3,089,095
-	-	29,022,442
-	339,284	339,284
-	-	2,050,180
-	-	500,000
-	-	6,140,436
-	-	3,489,772
-	-	2,135,315
-	-	107,318
-	1,500,093	15,649,727
<u>3,089,095</u>	<u>1,996,387</u>	<u>63,476,100</u>
<u>\$ 3,089,095</u>	<u>\$ 5,245,174</u>	<u>\$ 77,692,425</u>

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2021

Total fund balances at year end - governmental funds		\$ 63,476,100
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and, therefore, not reported in the funds.		
Cost of capital assets at year end	\$ 103,073,518	
Less - accumulated depreciation at year end	<u>(59,610,126)</u>	43,463,392
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Long-term liabilities at year end:		
Compensated absences	(1,572,369)	
Workers compensation	(258,720)	
Bond premium	(1,594,669)	
Bonds payable	(52,678,592)	
Other post-employment benefits liability	(105,096,388)	
Net pension liability	(75,306,689)	
Accrued interest payable	<u>(448,583)</u>	<u>(236,956,010)</u>
Postretirement related deferrals:		
Outflows-pensions	19,272,229	
Outflows-OPEB	5,337,363	
Inflows-OPEB	(10,901,869)	
Inflows-pensions	<u>(5,698,415)</u>	<u>8,009,308</u>
Net position at year end - governmental activities		<u>\$ (122,007,210)</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2021

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BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Sales Tax Fund	Operations and Maintenance Fund	Capital Projects Fund
Revenues:				
Local sources:				
Ad valorem taxes	\$ 1,439,686	\$ -	\$ 8,918,458	\$ -
Sales and use taxes	-	15,115,785	-	-
Interest earnings	30,385	-	-	15,291
Food services	-	-	-	-
Other	128,962	-	-	-
State sources:				
Equalization	36,403,098	-	-	-
Other	255,406	-	267,162	-
Federal sources				
Total revenues	<u>38,257,537</u>	<u>15,115,785</u>	<u>9,185,620</u>	<u>15,291</u>
Expenditures:				
Instruction:				
Regular programs	17,731,613	6,023,299	1,191,042	118,376
Special education programs	4,618,280	1,883,450	131,053	-
Vocational educational programs	1,349,729	435,189	69,863	-
Other instructional programs	1,795,589	338,534	65,535	-
Special programs	249,350	152,967	545	-
Support services:				
Student services	2,555,328	804,500	227	-
Instructional staff support	1,489,999	480,947	98,989	-
General administration	901,909	368,282	253	800
School administration	2,950,231	1,121,325	-	-
Business administration	1,044,865	154,397	40,805	-
Plant services	3,486,840	768,426	5,313,397	310
Student transportation services	3,236,512	831,384	227	-
Central services	357,811	207,086	741,107	-
Food services	112,340	624,191	-	57
Community service programs	12,912	-	-	-
Facilities acquisition and construction	32,860	-	81,420	1,754,006
Debt service	-	-	-	-
Total expenditures	<u>41,926,168</u>	<u>14,193,977</u>	<u>7,734,463</u>	<u>1,873,549</u>
Excess (deficiency) of revenues over (under) expenditures	(3,668,631)	921,808	1,451,157	(1,858,258)
Other financing sources (uses):				
Insurance proceeds	8,825,889	-	-	-
Issuance of debt	-	-	-	-
Bond closing costs	-	-	-	-
Transfers in	593,933	-	-	-
Transfers out	(59,139)	-	-	-
Total other financing sources (uses)	<u>9,360,683</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	5,692,052	921,808	1,451,157	(1,858,258)
Beginning fund balances, as restated	15,009,647	1,128,372	5,165,140	30,880,700
Ending fund balances	<u>\$ 20,701,699</u>	<u>\$ 2,050,180</u>	<u>\$ 6,616,297</u>	<u>\$ 29,022,442</u>

The accompanying notes are an integral part of this statement.

Statement E

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 5,003,954	\$ -	\$ 15,362,098
-	-	15,115,785
238	-	45,914
-	21,021	21,021
-	1,761,523	1,890,485
-	113,692	36,516,790
-	320,785	843,353
-	8,340,326	8,340,326
5,004,192	10,557,347	78,135,772
-	1,246,374	26,310,704
-	669,269	7,302,052
-	75,547	1,930,328
-	1,469,319	3,668,977
-	2,102,421	2,505,283
-	649,089	4,009,144
-	515,565	2,585,500
-	-	1,271,244
-	246	4,071,802
-	-	1,240,067
-	1,324	9,570,297
-	79	4,068,202
-	47,597	1,353,601
-	2,789,090	3,525,678
-	67,897	80,809
-	-	1,868,286
10,897,180	-	10,897,180
10,897,180	9,633,817	86,259,154
(5,892,988)	923,530	(8,123,382)
-	-	8,825,889
6,225,000	-	6,225,000
(368,158)	-	(368,158)
-	59,139	653,072
-	(593,933)	(653,072)
5,856,842	(534,794)	14,682,731
(36,146)	388,736	6,559,349
3,125,241	1,607,651	56,916,751
\$ 3,089,095	\$ 1,996,387	\$ 63,476,100

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

Total net change in fund balances - governmental funds \$ 6,559,349

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

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

Depreciation expense	\$ (2,068,847)	
Capital outlays	<u>2,452,475</u>	383,628

Net book value of assets retired during the year -

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Proceeds of bond issues is an other source in the governmental funds but increases long-term liabilities in the Statement of Net Position:

Principal payments		9,278,000
Bond proceeds		<u>(6,225,000)</u>

In the Statement of Activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which the amounts earned exceeds the amount actually paid:

Change in compensated absences payable		(137,073)
Change in workers compensation claims payable		(19,226)
Amortization of bond premium		190,273
Change in other post employment benefits and related deferrals		1,061,530
Change in net pension liability and related deferrals		<u>(992,362)</u>

Interest on long-term debt in the Statement of Activities is recorded as it is incurred, however, in the governmental funds interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources:

Change in accrued interest payable		<u>54,141</u>
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Change in net position of governmental activities \$ 10,153,260

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

The Beauregard Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Beauregard 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 10 members who are elected from 10 districts for terms of four years.

The School Board operates 12 schools within the parish with a total enrollment of approximately 6,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Beauregard Parish 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 financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999, as amended.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB No. 14 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.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

C. FUND ACCOUNTING

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts.

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

Governmental Funds

Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include the following:

1. The General Fund is the general operating fund of the School Board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Assets and Liabilities – Agency Funds at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

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

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

BEAUREGARD PARISH SCHOOL BOARD
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Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School Board reports the General Fund, the Sales Tax Fund, the Operating and Maintenance Fund, the School Food Service Fund, the Debt Service Fund, and the Capital Projects Fund as its major governmental funds. The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Sales Tax Fund is used to account for sales tax collections that are to be used for salaries and benefits. The Operating and Maintenance Fund is used to account for ad valorem tax millages that are dedicated to certain operating and maintenance costs. The School Food Service Fund includes the school meal preparation operations. The Debt Service Fund accounts for the collection of an ad valorem tax millage dedicated to servicing the debt of the District's outstanding general obligation bonds. The Capital Projects Fund accounts for bonds issued under authority of a voter referendum to be used for capital projects and instructional equipment.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 generally considers all revenues available if they are collected within 60 days after the fiscal year ended except for revenues related to federal grant programs where costs are reimbursed 100%. For these programs, revenues are recognized when the expenditures are made. Management feels that the financial statements would be misleading if these revenues were not recorded. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the reimbursable expenditures have been incurred. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February of the fiscal year. Sales and use tax revenues are recorded in the month that the original taxable transaction occurred. Substantially all other revenues are recorded when received.

BEAUREGARD PARISH SCHOOL BOARD
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Expenditures

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Governmental fund expenditures include the following:

Salaries are recorded as earned. All nine-month employees are to be paid pro rata over twelve months. Thus, salaries paid to these employees in July and August are earned (and are accrued) as of fiscal year end. Principal and interest on general long-term obligations are recognized when due. Inventory is expensed when consumed. Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the general long-term obligations account group. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Increases (decreases) in net current assets arising from sources other than revenues (expenditures) are accounted for as other financing sources (uses). Such transactions include transfers between funds that are not expected to be repaid, capital lease transactions, sale of fixed assets, and long-term debt proceeds. These other financing sources (uses) are recognized at the time the underlying events occur.

Agency Funds – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for on the accrual basis of accounting.

E. BUDGETS

The School Board adopts budgets for all funds under its control. The School Board uses the following budget practices:

1. The proposed budget for the fiscal year ended June 30, 2021, was published June 21, 2020. The budget was available for viewing from that date until the date of the public hearing July 9, 2020. The budget was formally adopted on July 9, 2020, by the School Board. The budget must be adopted no later than September 15th and submitted to the Louisiana Department of Education no later than September 30th each year for approval.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. Budgets are prepared on a GAAP basis for all funds.

