

MADISON PARISH SCHOOL BOARD

Tallulah, Louisiana

Financial Report

Year Ended June 30, 2021

**Madison Parish School Board
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(Concluded)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Madison Parish School Board
Tallulah, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish School Board (the School Board), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 10 through 17 and 62 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information on pages 72 through 86 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards 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*, we have also issued our report dated August 15, 2022, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 15, 2022

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REQUIRED SUPPLEMENTARY INFORMATION:

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

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2021

Our discussion and analysis of Madison Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis. Unless otherwise noted all amounts are reported in thousands.

FINANCIAL HIGHLIGHTS

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

Net position of governmental activities increased \$1,653 from the prior year primarily due to changes in deferred inflow and outflow of resources related to pension and other postemployment benefits.

The fund balance of the governmental funds increased \$993 primarily due to an increase in revenue from federal sources.

USING THIS ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, Title I and Debt Service. The proprietary fund statements provide information about our internal service fund, which is used to account for our workers' compensation self-insurance. The remaining statement, the Statement of Fiduciary Assets and Liabilities, presents financial information about activities for which the School Board acts solely as an agent for the benefit of students, parents, and citizens.

Financial Section

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

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

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

**Supplementary Information
Nonmajor Governmental Funds Combining Statements
Student Activities Funds by School
Schedule of Compensation Paid to Board Members
Schedule of Compensation, Benefits and Other Payments to Agency Head**

Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities

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

These two statements report the School Board's net position, the difference between assets, liabilities and deferred outflows/inflows, as reported in the Statement of Net Position, as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2021

goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds, not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - Most of the School Board's services are reported in Governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental funds in reconciliation on Statements D and F.

Proprietary funds - When the School Board charges customers for the services it provides, whether to outside customers or to other units of the School Board, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The School Board uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the School Board's other programs and activities (the worker's compensation fund).

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2021

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds and sales tax agency fund. All of the School Board's fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL BOARD AS A WHOLE

The School Board's net position was \$(14,535) at June 30, 2021. Of this deficit amount \$(35,430) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position (in thousands)
As of June 30,

	Governmental Activities		
	2021	2020	Variance
Other assets	\$ 12,390	\$ 11,584	\$ 806
Capital assets	26,727	27,371	(644)
Total assets	<u>39,117</u>	<u>38,955</u>	<u>162</u>
Deferred Outflow of Resources	<u>8,246</u>	<u>6,803</u>	<u>1,443</u>
Other liabilities	1,437	1,112	(325)
Long-term liabilities	<u>57,489</u>	<u>55,971</u>	<u>(1,518)</u>
Total liabilities	<u>58,926</u>	<u>57,083</u>	<u>(1,843)</u>
Deferred Inflow of Resources	<u>2,972</u>	<u>4,863</u>	<u>1,891</u>
Net position:			
Net investment in capital assets	13,095	12,448	647
Restricted	7,800	7,254	546
Unrestricted	<u>(35,430)</u>	<u>(35,890)</u>	<u>460</u>
Total net position	<u>\$ (14,535)</u>	<u>\$ (16,188)</u>	<u>\$ 1,653</u>

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2021

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 that follows takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Table 2
Changes in Net Position (in thousands)
For the Years Ended June 30

	<u>Governmental Activities</u>		
	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Net Position - beginning	\$ (16,188)	\$ (17,490)	\$ 1,302
Revenues:			
Program revenues			
Charges for services	17	12	5
Operating grants and contributions	8,523	5,060	3,463
General Revenues			
Ad valorem taxes	2,448	2,488	(40)
Sales taxes	4,114	3,740	374
State equalization	7,588	7,726	(138)
Other general revenues	763	496	267
Total revenues	<u>23,453</u>	<u>19,522</u>	<u>3,931</u>
Functions/Program Expenses:			
Instruction			
Regular programs	7,037	6,192	(845)
Special programs	357	335	(22)
Other instructional programs	3,947	1,892	(2,055)
Support services			
Student services	1,028	813	(215)
Instructional staff support	1,315	1,450	135
General administration	1,184	771	(413)
School administration	791	691	(100)
Business services	275	747	472
Plant services	2,370	1,976	(394)
Student transportation services	1,061	1,202	141
Central Services	193	270	77
Food Services	1,269	1,192	(77)
Community Service Program	14	14	-
Interest on long-term debt	377	579	202
Total expenses	<u>21,218</u>	<u>18,124</u>	<u>(3,094)</u>
Increase (decrease) in net position	2,235	1,398	837
Prior period adjustment	<u>(582)</u>	<u>(96)</u>	<u>(486)</u>
Net Position – ending	<u>\$ (14,535)</u>	<u>\$ (16,188)</u>	<u>\$ 1,653</u>

**Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2021**

Governmental Activities

As reported in the Statement of Activities, the cost of all governmental activities this year was \$12,679. The amount that taxpayers ultimately financed for these activities through School Board taxes was \$6,562 because some of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions of \$8,523. The remaining amount was paid by MFP funds of \$7,588 and other revenues of \$763 which are mainly interest income and other local sources. The net change of \$2,234 increased the net position.

Total revenues increased \$3,931 due mainly to the increase in Federal operating grants.

Total expenses increased \$3,094 due to additional programs and services provided to students to enhance learning opportunities in order to compensate for interruptions and obstacles caused by the COVID-19 pandemic.

In the table below, we have presented the cost of each of the School Board's six largest functions: regular programs, other instructional programs, instructional staff support, plant services, student transportation services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3
Governmental Activities
For the Years Ended June 30,
(in thousands)**

	<u>2021</u>		<u>2020</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Regular programs	\$ 7,037	\$ 5,453	\$ 6,192	\$ 5,491
Other instructional programs	3,947	797	1,892	600
Instructional staff support	1,315	1,315	1,450	408
Plant services	2,370	2,215	1,976	1,966
Student transportation services	1,061	845	1,202	1,126
Food services	1,270	102	1,192	229
All others	4,218	1,951	4,220	3,232
Totals	<u>\$ 21,218</u>	<u>\$ 12,678</u>	<u>\$ 18,124</u>	<u>\$ 13,052</u>

THE SCHOOL BOARD'S FUNDS

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

The fund balances of all governmental funds increased \$993 primarily due to an increase in federal revenue.

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2021

General Fund had an increase in fund balance of \$439 as expenses did not increase equally with the increase in revenue. The debt service fund increased \$335 due to increased collections of local taxes. The Nonmajor Governmental funds increased \$219 due to an increase in CARES Funding.

The Title I major fund is a cost-reimbursement fund and does not carry a fund balance.

General Fund Budgetary Highlights

The School Board did not have any budget amendments for the 2020-2021 fiscal year.

The actual amounts available for appropriations exceeded the budgeted amounts by \$752. This was mainly increases in Ad Valorem, Sales and Use, and State Equalization Funding.

The actual total charges to appropriations were more than the budgeted amounts by \$399, which was improper budgeting of regular programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2021, the School Board had \$26,727 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of \$644 or 2%, from last year. This decrease is due to current year depreciation. We present more detailed information on our capital assets in Note 5 to the financial statements.

Capital Assets at June 30
(in thousands)

Governmental Activities

	2021	2020	Variance
Land	\$ 936	\$ 936	\$ -
Buildings	24,957	25,824	(867)
Furniture and equipment	834	611	223
Totals	\$ 26,727	\$ 27,371	\$ (644)

DEBT ADMINISTRATION

At June 30, 2021, the School Board had \$14,634 in long term debt versus \$15,185 last year. The outstanding debt consists of (in thousands):

	2021	2020	Variance
General obligation bonds	\$ 10,269	\$ 10,350	\$ (81)
Sales tax revenue bonds	4,365	4,835	(470)
	\$ 14,634	\$ 15,185	\$ (551)

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2021

The State limits the amount of general obligation debt that can be issued to 35% of the assessed value of taxable property. The net bonded debt of \$8,759 (total bonded debt of \$14,634 less the fund balance in debt service of \$5,875) is well below this threshold. We present more detailed information on our long term debt in Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2021-2022 budget was estimated from the 2020-2021 fiscal year actual results. As of June 30, 2021, sales tax collections for Madison Parish have actually increased as citizens (individual and corporate) spend the Federal CARES stimulus monies furnished during the the last quarter of the fiscal year. The School Board received an initial payment of \$1,324 to help defray one-time expenses incurred to establish virtual teaching techniques as well as other unexpected expenses due to the COVID-19 pandemic's impact on the school system. The system may be eligible for more funding as information becomes available. Due to the uncertainty of the immediate financial assistance from either State or Federal sources, the ultimate impact to the School Board cannot be determined at this time.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mr. Elvin Parker, Business Manager, at Madison Parish School Board, P. O. Box 1620, Tallulah, Louisiana 71284, telephone number (318) 574-3616.