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Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. The superintendent of the School Board has the authority to transfer amounts between accounts within any fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances are recorded at the time the purchasing system generates a purchase order and are liquidated at the time the corresponding expenditure is recognized. Outstanding encumbrances lapse at year-end. To the extent the School Board intends to honor the purchase orders and commitments, they are disclosed in the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

G. CASH AND INTEREST-EARNING DEPOSITS

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and short-term investments with original maturities of three months or less, including deposits held by the Louisiana Asset Management Pool (LAMP). LAMP is a statewide investment pool in which the School Board participates and operates in accordance with appropriate state laws and regulations. The fair value of the School Board's position in the pool is the same as the value of the pool shares. LAMP is a component unit of the State of Louisiana, and its operations are regulated by state law and are overseen by a board consisting of the state treasurer and members elected from the pool participants. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the School Board's investment policy. These laws and policies are designed to minimize credit risk. The School Board's investments include certificates of deposit with maturities greater than 90 days. These certificates of deposit are recorded at cost, which approximates fair value.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

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J. INVENTORIES AND PREPAID ITEMS

Inventory of the General Fund consists of expendable supplies and are recorded on the consumption method. These items are recorded at the lower of cost (first-in, first-out) or market value.

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Furniture and fixtures	10 years
Vehicles	5 years
Equipment	3-10 years

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L. COMPENSATED ABSENCES

The School Board has the following policies relating to compensated absences:

Annual Leave

Annual leave is earned for all twelve-month active employees at the following rates:

<u>Years of service</u>	<u>Rate</u>
0-3	1 day per month (12 days annually)
3-10	1 ¼ days per month (15 days annually)
Over 10	1 ½ days per month (18 days annually)

Accumulated annual leave is capped at 48 days.

Sick Leave

Sick leave is earned for active employees at the following rates:

Nine-month employees	10 days
Ten-month employees	11 days
Eleven- and twelve-month employees:	
0-10 years	12 days
Over 10 years	18 days

If a nine- or ten-month employee works additional time during the summer, the employee will receive one day additional sick leave (or portion thereof) for each additional month worked (or portion thereof). Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service. However, the School Board may pay, on a uniform basis, such unused sick leave beyond twenty-five days, not to exceed 45 days, at its discretion.

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Emergency Leave

Emergency leave shall be granted for the following reasons:

1. A maximum of three days continuous leave for illness in the immediate family unless there are extenuating circumstances.
2. A maximum of three days continuous leave for death in the immediate family unless there are extenuating circumstances.
3. A maximum of two days for the purpose of marriage.
4. Circumstances beyond the control of the employee (i.e., fire, flood tornado, etc.)

The superintendent or his designee may grant emergency leave for reasons other than above. Two days of sick or emergency leave may be allowed for personal reasons.

Excess leave

Excess leave may be granted by the superintendent beyond the sick and emergency leave up to a maximum of five days. Any request beyond five days requires School Board approval.

Sabbatical Leave

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. According to GASB Statement No. 16, sabbatical leave which involves professional and cultural development provides a continuing benefit to the employer and should not be accrued.

The cost of current leave privileges is recognized as an expenditure in the governmental funds (typically the General Fund) when the leave is actually taken or, in the case of amounts due at termination, when payment is due. The expenditure is recorded in the fund from which the employee on leave is generally paid. The cost of leave privileges not requiring current resources is recorded in the government-wide financial statements.

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M. EQUITY CLASSIFICATIONS

For government-wide statement of net position, equity is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt. This component consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position. Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position. Unrestricted net position consists of all other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The School Board uses restricted resources first when expenses are incurred when both restricted and unrestricted net position are available.

In the fund statements, governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the School Board classifies governmental fund balances as follows:

- Non-spendable. Relates to fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted. Relates to fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed. Relates to fund balance amounts that are constrained for specific purposes that are internal imposed by the district through formal action of the School Board and does not lapse at year-end.
- Assigned. Relates to fund balance amounts that are intended to be used for a specific purpose that are considered to be neither restricted nor committed. Fund balance can be assigned by the School Board.
- Unassigned. Relates to fund balance amounts within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The School Board uses restricted resources first when expenditures are incurred when both restricted and unrestricted fund balances are available.

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N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

O. SALES AND USE TAXES

A one-cent sales and use tax was approved by voters at a special election held July 23, 1966. The proceeds of the tax are to be used exclusively to supplement other revenues available to the School Board for the payment of salaries of teachers in the public elementary and secondary schools of the parish and for the expenses of operating said schools, such operating expenses to include payment of salaries of other personnel employed by the School Board in addition to teachers, but to exclude expenditures for capital improvements and purchases of automobiles.

Another one-cent sales and use tax was approved by voters at a special election held May 5, 1990. The proceeds of the tax are to be used for the purpose of supplementing salaries of teachers and other school employees and providing benefits for teachers, other school employees, and retirees.

P. 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.

Q. PENSIONS

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS), and additions to/deductions from the fiduciary net position for both pensions have been determined on the same basis as they are reported by each pension. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
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2. LEVIED TAXES

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

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Constitutional	5.13	5.13	N/A
Maintenance and operations	9.27	9.27	2022
Maintenance and operations – Instructional	22.56	22.56	2023
Bond and Interest	17.80	17.80	N/A

The two millages for Maintenance and Operations are restricted to facilities maintenance and certain educational items such as books. The Bond and Interest millage is restricted specifically for debt service on the School Board's bond issues.

The only taxpayer with assessed valuation in excess of 5% of total assessments was Packaging Corporation of America (PCA). PCA's total assessed valuation was approximately \$42,000,000 generating approximately \$2,300,000 in ad valorem taxes for the School Board.

3. DEPOSITS

At June 30, 2021, the School Board has cash and interest-bearing deposits (book balances) as follows:

	<u>Governmental Activities</u>
Interest-bearing deposits	\$ 54,640,532
JPM UST money market	12,893,656
Deposits with LAMP	<u>1,755,552</u>
Total	<u>\$ 69,289,740</u>

Additionally, the School Board has a certificate of deposit totaling \$300,000 on deposit in local banks which are presented as restricted investments in the financial statements.

Rule 2a7 External Investment Pools

A significant portion of the School Board's funds is swept nightly into JP Morgan U.S. Treasury Securities Money Market Fund ("Money Market Fund" or "the Fund"). The objective of the Fund is to seek income with liquidity and stability of principal. The Fund is structured as a Rule 2a7 investment pool and invests in only U.S. Treasury securities. The Money Market Fund is rated AAAM by Standard & Poor's.

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The dollar weighted average portfolio maturity of the Fund's underlying assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The dollar weighted average portfolio maturity was 16 days at June 30, 2021. The investments in the Fund are stated at fair value based on quoted market rates. The Fund seeks to maintain a net asset value ("NAV") of \$1.00 per share

A portion of the School Board's funds is held and managed by the Louisiana Asset Management Pool (LAMP), a Rule 2a7-like investment pool. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAAM by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP issues a publicly available financial report that includes financial statements and required supplementary information for LAMP. That report may be obtained by writing to the LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130.

As Rule 2a7 investment pools, these investments are not subject to custodial credit risk because investment in these pools are not evidenced by securities that exist in a physical or book-entry form.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the School Board's deposits may not be recovered. Under state law, the School Board's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the School Board or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2021, the School Board has \$68,682,437 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$1,987,560 of federal deposit insurance and \$66,692,622 of pledged securities held by the custodial bank in the name of the School Board, leaving \$2,255 uncollateralized. The deposits covered by insurance and pledged securities are not considered subject to custodial credit risk according to GASB Statement No. 3.

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4. INVESTMENTS

Investments at June 30, 2021 consisted of a certificate of deposit. All certificates have maturities of six months from their original purchase dates.

As discussed in Note 3, certificates of deposit are considered fully collateralized under the provisions of GASB Statement 3. Deposits with LAMP are not categorized as those deposits are not evidenced by securities that exist in physical or book-entry form.

Although the School Board’s policy does not formally address credit or interest rate risk, it does emphasize safety and liquidity over investment return. This policy does limit exposure to fluctuations in interest rates due to the short-term nature of securities purchased and the School Board’s intent and ability to hold debt securities to maturity. Interest rates on certificates of deposit range from 0.08-1.0% and it is the practice of the School Board to generally purchase certificates with maturities of six months or less and never over one year. The investment strategies for LAMP and the Money Market Fund also emphasizes safety and liquidity with a substantial portion of the underlying securities pool having maturities of less than 30 days. Both LAMP and the Money Market Fund are rated AAAm with Standard & Poors.

The School Board entered into a security agreement with the State of Louisiana Office of Workers’ Compensation (OWC) that grants to OWC a security interest in the School Board’s \$300,000 certificate of deposit. The security interest is to secure the prompt payment of all obligations under the provisions of the Louisiana Workers’ Compensation Act. This certificate of deposit is classified as restricted investment in the General Fund.

5. RECEIVABLES

The receivables of \$5,015,431 at June 30, 2021, are categorized as follows:

Class of Receivable	General Fund	Sales Tax Fund	Maintenance Fund	Debt Service Fund	Non-Major Funds	Total
Taxes:						
Sales	\$ -	\$ 1,482,994	\$ -	\$ -	\$ -	\$ 1,482,994
Ad valorem	46,473	-	288,358	160,357	-	495,188
Intergovernmental:						
Federal	-	-	-	-	2,935,837	2,935,837
State	3,311	-	-	-	96,101	99,412
Other	2,000	-	-	-	-	2,000
Total	\$ 51,784	\$ 1,482,994	\$ 288,358	\$ 160,357	\$ 3,031,938	\$ 5,015,431

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6. CAPITAL ASSETS

The changes in capital assets follow:

	Balance, Beginning of Year	Additions	Deletions	Transfers	Balance, End of Year
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 305,618	\$ -	\$ -	\$ -	\$ 305,618
Construction in progress	161,519	1,868,285	-	(81,420)	1,948,384
	<u>467,137</u>	<u>1,868,285</u>	<u>-</u>	<u>(81,420)</u>	<u>2,254,002</u>
Capital assets being depreciated:					
Buildings and improvements	88,300,711	-	-	81,420	88,382,131
Furniture and equipment	12,187,835	584,189	(334,639)	-	12,437,385
	<u>100,488,546</u>	<u>584,189</u>	<u>(334,639)</u>	<u>81,420</u>	<u>100,819,516</u>
Less accumulated depreciation:					
Buildings and improvements	(48,960,838)	(1,525,379)	-	-	(50,486,217)
Furniture and equipment	(8,915,081)	(543,467)	334,639	-	(9,123,909)
	<u>(57,875,919)</u>	<u>(2,068,846)</u>	<u>334,639</u>	<u>-</u>	<u>(59,610,126)</u>
Total capital assets being depreciated, net	<u>42,612,627</u>	<u>(1,484,657)</u>	<u>-</u>	<u>81,420</u>	<u>41,209,390</u>
Governmental activities capital assets, net	<u>\$ 43,079,764</u>	<u>\$ 383,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,463,392</u>

Depreciation expense of \$2,068,846 for the year ended June 30, 2021, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 1,490,902
Special Education	270,673
Support Services:	
Student Services	51,448
Instructional Staff Support	38,690
General Administration	2,713
School Administration	21,377
Business Services	6,031
Plant Services	15,110
Student Transportation Services	33,411
Central Services	715
School Food Services	<u>137,776</u>
Total	<u>\$ 2,068,846</u>

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7. RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees and are component units of the State of Louisiana.

The School Board has implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This standard requires the School Board to record its proportional share of each of the pension plan's Net Pension Liability and report the following disclosures:

A. TEACHERS' RETIREMENT SYSTEM OF LOUISIANA (TRSL)

Plan Description. TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. TRSL issues a publicly available financial report that includes financial statements and required supplementary information for TRSL. That report may be obtained at trsl.org, by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Benefits Provided. The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

1) Normal Retirement

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

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- Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.
- Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

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

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

2) Deferred Retirement Option Plan (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 the 3rd anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

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3) Disability 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 (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

4) Survivor Benefits

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

5) Cost of Living Adjustments

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

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

TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	25.8%
Higher Ed Regular Plan	8.0%	25.0%
Plan A	9.1%	25.8%
Plan B	5.0%	25.8%

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. The School Board’s contributions to TRSL for the years ending June 30, 2021, 2020, and 2019, were \$7,842,010, \$7,801,918, and \$7,779,143, respectively, equal to the required contributions for each year.

B. LOUISIANA SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained at lsers.org, by writing to the Louisiana School Employees’ Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Benefits Provided. The following is a description of the plan and its benefits and is provided for general informational purposes only. Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153. LSERS provides retirement, deferred retirement option (DROP), and disability. Participants should refer to the appropriate statutes for more complete information.

BEAUREGARD PARISH SCHOOL BOARD
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1) Normal Retirement

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

For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the System on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

2) Deferred Retirement Option Plan (DROP)

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

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

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

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3) 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 twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the System 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.

4) Initial Benefit Retirement Plan (IBRP)

Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

Contributions. The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Plan members are required to contribute 7.5% (8.0% for members hired after July 1, 2010) of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 28.7% of annual covered payroll. Contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is set by state statute at the greater of 6% or the actuarially determined required rate. Since the statutory rate has been significantly greater than the actuarially required rate in recent years, employers have accumulated a contribution credit. As such, the School Board's contributions to the LSERS for the years ending June 30, 2021, 2020, and 2019, were \$878,557, \$799,085, and \$709,787, respectively, which is equal to the required contributions each year.

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

At June 30, 2021, the School Board reported liability of \$75,306,689 (\$67,388,702 and \$7,917,987, respectively, for TRSL and LSERS) for its proportionate share of the Net Pension Liability for both plans. The Net Pension Liabilities were measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Obligation for each plan was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the School Board's proportion was 0.59083% for TRSL and 1.024812% for LSERS, which represented an increase of .01499 percentage points for TRSL and a decrease of .039322 percentage points for LSERS from its proportions measured as of June 30, 2019.

For the year ended June 30, 2021, the School Board recognized pension expense of \$992,362 (\$894,974 and \$97,388, respectively, for TRSL and LSERS).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and annual experience	\$ -	\$ 1,276,651
Changes of assumptions	4,056,146	-
Net difference between projected and actual earnings on pension plan investments	6,407,588	-
Changes in proportion	87,928	3,925,571
Differences between actual contributions and proportionate share of contributions	-	496,193
Contributions subsequent to the measurement date	<u>8,720,567</u>	<u>-</u>
Total	<u>\$ 19,272,229</u>	<u>\$ 5,698,415</u>

BEAUREGARD PARISH SCHOOL BOARD
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Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 17,052,976	\$ 5,478,361
School Employees' Retirement System	<u>2,219,253</u>	<u>220,054</u>
Total	<u>\$ 19,272,229</u>	<u>\$ 5,698,415</u>

The School Board reported \$8,720,567 as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date of June 30, 2020, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 7,842,010
School Employees' Retirement System	<u>878,557</u>
Total	<u>\$ 8,720,567</u>

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

<u>Year</u>	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
2021	\$ (1,385,552)	\$ 108,518	\$ (1,277,034)
2022	1,244,689	370,406	1,615,095
2023	2,234,395	366,037	2,600,432
2024	<u>1,639,073</u>	<u>275,681</u>	<u>1,914,754</u>
	<u>\$ 3,732,605</u>	<u>\$ 1,120,642</u>	<u>\$ 4,853,247</u>

BEAUREGARD PARISH SCHOOL BOARD
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Actuarial Assumptions

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

System	TRSL	LSERS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization approach	Closed	Closed
Actuarial assumptions:	The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017.	The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2017.
Expected Remaining Service Lives	5 years	3 years
Investment rate of return	7.45% net of investment expenses.	7.00% net of investment expenses.
Inflation rate	2.5% per annum	2.5% per annum
Projected salary increases	3.1% - 4.6% varies depending on duration of service	3.25%
Cost-of-living adjustments	None	None
Mortality	RP-2014 mortality tables, adjusted using MP-2017 generational improvement tables, with continued future mortality improvement projecting using MP-2017 generational mortality tables.	RP-2014 Healthy Annuitant, Sex Distinct Employee, and Sex Distinct Disabled Lives mortality tables with generational projections using the full generational scale MP2017.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members.	RP-2014 Sex Distinct Disability Mortality and Sex Distinct Employee tables.

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Best estimates of arithmetic real rates of return by system for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic equity	27.0%	13.0%	4.60%	2.93%
International equity	19.0%	26.0%	5.54%	2.93%
Domestic fixed income	13.0%	13.0%	0.69%	1.07%
International fixed income	5.5%	13.0%	1.50%	1.07%
Alternatives	35.5%	23.0%	13.07%	1.43%
Real assets	-	12.0%	-	0.73%

Discount Rate

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

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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 Liability using the discount rate of each system as well as what the School Board’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each system:

	Rates		Share of Net Pension Liability	
	TRSL	LSERS	TRSL	LSERS
Current discount rate	7.45%	7.00%	\$67,388,702	\$ 7,917,987
One percentage point decrease	6.45%	6.00%	\$87,970,259	\$10,371,391
One percentage point increase	8.45%	8.00%	\$50,063,038	\$ 5,819,691

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2021, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$261,417 for its participation in TRSL.

Payables to the Pension Plan

The School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2021, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. At June 30, 2021, \$2,689,038 and \$272,731 were payable to TRSL and LSERS, respectively.

8. INTERFUND ACTIVITIES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	<u>\$ 2,134,723</u>

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Generally, interfund receivables/payables result from overdrafts of the common cash pool.

The following is a summary of interfund transfers for the year ended June 30, 2021:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	\$ 593,933
Non-major special revenue funds	General Fund	<u>59,139</u>
		<u>\$ 653,072</u>

Generally, interfund transfers result from the 1) reimbursement of indirect costs from federal programs to the General Fund, or 2) reimbursement to other funds for expenditures paid on behalf of the General Fund. Additionally, the General Fund subsidizes the School Food Service Fund for the amount of expenditures not covered by meal sales and federal grants.

9. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2021:

	<u>Bonded Debt</u>	<u>Bond Premium</u>	<u>Workers Comp Claims Liability</u>	<u>Compensated Absences</u>	<u>OPEB Liability</u>	<u>Net Pension Liability</u>	<u>Total</u>
Long-term obligations at beginning of year	\$ 55,738,000	\$ 1,778,534	\$ 239,494	\$ 1,435,297	\$ 97,753,756	\$ 65,398,998	\$ 222,344,079
Additions	6,225,000	-	378,912	896,953	10,469,871	18,508,694	36,479,430
Deductions	<u>(9,278,000)</u>	<u>(190,273)</u>	<u>(359,686)</u>	<u>(759,881)</u>	<u>(3,127,239)</u>	<u>(8,601,003)</u>	<u>(22,316,082)</u>
Long-term obligations at end of year	<u>\$ 52,685,000</u>	<u>\$ 1,588,261</u>	<u>\$ 258,720</u>	<u>\$ 1,572,369</u>	<u>\$ 105,096,388</u>	<u>\$ 75,306,689</u>	<u>\$ 236,507,427</u>
Due within one year	<u>\$ 3,350,000</u>	<u>\$ 190,272</u>	<u>\$ 359,686</u>	<u>\$ 759,881</u>	<u>\$ 3,111,101</u>	<u>\$ 8,601,003</u>	<u>\$ 16,371,943</u>

General Obligation Bonds

All School Board bonds outstanding at June 30, 2021, are general obligation bonds with maturities from 2017 to 2031 and interest rates from 1.0% to 5.00%. Bond principal and interest payable in the next fiscal year are \$3,350,000 and \$1,690,020, respectively. Proceeds of these bonds are restricted to construction projects as outlined in the related parish-wide elections authorizing the issuance of the bonds.