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BASIC FINANCIAL STATEMENTS:

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

MADISON PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2021

Statement A

**GOVERNMENTAL
ACTIVITIES**

ASSETS	
Cash and cash equivalents	\$ 9,647,554
Receivables	2,669,608
Inventory	12,507
Prepaid items	60,752
Capital assets:	
Land and construction in progress	936,308
Depreciable assets, net of depreciation	25,791,240
TOTAL ASSETS	<u>39,117,969</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	1,220,360
Deferred outflows related to OPEB	977,382
Deferred outflows related to pensions	6,048,277
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,246,019</u>
LIABILITIES	
Accounts, salaries and other payables	1,326,899
Interest payable	110,238
Long-term liabilities:	
Long-term debt due within one year	1,749,829
Long-term debt due in more than one year	13,471,601
OPEB liability	24,249,181
Net pension liability	18,018,944
TOTAL LIABILITIES	<u>58,926,692</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,041,934
Deferred inflows related to OPEB	1,930,895
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,972,829</u>
NET POSITION	
Net investment in capital assets	13,094,841
Restricted for:	
Miscellaneous grant programs	-
School food service	998,675
Maintenance	491,979
Salaries	470,837
Debt service	5,765,047
Student activity funds	73,251
Capital projects	6
Unrestricted	<u>(35,430,169)</u>
TOTAL NET POSITION	<u>\$ (14,535,533)</u>

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

MADISON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			Statement B
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 7,037,186	\$ -	\$ 1,584,129	\$ (5,453,057)
Special programs	357,423	-	1,065,730	708,307
Other instructional programs	3,947,023	-	3,150,157	(796,866)
Support services:				
Student services	1,027,411	-	1,176,553	149,142
Instructional staff support	1,314,780	-	-	(1,314,780)
General administration	1,184,052	-	-	(1,184,052)
School administration	790,679	-	-	(790,679)
Business services	274,823	-	24,337	(250,486)
Plant services	2,370,042	-	154,980	(2,215,062)
Student transportation services	1,061,258	-	216,167	(845,091)
Central services	193,422	-	-	(193,422)
Food services	1,269,747	17,299	1,150,564	(101,884)
Community service programs	13,650	-	-	(13,650)
Interest on long-term debt	377,039	-	-	(377,039)
Total Governmental Activities	\$ 21,218,535	\$ 17,299	\$ 8,522,617	(12,678,619)

General revenues:

Taxes:	
Ad valorem taxes	2,448,130
Sales and use taxes	4,114,381
Grants and contributions not restricted to specific programs	
Minimum Foundation Program (Equalization)	7,587,523
State revenue sharing	69,050
Federal Refuge Revenue Sharing	50,806
Interest and investment earnings	20,631
Miscellaneous	622,071
Total general revenues	14,912,592
Changes in net position	2,233,973
Net position - beginning	(16,187,657)
Prior Period Adjustment	(581,849)
Net position, beginning, as restated	(16,769,506)
Net position - ending	\$ (14,535,533)

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

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BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

MADISON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2021**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
ASSETS			
Cash and cash equivalents	\$ 1,221,089	\$ -	\$ 5,619,449
Receivables	331,449	294,112	331,424
Interfund receivables	1,971,770	167,338	30,283
Inventory	-	-	-
Prepaid items	60,752	-	-
	<u>3,585,060</u>	<u>461,450</u>	<u>5,981,156</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	558,392	103,269	105,871
Interfund payables	357,894	358,181	-
	<u>916,286</u>	<u>461,450</u>	<u>105,871</u>
TOTAL LIABILITIES			
Fund balances:			
Nonspendable	60,752	-	-
Restricted	470,837	-	5,875,285
Committed	-	-	-
Unassigned	2,137,185	-	-
	<u>2,668,774</u>	<u>-</u>	<u>5,875,285</u>
Total fund balances			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,585,060</u>	<u>\$ 461,450</u>	<u>\$ 5,981,156</u>