In September 2020, the School Board issued Series 2020A Refunding Bonds in order to refund the outstanding Series 2012 bonds. Interest rate on the bonds is 1.0-2.25% and is and are payable in semi-annual interest and annual principal payments. Annual debt service ranges from \$120,789 to \$777,100. The bonds mature in 2031. The bonds are payable from ad valorem taxes dedicated to debt service.

BEAUREGARD PARISH SCHOOL BOARD
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The individual issues are as follows:

Bond Issue	Original Issue	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding	Current Portion
Series 2012	\$ 9,800,000	2.0-3.6%	2030	\$ 6,500	\$ 520,000	\$ 520,000
Series 2013 Refunding	3,315,000	2.0%	2021	44,722	1,100,000	355,000
Series 2016 Refunding	7,005,000	2.0%	2031	510,329	5,555,000	620,000
Series 2017 Refunding	6,920,000	2.0%	2024	568,919	5,470,000	615,000
Series 2019	29,000,000	3.0-5.0%	2039	11,809,700	27,910,000	575,000
Series 2020 Refunding	6,670,000	1.92%	2030	591,744	5,975,000	600,000
Series 2020A Refunding	6,225,000	1.0-2.25%	2031	746,600	6,155,000	65,000
	<u>\$ 68,935,000</u>			<u>\$ 14,278,514</u>	<u>\$ 52,685,000</u>	<u>\$ 3,350,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish.

At June 30, 2021, the School Board has accumulated \$3,026,119 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2022	\$ 3,350,000	\$ 1,514,906	\$ 4,864,906
2023	3,455,000	1,434,390	4,889,390
2024	3,560,000	1,352,600	4,912,600
2025	3,280,000	1,265,154	4,545,154
2026	3,375,000	1,182,701	4,557,701
2027-2031	15,120,000	4,582,064	19,702,064
2032-2036	12,065,000	2,431,150	14,496,150
2037-2039	8,480,000	515,549	8,995,549
Total	<u>\$ 52,685,000</u>	<u>\$ 14,278,514</u>	<u>\$ 66,963,514</u>

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2021, the statutory limit is approximately \$150 million.

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Defeased Bonds

In 2016, 2017, and 2020, the School Board took the opportunity to refinance some older bonds with new bonds at lower rates. However, the refunded bonds were not available to be called until a future date. As such, the proceeds of the refunding bonds were placed in trust and used to purchase U.S. Treasury securities which future cash flows and maturities match the intended future call amounts and call dates of the bonds. The bonds are considered legally defeased and are no longer carried as liabilities in these financial statements.

The total principal balance of the defeased bonds outstanding at June 30, 2021 is as follows:

Series 2009	\$ 5,335,000
Series 2009A	5,315,000
Series 2012	<u>5,875,000</u>
Total	<u>\$ 16,525,000</u>

10. EQUITY RESTRICTIONS

As discussed in Note 1(P), the School Board receives the proceeds of two one-cent sales taxes which are dedicated to employee salaries and benefits. Revenues from these taxes and the related expenditures are recorded in the Sales Tax Fund and the resulting fund balance is considered restricted for future salaries.

As discussed in Note 2, certain property tax millages are restricted as to use. The two Maintenance and Operating millages are restricted for facilities maintenance and certain educational items. Revenues from these millages and the related expenditures are recorded in the Operations and Maintenance Fund and the resulting fund balance is considered restricted for future maintenance. There is also a Bond and Interest millage dedicated to debt service which is recorded in the Debt Service Fund and the resulting fund balance is considered restricted for future debt service.

As discussed in Note 10, proceeds of general obligation bonds authorized in parish-wide elections held in 1997 and 2008 are restricted to certain construction projects as outlined in the tax propositions. The proceeds of the bonds are recorded in the Capital Projects Fund and the resulting fund balance in the Capital Projects Fund is considered restricted for future construction projects.

It is the Board's policy to set aside five percent of revenues for contingencies. This amount was recorded as committed fund balance in the General Fund at June 30, 2021.

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11. RISK MANAGEMENT

The School Board maintains insurance coverage through commercial insurance carriers for liability, errors and omissions, employee bonds, and property insurance. The School Board is partially self-insured for workers' compensation claims. The School Board has hired a third-party administrator to track and pay workers' compensation claims and make reserve estimates on each claim. The liability for workers' compensation claims has been recorded in the government-wide financial statements.

12. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES

The School Board is a defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the School Board and legal counsel, the outcomes of these lawsuits will not have a material adverse effect on the accompanying basic financial statements and, accordingly, no provision for losses has been recorded.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applied funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the School Board expects such amounts, if any, to be immaterial.

Under the Internal Revenue Code, interest earned on debt proceeds in excess of interest expense prior to the disbursement of such proceeds (called "arbitrage") must be rebated to the Internal Revenue Service. Management believes there is no arbitrage rebate liability at year end.

13. COMMITMENTS

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are re-appropriated in the next year.

The School Board is committed under several construction contracts that are to be paid from the General Fund as the construction projects progress. At June 30, 2021, there were remaining commitments of \$6,949,315 related to these contracts. This amount is included in the restricted fund balance in the Capital Projects Fund.

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14. OTHER POST-EMPLOYMENT BENEFITS

In accordance with Governmental Accounting Standard Board (GASB) Statement No. 75, the School Board recognizes the cost of other post-employment benefits (OPEB) in the year when employee services are received, recognizes a liability for OPEB obligations, on the statement of net position, and provides information useful in assessing potential demands on the School Board's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Plan Description. In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through Office of Group Benefits, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits is included in these expenditures.

Funding Policy. The contribution requirements of plan members and the School Board are established and may be amended by LA R.S. 42:801-883. Employees do not contribute to their other post-employment benefits cost until they become retirees and begin receiving those benefits. The healthcare and life insurance premiums are paid 25% by the retiree and 75% by the employer. The plan is currently financed on a pay-as-you-go basis, with the School Board contributing \$3,127,239 for 440 retirees and \$3,111,101 for 430 retirees during the years ended June 30, 2021 and 2020, respectively.

Total OPEB Liability

The School Board's total OPEB liability of \$105,096,388 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

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:

Actuarial cost method	Entry age normal
Inflation	2.80%
Discount rate	2.66%
Health care cost trend rates	6.75% for 2021, varying gradually until an ultimate rate of 4.50% for 2030 and beyond

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The discount rate used to calculate total OPEB liability was 2.66%, which was based on the S&P 20-year general obligation bond index. For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018.

Changes in total OPEB liability are as follows:

Total OPEB liability at beginning of year	\$ 97,753,756
Changes during year:	
Annual Required Contribution	2,682,083
Interest on prior year liability	<u>2,758,835</u>
Annual OPEB cost	5,440,918
Change in OPEB obligation due to change in assumptions	3,271,801
Change in OPEB obligation due to difference between expected and actual experience	1,757,152
Current year premiums paid	<u>(3,127,239)</u>
Net change in total OPEB liability	<u>7,342,632</u>
Total OPEB liability at end of year	<u>\$ 105,096,388</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.66 percent) or one percentage point higher (3.66 percent) than the current discount rate:

	1% Decrease <u>1.66%</u>	Discount Rate <u>2.66%</u>	1% Increase <u>3.66%</u>
Total OPEB liability	<u>\$ 123,655,635</u>	<u>\$ 105,096,388</u>	<u>\$ 90,458,884</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend 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 healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease <u> </u>	Assumed Rate <u> </u>	1% Increase <u> </u>
Total OPEB liability	<u>\$ 89,778,786</u>	<u>\$ 105,096,388</u>	<u>\$ 124,791,508</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

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

For the year ended June 30, 2021, the School Board recognized an OPEB expense of \$7,342,632. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 2,590,176	\$ (10,464,878)
Difference between expected and actual experience	<u>2,747,187</u>	<u>(436,991)</u>
	<u>\$ 5,337,363</u>	<u>\$ (10,901,869)</u>

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

<u>Year Ending June 30,</u>	
2022	\$ (3,375,208)
2023	(2,424,195)
2024	(603,263)
2025	<u>838,160</u>
	<u>\$ (5,564,506)</u>

15. DEFICIT FUND BALANCES

The following funds had deficit fund balances at June 30, 2021:

Title I	(\$95,521)
Title II	(\$50,541)
Title IV	(\$10,140)
IDEA	(\$7,611)
Preschool	(\$2,018)
Child Care and Development	(\$1,202)
Carl Perkins	(\$172)
JROTC	(\$10,670)
School Redesign	(\$20,300)
Education Stabilization	(\$930)
LINCS 8(g)	(\$5,951)

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

16. SUBSEQUENT EVENTS

The School Board evaluated its June 30, 2021 financial statements for subsequent events through March 31, 2022, the date the financials were available to be issued. The School Board is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

17. PRIOR PERIOD ADJUSTMENT

The School Board implemented GASB No. 84, *Fiduciary Activities*, effective July 1, 2020. As a result, it was determined that the School Activity Funds were considered a special revenue fund. These funds were previously presented as fiduciary funds. The reconciliation of net position/fund balance as previously reported to restated net position/fund balance is as follows:

	<u>Governmental Activities</u>	<u>Nonmajor Funds</u>
July 1, 2020 net position/fund balances, as previously reported	\$ (133,441,064)	\$ 327,057
Change in accounting principle:		
Net effect of GASB 84 implementation	<u>1,280,594</u>	<u>1,280,594</u>
July 1, 2020 net position/fund balances, as restated	<u><u>\$ (132,160,470)</u></u>	<u><u>\$ 1,607,651</u></u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 1,728,261	\$ 1,728,261	\$ 1,439,686	\$ (288,575)
Interest earnings	-	-	30,385	30,385
Other	383,263	383,263	128,962	(254,301)
State sources:				
Equalization	37,150,020	37,150,020	36,403,098	(746,922)
Other	324,535	324,535	255,406	(69,129)
Federal sources				
	19,595	19,595	-	(19,595)
Total revenues	39,605,674	39,605,674	38,257,537	(1,348,137)
Expenditures:				
Instruction:				
Regular programs	17,536,269	17,536,269	17,731,613	(195,344)
Special education programs	4,630,278	4,630,278	4,618,280	11,998
Vocational educational programs	1,687,532	1,687,532	1,349,729	337,803
Other instructional programs	1,810,302	1,810,302	1,795,589	14,713
Special programs	302,942	302,942	249,350	53,592
Support services:				
Student services	2,786,050	2,786,050	2,555,328	230,722
Instructional staff support	1,647,132	1,647,132	1,489,999	157,133
General administration	1,220,994	1,220,994	901,909	319,085
School administration	3,230,276	3,230,276	2,950,231	280,045
Business administration	811,636	811,636	1,044,865	(233,229)
Plant services	50,000	50,000	3,486,840	(3,436,840)
Student transportation services	3,109,602	3,109,602	3,236,512	(126,910)
Central services	430,761	430,761	357,811	72,950
Food services	5,000	5,000	112,340	(107,340)
Community service programs	-	13,530	12,912	618
Total expenditures	39,258,774	39,272,304	41,926,168	(2,653,864)
Excess (deficiency) of revenues over (under) expenditures	346,900	333,370	(3,668,631)	(4,002,001)
Other financing sources (uses)				
Insurance proceeds	-	-	8,825,889	8,825,889
Operating transfers in	472,003	472,003	593,933	121,930
Operating transfers out	(805,373)	(805,373)	(59,139)	746,234
Total other financing sources (uses)	(333,370)	(333,370)	9,360,683	9,694,053
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	13,530	-	5,692,052	5,692,052
Fund balances - beginning of year	15,009,647	15,009,647	15,009,647	-
Fund balances - end of year	\$ 15,023,177	\$ 15,009,647	\$ 20,701,699	\$ 5,692,052

See accompanying notes to the required supplementary information.

Budgetary (GAAP Basis) Comparison Schedule
Sales Tax Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Sales and use taxes	\$ 11,173,456	\$ 11,173,456	\$ 15,115,785	\$ 3,942,329
Total revenues	11,173,456	11,173,456	15,115,785	3,942,329
Expenditures:				
Instruction:				
Regular programs	4,792,851	4,792,851	6,023,299	(1,230,448)
Special education programs	1,864,284	1,864,284	1,883,450	(19,166)
Vocational educational programs	335,204	335,204	435,189	(99,985)
Other instructional programs	145,568	145,568	338,534	(192,966)
Special programs	106,665	106,665	152,967	(46,302)
Support services:				
Student services	558,673	558,673	804,500	(245,827)
Instructional staff support	335,204	335,204	480,947	(145,743)
General administration	223,469	223,469	368,282	(144,813)
School administration	896,376	896,376	1,121,325	(224,949)
Business administration	136,735	136,735	154,397	(17,662)
Plant services	583,673	583,673	768,426	(184,753)
Student transportation services	583,673	583,673	831,384	(247,711)
Central services	136,735	136,735	207,086	(70,351)
Food services	474,346	474,346	624,191	(149,845)
Total expenditures	11,173,456	11,173,456	14,193,977	(3,020,521)
Excess (deficiency) of revenues over (under) expenditures	-	-	921,808	921,808
Fund balances - beginning of year	1,128,372	1,128,372	1,128,372	-
Fund balances - end of year	\$ 1,128,372	\$ 1,128,372	\$ 2,050,180	\$ 921,808

See accompanying notes to the required supplementary information.

Budgetary (GAAP Basis) Comparison Schedule
Operations and Maintenance Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 8,075,967	\$ 8,075,967	\$ 8,918,458	\$ 842,491
State sources:				
Other	260,481	260,481	267,162	6,681
Total revenues	8,336,448	8,336,448	9,185,620	849,172
Expenditures:				
Instruction:				
Regular programs	1,044,444	1,044,444	1,191,042	(146,598)
Special education programs	148,940	148,940	131,053	17,887
Vocational educational programs	137,450	137,450	69,863	67,587
Other instructional programs	10,607	10,607	65,535	(54,928)
Special programs	1,650	1,650	545	1,105
Support services:				
Instructional staff support	114,065	114,065	98,989	15,076
Business administration	-	-	40,805	(40,805)
Plant services	6,139,419	6,139,419	5,313,397	826,022
Central services	967,502	967,502	741,107	226,395
Facilities acquisition and construction	122,370	122,370	81,420	40,950
Total expenditures	8,686,447	8,686,447	7,734,463	951,984
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(349,999)	(349,999)	1,451,157	1,801,156
Fund balances - beginning of year	5,165,140	5,165,140	5,165,140	-
Fund balances - end of year	<u>\$ 4,815,141</u>	<u>\$ 4,815,141</u>	<u>\$ 6,616,297</u>	<u>\$ 1,801,156</u>

See accompanying notes to the required supplementary information.

Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 3,489,516	\$ 3,236,111	\$ 3,053,209	\$ 2,682,083
Interest on total OPEB liability	3,024,686	3,368,950	3,160,759	2,758,835
Effect of assumptions changes or inputs	(7,240,817)	(3,769,914)	(12,230,525)	3,271,801
Effect of expected vs. actual experience	-	(1,165,309)	2,324,754	1,757,152
Benefit payments	<u>(2,999,364)</u>	<u>(2,999,364)</u>	<u>(3,111,101)</u>	<u>(3,127,239)</u>
Net change in OPEB liability	(3,725,979)	(1,329,526)	(6,802,904)	7,342,632
Total OPEB liability, beginning	<u>109,612,165</u>	<u>105,886,186</u>	<u>104,556,660</u>	<u>97,753,756</u>
Total OPEB liability, ending	<u>\$ 105,886,186</u>	<u>\$ 104,556,660</u>	<u>\$ 97,753,756</u>	<u>\$ 105,096,388</u>
Covered payroll	<u>\$ 26,831,835</u>	<u>\$ 30,076,589</u>	<u>\$ 32,725,353</u>	<u>\$ 33,456,562</u>
Total OPEB liability as a percentage of covered payroll	<u>394.6%</u>	<u>347.6%</u>	<u>298.7%</u>	<u>314.1%</u>
OPEB plan fiduciary net position as a percentage of total OPEB liability	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

GASB 75 requires this schedule to present information for 10 years. The School Board implemented GASB 75 in Fiscal 2018. Additional years will be presented as they become available.

See accompanying notes to the required supplementary information.

**Schedule of Employer's Proportionate Share
of Net Pension Liability**

<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Proportionate Share of NPL as a % of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of Total Pension Liability</u>
TRSL:					
06/30/20	0.60582%	\$ 67,388,702	\$30,395,388	222%	68.2%
06/30/19	0.59083%	\$ 58,637,710	\$30,007,377	195%	68.2%
06/30/18	0.58888%	\$ 57,875,047	\$29,244,898	198%	68.2%
06/30/17	0.62758%	\$ 64,338,218	\$28,773,483	224%	65.6%
06/30/16	0.66959%	\$ 78,589,221	\$29,804,971	264%	59.9%
06/30/15	0.64458%	\$ 69,307,352	\$29,999,918	231%	62.5%
06/30/14	0.66985%	\$ 68,467,970	\$28,794,327	238%	63.7%
LSERS:					
06/30/20	0.96581%	\$ 7,917,987	\$ 3,061,174	259%	75.0%
06/30/19	0.96581%	\$ 6,761,288	\$ 2,717,976	249%	75.0%
06/30/18	1.02481%	\$ 6,523,760	\$ 2,847,612	229%	75.0%
06/30/17	1.02481%	\$ 6,558,049	\$ 2,932,035	224%	75.0%
06/30/16	1.11149%	\$ 7,048,271	\$ 3,121,659	226%	70.1%
06/30/15	1.11149%	\$ 7,048,271	\$ 3,148,240	224%	74.5%
06/30/14	1.08960%	\$ 6,316,530	\$ 3,056,684	207%	76.2%

See accompanying notes to the required supplementary information.