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

Statement C

<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 1,996,081	\$ 8,836,619
1,712,623	2,669,608
161,513	2,330,904
12,507	12,507
-	60,752
<u>3,882,724</u>	<u>13,910,390</u>
559,367	1,326,899
<u>1,614,829</u>	<u>2,330,904</u>
<u>2,174,196</u>	<u>3,657,803</u>
12,507	73,259
1,563,911	7,910,033
132,110	132,110
-	2,137,185
<u>1,708,528</u>	<u>10,252,587</u>
<u>\$ 3,882,724</u>	<u>\$ 13,910,390</u>

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MADISON PARISH SCHOOL BOARD

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

		Statement D
Total fund balances - governmental funds	\$	10,252,587
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	\$ 47,767,061	
Depreciation expense to date	<u>(21,039,513)</u>	
		26,727,548
<p>Net position of the internal service fund reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement.</p>		
Total net position		727,935
<p>For advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying value of the old debt is reported as a deferred outflow of resources for full accrual reporting.</p>		
		1,220,360
<p>Deferred outflow/inflows related to pensions and OPEB are not due and payable in the current period and accordingly are not reported in the fund financial statements.</p>		
Deferred outflows on pensions	6,048,277	
Deferred outflows on OPEB	977,382	
Deferred inflows on pensions	(1,041,934)	
Deferred inflows on OPEB	<u>(1,930,895)</u>	
		4,052,830
<p>Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.</p>		
<p>Balances are June 30, 2020 are:</p>		
Long-term liabilities		
General obligation and sales tax bonds	(14,634,000)	
Premium on bonds	(219,073)	
Compensated absences payable	(285,357)	
OPEB liability payable	(24,249,181)	
Net pension liability	(18,018,944)	
Interest payable	<u>(110,238)</u>	
		<u>(57,516,793)</u>
Total net position - governmental activities	\$	<u><u>(14,535,533)</u></u>

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

MADISON PARISH SCHOOL BOARD

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

	GENERAL	TITLE I	DEBT SERVICE
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,167,148	\$ -	\$ 1,280,982
Sales and use	1,549,762	-	1,789,954
Interest earnings	13,906	-	4,905
Food services	-	-	-
Other	30,722	-	246,294
State sources:			
Equalization	7,544,936	-	-
Other	69,050	-	-
Federal sources	90,625	2,276,323	-
TOTAL REVENUES	10,466,149	2,276,323	3,322,135
EXPENDITURES			
Current:			
Instruction:			
Regular programs	5,701,337	213,864	260,402
Special programs	224,328	-	-
Other instructional programs	781,216	965,926	2,520
Support Services:			
Student services	545,138	185,541	20,000
Instructional staff support	343,030	549,693	-
General administration	272,578	277,919	95,838
School administration	793,633	-	-
Business services	223,714	-	2,389
Plant services	288,371	-	738,363
Student transportation services	717,293	2,647	-
Central services	26,064	80,733	-
Food Services	96,439	-	-
Community service programs	13,650	-	-
Debt Service:			
Principal retirement	-	-	1,440,000
Bond Issuance Costs	-	-	137,607
Interest and bank charges	-	-	427,575
TOTAL EXPENDITURES	10,026,791	2,276,323	3,124,694
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	439,358	-	197,441
OTHER FINANCING SOURCES (USES)			
Refunding bond proceeds	-	-	8,544,000
Payments to refunded bond escrow agents	-	-	(8,406,393)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	137,607
Net Change in Fund Balances	439,358	-	335,048
FUND BALANCES - BEGINNING	2,779,416	-	5,660,378
Prior Period Adjustment	(550,000)	-	(120,141)
FUND BALANCES - BEGINNING, AS RESTATED	2,229,416	-	5,540,237
FUND BALANCES - ENDING	\$ 2,668,774	\$ -	\$ 5,875,285