Schedule of Employer Contributions

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
TRSL:					
2021	\$ 7,842,010	\$ 7,842,010	\$ -	\$ 30,395,388	25.8%
2020	\$ 7,801,918	\$ 7,801,918	\$ -	\$ 30,007,377	26.0%
2019	\$ 7,779,143	\$ 7,779,143	\$ -	\$ 29,244,898	26.7%
2018	\$ 7,249,707	\$ 7,249,707	\$ -	\$ 27,254,538	26.6%
2017	\$ 7,337,238	\$ 7,337,238	\$ -	\$ 28,773,483	25.5%
2016	\$ 7,838,707	\$ 7,838,707	\$ -	\$ 29,804,970	26.3%
2015	\$ 8,399,977	\$ 8,399,977	\$ -	\$ 29,999,918	28.0%
2014	\$ 7,832,057	\$ 7,832,057	\$ -	\$ 28,794,327	27.2%
LSERS:					
2021	\$ 878,557	\$ 878,557	\$ -	\$ 3,061,174	28.7%
2020	\$ 799,085	\$ 799,085	\$ -	\$ 2,717,976	29.4%
2019	\$ 785,941	\$ 785,941	\$ -	\$ 2,847,612	27.6%
2018	\$ 778,886	\$ 778,886	\$ -	\$ 2,822,051	27.6%
2017	\$ 800,446	\$ 800,446	\$ -	\$ 2,932,035	27.3%
2016	\$ 942,741	\$ 942,741	\$ -	\$ 3,121,659	30.2%
2015	\$ 1,048,364	\$ 1,048,364	\$ -	\$ 3,148,240	33.3%
2014	\$ 987,307	\$ 987,307	\$ -	\$ 3,056,678	32.3%

See accompanying notes to the required supplementary information.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2021

1. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting.

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

2. PENSIONS

Changes in Benefit Terms. For TRSL, there were no changes in benefit terms for the year ended June 30, 2021. For LSERS, there were no changes in benefit terms for the year ended June 30, 2021.

Changes in Assumptions. For TRSL, the investment rate of return was 7.45% for 2021, down from 7.55% in 2020, and salary increases went from 3.3%-4.8% to 3.1%-4.6%. For LSERS, there were no changes in assumptions.

3. OPEB PLAN

Changes in Benefit Terms. There were no changes in benefit terms.

Changes in Assumptions. The discount rate changed from 2.79% for 2020 to 2.66% for 2021.

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

SUPPLEMENTAL INFORMATION SCHEDULES

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes. The non-major special revenue funds consist of individual federal grant programs. Following is a description of the significant programs:

School Food Service. Program that provides food for students during the school year. The fund records the various expenditures related to providing food to students. Charges to students for meals as well as federal monies subsidizing the costs of providing the food are also recorded in this fund.

Title I. Federal program that provides funds for instructional activities and services to meet the educational needs of educationally deprived students. School must qualify as economically deprived. A qualified school may offer services to all students kindergarten through fifth grade.

Title II. Federal program that focuses on reducing class sizes and preparing, training, and recruiting high-quality teachers.

Individuals with Disabilities Education Act (IDEA). Federal program that provides materials, supplies, equipment and related services. Serves special education population students age 3-22.

Preschool. Federal program that provides materials, supplies, equipment and related services. Serves special education students age 3-5 at all k-12 schools and KR Hanchey Elementary.

Medicaid. Generated by services provided by the school board for families of Medicaid recipients (for example, speech or occupational therapy). Serves Medicaid recipients and special education population.

Vocational Education Basic (Carl Perkins). Federal program that provides funds to implement a vigorous program to students pursuing a vocation.

JROTC. A high school course given during regular school hours. Covers history, government, technology awareness, and current events.

Rural Education Assistance Program (REAP). Federal program to assist rural schools.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Schedule 1

Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2021

	School Food Service	Title I	Title II	Title IV	IDEA	Preschool	Childcare and Development	Carl Perkins	JROTC	Rural Education Achievement
Assets										
Equity in pooled cash and investments	\$ 86,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,079
Receivables	720,201	520,021	212,602	19,890	602,032	13,303	15,775	46,397	-	1,813
Inventory	157,010	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Total assets	963,824	520,021	212,602	19,890	602,032	13,303	15,775	46,397	-	24,892
Liabilities and fund equity										
Liabilities:										
Accounts payable	513,187	2,421	2,969	1,696	6,912	761	-	-	-	-
Salaries payable	184,648	130,404	41,357	-	105,828	-	-	-	-	-
Deferred revenue	72,978	-	-	-	-	-	-	-	-	-
Due to General Fund	-	482,717	218,817	28,334	496,903	14,560	16,977	46,569	10,670	-
Total liabilities	770,813	615,542	263,143	30,030	609,643	15,321	16,977	46,569	10,670	-
Fund equity:										
Fund balances:										
Reserved for federal programs	-	(95,521)	(50,541)	(10,140)	(7,611)	(2,018)	(1,202)	(172)	(10,670)	24,892
Unassigned	193,011	-	-	-	-	-	-	-	-	-
Total fund balances	193,011	(95,521)	(50,541)	(10,140)	(7,611)	(2,018)	(1,202)	(172)	(10,670)	24,892
Total liabilities and fund equity	\$ 963,824	\$ 520,021	\$ 212,602	\$ 19,890	\$ 602,032	\$ 13,303	\$ 15,775	\$ 46,397	\$ -	\$ 24,892

Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
June 30, 2021

	School Redesign	Direct Student Services	Education Stabilization	LA 4	Education Excellence	LINCS 8 (g)	Medicaid	Other Special Revenue Funds	School Activity Funds	Totals
Assets										
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 8,334	\$ 20,134	\$ -	\$ 453,974	\$ -	\$ 1,464,092	\$ 2,056,226
Receivables	14,364	19,292	743,688	66,868	-	29,233	-	6,459	-	3,031,938
Inventory	-	-	-	-	-	-	-	-	-	157,010
Total assets	\$ 14,364	\$ 19,292	\$ 743,688	\$ 75,202	\$ 20,134	\$ 29,233	\$ 453,974	\$ 6,459	\$ 1,464,092	\$ 5,245,174
Liabilities and fund equity										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 1,470	\$ -	\$ -	\$ -	\$ 5,513	\$ -	\$ -	\$ 534,929
Salaries payable	-	-	-	-	10,165	14,440	19,315	-	-	506,157
Deferred revenue	-	-	-	-	-	-	-	-	-	72,978
Due to General Fund	34,664	18,792	743,148	-	-	20,744	-	1,828	-	2,134,723
Total liabilities	34,664	18,792	744,618	-	10,165	35,184	24,828	1,828	-	3,248,787
Fund equity:										
Fund balances:										
Reserved for federal programs	(20,300)	500	(930)	75,202	9,969	(5,951)	429,146	4,631	-	339,284
Unassigned	-	-	-	-	-	-	-	-	1,464,092	1,657,103
Total fund balances	(20,300)	500	(930)	75,202	9,969	(5,951)	429,146	4,631	1,464,092	1,996,387
Total liabilities and fund equity	\$ 14,364	\$ 19,292	\$ 743,688	\$ 75,202	\$ 20,134	\$ 29,233	\$ 453,974	\$ 6,459	\$ 1,464,092	\$ 5,245,174

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	School Food Service	Title I	Title II	Title IV	IDEA	Preschool	Childcare and Development	Carl Perkins	JROTC	Rural Education Achievement
Revenues:										
Local sources	\$ 21,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	113,692	-	-	-	-	-	4,659	-	-	-
Federal sources	2,847,388	1,314,902	409,052	92,798	1,383,255	47,434	20,594	76,557	129,367	14,564
Total revenues	2,982,101	1,314,902	409,052	92,798	1,383,255	47,434	25,253	76,557	129,367	14,564
Expenditures:										
Instruction:										
Regular programs	-	-	249,442	11,645	73	-	-	-	-	-
Special education programs	-	-	-	-	542,929	1,915	-	-	-	-
Vocational educational programs	-	-	-	-	-	-	-	72,052	-	-
Other instructional programs	-	550,285	-	35,372	224,463	-	-	-	165,038	-
Special programs	-	474,091	-	-	-	-	2,299	-	-	-
Support services:										
Student services	-	53,008	-	15,577	387,716	41,215	-	1,230	-	-
Instructional staff support	-	134,017	127,356	26,872	108,045	-	2,459	3,276	-	13,413
School administration	-	-	-	-	-	-	-	-	-	-
Plant services	-	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	79	-	-	-	-	-
Central services	-	-	3,000	78	12,279	-	2,465	-	-	-
Food Services	2,789,090	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	1,028	-	15,901	-	-	-
Total expenditures	2,789,090	1,211,401	379,798	89,544	1,276,612	43,130	23,124	76,558	165,038	13,413
Excess (deficiency) of revenues over (under) expenditures	193,011	103,501	29,254	3,254	106,643	4,304	2,129	(1)	(35,671)	1,151
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	59,139	-
Transfers out	-	(103,982)	(31,014)	(7,301)	(109,387)	(3,751)	(1,629)	-	-	(1,151)
Total other financing sources (uses)	-	(103,982)	(31,014)	(7,301)	(109,387)	(3,751)	(1,629)	-	59,139	(1,151)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	193,011	(481)	(1,760)	(4,047)	(2,744)	553	500	(1)	23,468	-
Beginning fund balances, as restated	-	(95,040)	(48,781)	(6,093)	(4,867)	(2,571)	(1,702)	(171)	(34,138)	24,892
Ending fund balances	\$ 193,011	\$ (95,521)	\$ (50,541)	\$ (10,140)	\$ (7,611)	\$ (2,018)	\$ (1,202)	\$ (172)	\$ (10,670)	\$ 24,892

Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Special Revenue Funds (continued)
For the Year Ended June 30, 2021