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

Statement E

<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ 2,448,130
774,665	4,114,381
1,121	19,932
1,044	1,044
269,600	546,616
42,587	7,587,523
321,102	390,152
<u>5,902,673</u>	<u>8,269,621</u>
<u>7,312,792</u>	<u>23,377,399</u>
1,075,726	7,251,329
143,230	367,558
2,123,195	3,872,857
324,484	1,075,163
465,426	1,358,149
407,825	1,054,160
39,791	833,424
66,318	292,421
778,600	1,805,334
395,749	1,115,689
105,774	212,571
1,167,862	1,264,301
-	13,650
-	1,440,000
-	137,607
-	<u>427,575</u>
<u>7,093,980</u>	<u>22,521,788</u>
218,812	855,611
-	8,544,000
-	<u>(8,406,393)</u>
-	<u>137,607</u>
<u>218,812</u>	<u>993,218</u>
1,401,424	9,841,218
<u>88,292</u>	<u>(581,849)</u>
<u>1,489,716</u>	<u>9,259,369</u>
<u>\$ 1,708,528</u>	<u>\$ 10,252,587</u>

MADISON PARISH SCHOOL BOARD

**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**

		Statement F
Total net change in fund balances - governmental funds	\$	993,218
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:		
Depreciation expense	\$ (1,049,844)	
Capital outlays	<u>406,396</u>	(643,448)
The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Receipt of bond proceeds and premium	(8,544,000)	
Payment to bond escrow agent	8,406,393	
Repayment of bond debt	<u>1,440,000</u>	1,302,393
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
OPEB liability		(147,263)
In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$201,191) was more than the amounts earned (\$199,917) by \$1,274.		
		1,274
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		
		610,753
All revenues, expenses and changes in fund net position (deficits) of the Internal Service fund are reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement.		
		78,255
Bond premiums are reported as other financing sources in the governmental funds and thus contribute to the changes in fund balance. In the statement of net position, however, bond premiums increase long-term debt and are amortized over the life of the bonds.		
Amortization of bond premium		61,344
For advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources for full accrual reporting and is recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. The amortization for the current year is \$73,090.		
		(73,090)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		<u>50,537</u>
Change in net position of governmental activities.	\$	<u><u>2,233,973</u></u>

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

MADISON PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE
STATEMENT OF NET POSITION
June 30, 2021

Statement G

ASSETS		
Current assets:		
Cash	\$	<u>810,935</u>
TOTAL ASSETS		<u>810,935</u>
LIABILITIES		
Current liabilities		
Claims payable		4,000
Noncurrent liabilities:		
Claims payable		<u>79,000</u>
TOTAL LIABILITIES		<u>83,000</u>
NET POSITION		
Unrestricted		<u>727,935</u>
TOTAL NET POSITION	\$	<u><u>727,935</u></u>

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

MADISON PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Revenues, Expenses, and
Changes in Fund Net Position
For the Year Ended June 30, 2021

	Statement H
OPERATING REVENUE	
Insurance refunds	\$ 74,409
	<hr/>
TOTAL OPERATING REVENUE	74,409
	<hr/>
OPERATING EXPENSES	
Claims	(10,864)
Administration	7,717
	<hr/>
TOTAL OPERATING EXPENSES	(3,147)
	<hr/>
Operating income (loss)	77,556
	<hr/>
NONOPERATING REVENUE	
Earnings on investments	699
	<hr/>
Changes in Net Position	78,255
	<hr/>
NET POSITION - BEGINNING	649,680
	<hr/>
NET POSITION - ENDING	\$ 727,935
	<hr/> <hr/>

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

MADISON PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Cash Flows
For the Year Ended June 30, 2021

	Statement I
CASH FLOWS FROM OPERATING ACTIVITIES	
Insurance refunds	\$ 74,409
Claims paid	<u>(56,099)</u>
Net cash provided (used) by operating activities	<u>18,310</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on invested proceeds	<u>699</u>
Net increase (decrease) in cash and cash equivalents	19,009
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>791,926</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>810,935</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	77,556
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Increase (decrease) in claims payable	<u>(59,319)</u>
Net cash provided (used) by operating activities	<u><u>\$ 18,310</u></u>