	School Redesign	Direct Student Services	Education Stabilization	LA 4	Education Excellence	LINCS 8 (g)	Medicaid	Other Special Revenue Funds	School Activity Funds	Total
Revenues:										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,336	\$ 1,364	\$ 1,646,823	\$ 1,782,544
State sources	-	-	-	149,308	91,230	75,588	-	-	-	434,477
Federal sources	71,518	20,435	1,853,045	-	-	-	-	59,417	-	8,340,326
Total revenues	71,518	20,435	1,853,045	149,308	91,230	75,588	113,336	60,781	1,646,823	10,557,347
Expenditures:										
Instruction:										
Regular programs	27,402	-	944,317	-	10,535	-	-	2,960	-	1,246,374
Special education programs	4,598	-	31,612	-	65,796	-	22,419	-	-	669,269
Vocational educational programs	-	-	3,495	-	-	-	-	-	-	75,547
Other instructional programs	-	5,692	488,469	-	-	-	-	-	-	1,469,319
Special programs	-	13,172	-	68,410	-	81,124	-	-	1,463,325	2,102,421
Support services:										
Student services	-	-	-	-	-	-	150,343	-	-	649,089
Instructional staff support	34,238	-	27,206	-	19,087	-	5,232	14,364	-	515,565
School administration	-	-	246	-	-	-	-	-	-	246
Plant services	-	-	1,324	-	-	-	-	-	-	1,324
Student transportation services	-	-	-	-	-	-	-	-	-	79
Central services	-	-	29,775	-	-	-	-	-	-	47,597
Food services	-	-	-	-	-	-	-	-	-	2,789,090
Community services	-	-	3,341	-	-	-	-	47,627	-	67,897
Total expenditures	66,238	18,864	1,529,785	68,410	95,418	81,124	177,994	64,951	1,463,325	9,633,817
Excess (deficiency) of revenues over (under) expenditures	5,280	1,571	323,260	80,898	(4,188)	(5,536)	(64,658)	(4,170)	183,498	923,530
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	59,139
Transfers out	(5,259)	(1,570)	(324,190)	-	-	-	-	(4,699)	-	(593,933)
Total other financing sources (uses)	(5,259)	(1,570)	(324,190)	-	-	-	-	(4,699)	-	(534,794)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	21	1	(930)	80,898	(4,188)	(5,536)	(64,658)	(8,869)	183,498	388,736
Beginning fund balances, as restated	(20,321)	499	-	(5,696)	14,157	(415)	493,804	13,500	1,280,594	1,607,651
Ending fund balances	\$ (20,300)	\$ 500	\$ (930)	\$ 75,202	\$ 9,969	\$ (5,951)	\$ 429,146	\$ 4,631	\$ 1,464,092	\$ 1,996,387

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

Schedule 3

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2021**

<u>MEMBERS</u>	<u>AMOUNT</u>
Ray Bowman	\$ 8,400
Kathy Brunner	8,400
Garrett Green	8,400
Cassie Henry	8,400
Martha Jackson	8,400
Casey Jones	8,400
Darrin Manuel	8,400
Wesley Taylor	8,400
David Vidrine	9,600
Nikki Weldon	<u>8,400</u>
	<u><u>\$ 85,200</u></u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

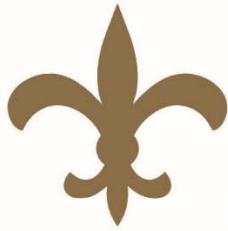
Schedule 4

**Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2021**

Agency Head Name: Mr. Timothy Cooley

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 112,800
Benefits-insurance	9,653
Benefits-retirement	33,191
Benefits-other	-
Car allowance	6,000
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	4,228
Registration fees	600
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other-dues	-
	<hr/>
	\$ 166,472

**REPORTS AND ADDITIONAL
INFORMATION REQUIRED BY
*GOVERNMENT AUDITING
STANDARDS AND
SINGLE AUDIT ACT
AMENDMENTS OF 1996***



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Recipient of Advanced Single Audit Certificate*

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

Beauregard Parish School Board
DeRidder, Louisiana

I have audited, 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, the financial statements of governmental activities, the major funds, and the aggregate remaining fund information of the Beauregard Parish School Board as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated March 31, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, I do not express an opinion on the effectiveness of the School Board's internal control.

My consideration of the internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2021-2(IC), 2021-1(IC), and 2021-1(IC) to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described in the accompanying schedule of findings and questioned costs as Findings 2021-4(IC) to be significant deficiency.

Compliance and Other Matters

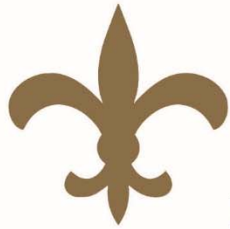
As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and described in the accompanying schedule of findings and questioned costs (Findings 2021-1(IC) and 2021-2(IC)).

Purpose of this Report

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
March 31, 2022



J. Aaron Cooper, CPA, LLC

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

Beauregard Parish School Board
DeRidder, Louisiana

Report on Compliance for Each Major Program

I have audited the compliance of the Beauregard Parish School Board with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on the compliance for each of the School Board's major programs based on my audit of the types of compliance requirement referred to above. I conducted my 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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major program. However, my audit does not provide a legal determination on the School Board's compliance with those requirements.

Opinion on Each Major Program

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

Report on Internal Control Over Compliance

The management of the Beauregard Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on 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, I 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 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 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.

My 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 the entity's internal control over compliance that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. 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.

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style with a large initial "J".

DeRidder, Louisiana
March 31, 2022

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:*			
Cash Assistance:			
National School Lunch Program	10.555	N/A	\$ 2,203,640
School Breakfast Program	10.553	N/A	432,456
Total Child Nutrition Cluster			<u>2,636,096</u>
Non-cash Assistance:			
National School Lunch Program	10.565	N/A	211,292
Total United States Department of Agriculture			<u>2,847,388</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Special Education Cluster:			
Individuals with Disabilities Education Act	84.027	28-21-B1-06	1,383,255
IDEA Preschool	84.173	28-21-P1-06	47,434
Total Special Education Cluster			<u>1,430,689</u>
State Personnel Development Grant	84.323A	N/A	9,492
Title I Grants to Local Educational Agencies*	84.010	28-21-T1-06	1,314,902
Direct Student Services	84.010	28-21-DSS-06	20,435
School Redesign Grant	84.010	28-21-RD18-06	71,518
Vocational Education - Basic Grants to States	84.048	28-21-02-06	76,557
Title II - Teacher & Principal Training and Recruiting	84.367A	28-21-50-06	409,052
Title IV - Student Support & Academic Enrichment	84.424	28-21-71-06	92,798
Rural Education Assistance Program	84.358	28-21-RE-06	14,564
Education Stabilization Fund			
Strong Start	84.425	28-20-ESRF-06	1,056,021
ESSER II	84.425	28-21-ES2F-06	7,186
ESSER II Incentive	84.425	28-21-ES21-06	134,019
ESSER III	84.425	28-21-ESEB-06	562,169
GEERF	84.425	28-20-GERF-06	93,650
Total Education Stabilization Fund			<u>1,853,045</u>
Total United States Department of Education			<u>5,293,052</u>
United States Department of Health and Human Services			
Passed through Louisiana Department of Education:			
Child Care and Development Block Grant I			
	93.575	28-21-CO-06	70,519
Total United States Department of Health and Human Services			<u>70,519</u>
United States Department of Defense			
JROTC	12.609	N/A	129,367
Total Expenditures of Federal Awards			<u>\$ 8,340,326</u>

* Denotes major Federal program

The accompanying notes are an integral part of this schedule.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Beauregard Parish School Board, DeRidder, Louisiana. The Beauregard Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal awards revenues are reported in the School Board's financial statements as follows:

Non-major special revenue funds	<u>\$ 8,340,326</u>
---------------------------------	---------------------

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

5. MATCHING REVENUES

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

6. NONCASH PROGRAMS

The commodities received from the food distribution program, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. Commodities valued at \$211,292 were received by the School Board and is included in National School Lunch Program.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I - Summary of Audit Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
• Education Stabilization Fund	
• Title I Grants to Local Educational Agencies	
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes
Utilized de minimis indirect cost rate?	No

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2021

Internal Control

Finding 2021-1(IC) – Timely Bank Reconciliations

Finding. During testing of bank accounts, it was noted that the bank reconciliations were not completed timely nor were they approved by management. The bank reconciliations for the year were not completed until well after year end.

Criteria. One of the most important internal controls that can be performed is preparing timely bank reconciliations.

Effect. Misstatements could occur which would not be discovered and corrected on a timely basis.

Cause. The finding was caused by lack of training for the person preparing the bank reconciliation and lack of oversight by management.

Recommendation. The School Board should ensure that personnel are properly trained on the bank reconciliation process and supervised so that reconciliations are prepared timely.

Finding 2021-2(IC) – Internal Controls Over Wire Transfers

Finding. During the year, bond payment wires totaling \$710,347 were made twice, one payment correctly to Argent Trust and one payment incorrectly to JP Morgan Chase. The amounts were returned by Chase.

Criteria. There should be segregation of duties and management review controls over wire transfers.

Effect. The former Finance Director was responsible for wire transfers. The lack of checks and balances led to the wire being sent incorrectly.

Cause. I was unable to determine the cause of the errors.

Recommendation. The School Board should have a staff person prepare the wire transfers which are then reviewed by the Finance Director before submitting to the bank.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2021

Internal Control (continued)

Finding 2021-3(IC) – Internal Controls Over General Journal Entries

Finding. All cash receipts of the School Board are recorded on the books using general journal entries. While reconciling the School Board’s books to the listing of payments sent by the state, I found a number of significant errors in journal entries that posted cash and corresponding revenue into the wrong fund.

Criteria. There should be segregation of duties and management review controls over preparing and entering journal entries.

Effect. Lack of controls over the journal entries caused grant revenues to be recorded in the wrong fund. It is very important that grant receipts are recorded in the correct fund as that is how the grant program is tracked.

Cause. The former Finance Director was responsible for recording these journal entries. At the time of her resignation, there was a months-long backlog of deposits that had not been recorded. Staff in the Finance Department worked to catch up the recordkeeping, but in their rush with little to no training, errors were made.

Recommendation. The School Board should have a staff person prepare journal entries which are then reviewed by the Finance Director before posting. Additionally, the supporting documentation for the journal entry should be scanned into MUNIS. This may require some additional training to identify the proper accounts to be used. Finally, a listing of payments sent to the School Board by the state should be downloaded from the state’s website and reconciled to the general ledger each month.

Finding 2021-4(IC) – Year-End Close Procedures

Finding. Accounts payable and accrued (escrow) salaries were properly identified at year end; however, the process in MUNIS to record these items properly were not followed.

Criteria. MUNIS procedures to process accounts payable and accrued salaries should be determined and followed to properly record the liabilities at year end.

Effect. Audit entries were required to correct accounts payable and accrued salaries.

Cause. New staff were not properly trained to process these items in MUNIS.

Recommendation. Staff should be properly trained to process these items in MUNIS.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs (concluded)
For the Year Ended June 30, 2021

Compliance

Finding 2021-1(C) – Compliance with State Budget Law

Finding. The expenditures in the General Fund and Sales Tax Fund exceeded budgeted expenditures by more than 5%.

Criteria. State law requires that budgets be amended when variances between budget and actual exceeds 5%.

Effect. The variance in excess of 5% caused the School Board to not be in compliance with state law.

Cause. The budget was not properly amended, resulting in a significant budget-to-actual variance.

Recommendation. The School Board should monitor budget-to-actual on a monthly basis and amend the budget as necessary in accordance with state law.

Finding 2021-2(C) – Bank Deposit Collateralization

Finding. Deposits at one bank were undercollateralized by \$2,255.

Criteria. State law requires that all deposits exceeding FDIC-insured limits be collateralized by pledged investment securities.

Effect. The uncollateralized amount is subject to custodial credit risk.

Cause. I was unable to determine the cause of this finding.

Recommendation. The School Board should closely monitor to insure deposits are properly collateralized.

Federal Awards – N/A

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Corrective Action Plan
For the Year Ended June 30, 2021

Internal Control

Finding 2021-1(IC) – Timely Bank Reconciliations

Name of contact person. Ashley Carpenter

Corrective Action. The School Board agrees with the finding and will implement the recommendations.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2021-2(IC) – Internal controls Over Wire Transfers

Name of contact person. Ashley Carpenter

Corrective Action. The School Board agrees with the finding and will implement the recommendations.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2021-3(IC) – Internal Controls Over General Journal Entries

Name of contact person. Ashley Carpenter

Corrective Action. The School Board agrees with the finding and will implement the recommendations.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2021-4(IC) – Year-End Close Procedures

Name of contact person. Ashley Carpenter

Corrective Action. The School Board agrees with the finding and will implement the recommendations.

Proposed completion date. The School Board will implement the above corrective action immediately.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Corrective Action Plan (concluded)
For the Year Ended June 30, 2021

Compliance

Finding 2021-1(C) – Compliance with State Budget Law

Name of contact person. Ashley Carpenter

Corrective Action. The School Board agrees with the finding and will implement the recommendations.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2021-2(C) – Bank Deposit Collateralization

Name of contact person. Ashley Carpenter

Corrective Action. The School Board agrees with the finding and will implement the recommendations.

Proposed completion date. The School Board will implement the above corrective action immediately.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2021

Internal Control

Finding 2020-1(IC) – Timely Bank Reconciliations

Finding. During testing of bank accounts, it was noted that the bank reconciliations were not completed timely nor were they approved by management. The bank reconciliations were not completed until 2021.

Criteria. One of the most important internal controls that can be performed is preparing timely bank reconciliations.

Effect. Misstatements could occur which would not be discovered and corrected on a timely basis.

Cause. The finding was caused by lack of training for the person preparing the bank reconciliation and lack of oversight by management.

Recommendation. The School Board should ensure that personnel are properly trained on the bank reconciliation process and supervised so that reconciliations are prepared timely.

Corrective Action Taken. See Finding 2021-1(IC).

Finding 2020-2(IC) – Grant Reimbursements

Finding. At June 30, 2020, there were 11 funds primarily funded via federal and state grants with deficit fund balances totaling \$219,796. Typically, these funds are 100% reimbursed so fund balances in these funds should be zero. It appears that reimbursement requests are not accounting for all expenditures in the funds. The General Fund is ultimately responsible for covering these deficits.

Criteria. Reimbursement requests should be reconciled to the accounting records to ensure that all costs are reimbursed.

Effect. Lack of controls over the grant reimbursement process resulted in costs eligible for grant reimbursement will have to be funded by the General Fund.

Cause. The finding was caused by lack of training for the person preparing the reimbursement requests and lack of oversight by management. I did identify certain payroll and benefit costs related to escrow salaries that were not reimbursed.

Recommendation. The School Board should ensure that personnel are properly trained on the reimbursement request process and supervised so that requests are prepared correctly and completely.

Corrective Action Taken. Finding corrected in current year.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings (concluded)
For the Year Ended June 30, 2021

Compliance

Finding 2020-1(C) – Compliance with State Budget Law

Finding. The expenditures in the Sales Tax Fund exceeded budgeted expenditures by more than 5%.

Criteria. State law requires that budgets be amended when variances between budget and actual exceeds 5%.

Effect. The variance in excess of 5% caused the School Board to not be in compliance with state law.

Cause. The budget was not properly amended, resulting in a significant budget-to-actual variance.

Recommendation. The School Board should monitor budget-to-actual on a monthly basis and amend the budget as necessary in accordance with state law.

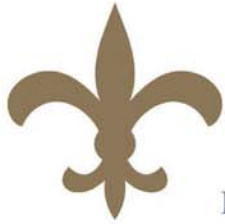
Corrective Action Taken. See Finding 2021-1(C).

Federal Awards – N/A

BEAUREGARD PARISH SCHOOL BOARD

PERFORMANCE MEASURES SCHEDULES

**For the Year Ended June 30, 2021
With Independent Accountant's Report
on Applying Agreed-Upon Procedures**



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Recipient of Advanced Single Audit Certificate*

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Beauregard Parish School Board
DeRidder, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Beauregard Parish School Board, the Louisiana Department of Education, and the Legislative Auditor, State of Louisiana (the specified parties), on the performance and statistical data for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I. Management of the Beauregard Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

No exceptions were noted during the performance of these procedures.

Class Size Characteristics (Schedule 2)

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

No exceptions were noted during the performance of these procedures.

Education Levels/Experience of Public School Staff

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.

No exceptions were noted during the performance of these procedures.

Public School Staff Data: Average Salaries

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).

Out of the 25 teachers tested, only one included correct salaries.

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

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



March 31, 2022

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2021

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 15,066,688	
Other Instructional Staff Activities	1,980,831	
Employee Benefits	7,728,212	
Purchased Professional and Technical Services	13,658	
Instructional Materials and Supplies	371,568	
Instructional Equipment	5,924	
Total Teacher and Student Interaction Activities	<u>25,166,881</u>	\$ 25,166,881

Other Instructional Activities		198,788
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Pupil Support Activities	2,551,082	
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Less: Equipment for Pupil Support Activities	<u>-</u>	
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Net Pupil Support Activities		<u>2,551,082</u>
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Instructional Staff Services	1,489,188	
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Less: Equipment for Instructional Staff Services	<u>-</u>	
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		1,489,188
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School Administration	2,941,675	
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Less: Equipment for School Administrative Services	<u>-</u>	
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		<u>2,941,675</u>
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Total General Fund Instructional Expenditures		<u>\$ 32,347,614</u>
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Total General Fund Equipment Expenditures		<u>\$ 539,228</u>
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 1,439,686
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Renewable Ad Valorem Taxes	8,669,730
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Debt Service Ad Valorem Taxes	5,003,954
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Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	248,728
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Sales and Use Taxes	15,115,785
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Total Local Taxation Revenue	<u>\$ 30,477,883</u>
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Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
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Earnings from Other Real Property	-
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Total Local Earnings on Investments in Real Property	<u>\$ -</u>
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State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 64,039
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Revenue Sharing - Other Taxes	267,162
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Revenue Sharing - Excess Portion	-
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Other Revenue in Lieu of Taxes	-
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Total State Revenue in Lieu of Taxes	<u>\$ 331,201</u>
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Nonpublic Textbook Revenue	<u>\$ 1,145</u>
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Nonpublic Transportation Revenue	<u>\$ -</u>
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BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Class Size Characteristics
As of October 1, 2020

Schedule 2

	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	26.78%	719.00	47.54%	261.00	8.33%	6.00	37.50%	3.00
Elementary Activity Classes	2.87%	77.00	7.10%	39.00	5.56%	4.00	12.50%	1.00
Middle/Jr. High	7.97%	214.00	4.74%	26.00	11.11%	8.00	50.00%	4.00
Middle/Jr. High Activity Classes	1.64%	44.00	0.73%	4.00	1.39%	1.00	0.00%	-
High	28.72%	771.00	30.05%	165.00	65.28%	47.00	0.00%	-
High Activity Classes	7.64%	205.00	1.82%	10.00	5.56%	4.00	0.00%	-
Combination	20.82%	559.00	7.47%	41.00	1.39%	1.00	0.00%	-
Combination Activity Classes	3.28%	88.00	0.55%	3.00	1.39%	1.00	0.00%	-
Other	0.30%	8.00	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	2,685.00	100.00%	549.00	100.00%	72.00	100.00%	8.00

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various 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.

Note 2: Percentage columns may not total exactly due to rounding