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

MADISON PARISH SCHOOL BOARD

FIDUCIARY FUND
Statement of Fiduciary Net Position
June 30, 2021

Statement J

**CUSTODIAL
FUND**

**SALES TAX
COLLECTIONS**

ASSETS

Cash and cash equivalents	\$	195,888
Receivables		5,010
Cash, restricted- paid under protest		194,879

TOTAL ASSETS 395,777

LIABILITIES

Accounts, salaries and other payables		181,882
---------------------------------------	--	---------

TOTAL LIABILITIES 181,882

NET POSITION

Individuals, organizations and other governments		213,895
--	--	---------

TOTAL NET POSITION \$ 213,895

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

MADISON PARISH SCHOOL BOARD
CUSTODIAL FUNDS
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Statement K
	CUSTODIAL FUND
	<u>SALES TAX COLLECTIONS</u>
ADDITIONS	
Interest on investments and other revenue	<u>\$ 2,775</u>
TOTAL ADDITIONS	<u>2,775</u>
DEDUCTIONS	
Payments of sales tax to other governments	392,927
Other costs	<u>36,452</u>
TOTAL DEDUCTIONS	<u>429,379</u>
Net increase (decrease) in fiduciary net position	<u>(426,604)</u>
NET POSITION - Beginning, as originally stated	-
Prior period adjustment	<u>640,499</u>
NET POSITION - Beginning, as restated	<u>640,499</u>
NET POSITION - Ending	<u><u>\$ 213,895</u></u>

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

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

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Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The School Board operates five schools within the parish with a total enrollment of approximately 1,191 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.

B. FUNDS

The accounts of the School Board are organized and operated on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category 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 capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General fund - the general operating fund of the School Board accounts for all financial resources, except those accounted for in other funds.

Title I fund - accounts for federal funds received for the Title I federal program.

Debt Service fund - accounts for taxes collected for payment of debt and the debt service payments on the general obligation bonds and the sales tax bonds.

Proprietary Funds - Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on measurement, which, together with the maintenance of equity is an important financial indicator. The School Board reports the following proprietary fund:

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

Internal service fund - accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. This fund accounts for the workers' compensation program.

Fiduciary Funds - account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments.

Custodial funds are used to account for assets that the government holds for others in an agency capacity. These custodial funds are as follows:

Sales tax fund - accounts for monies collected on behalf of other taxing authorities in Madison Parish. The responsibility for the sales tax collection was transferred to another tax collection entity at the start of the 2020-2021 fiscal year. This fund still has some residual amounts to be transferred to the new tax collection entity.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

Internal activities - The Workers' Compensation internal service fund provides services to the governmental funds. Accordingly, the Workers' Compensation fund activity was rolled into the governmental activities. Pursuant to GASB Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis- for State and Local Governments, as much as possible, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

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

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

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

Fund Financial Statements (FFS)

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

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. 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 restricted grants are recorded when the reimbursable expenditures have been incurred.

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

Sales taxes are recognized when the underlying exchange takes place and the resources are available.

Interest income on time deposits and investments is recorded when the interest becomes measurable and available to finance expenditures of the fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Salaries are recorded as paid. Salaries for nine-month employees are paid over twelve months and accrued at June 30.

Principal and interest on long-term debt is recognized when due.

Inventory items are expensed as purchased except for inventory of the school lunch fund which is expensed as consumed.

Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or other types, such as sale of capital assets, debt extinguishments, and long-term debt proceeds) are accounted for as other

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Fund – The proprietary fund is accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets, all liabilities and deferred outflows/inflows of resources associated with the operation of the fund are included on the Statement of Net Position.

Operating revenues and expenses The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less they are classified as cash equivalents and are stated at cost.

E. 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.

F. ELIMINATION AND RECLASSIFICATIONS

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

G. INVENTORY AND PREPAID ITEMS

Inventory items are expensed as purchased except for inventory of the school food service fund. Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture. Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items.

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H. CAPITAL ASSETS

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

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

I. UNEARNED REVENUES

Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

J. COMPENSATED ABSENCES

All 12-month employees earn ten days of vacation leave each year. Vacation leave can be accumulated up to a maximum of twenty-five days. However, those employees who had accumulated more than twenty-five days prior to June 30, 2003 could have their full accumulated leave count carried forward. The amount accumulated can never exceed the amount at June 30, 2003.

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

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

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

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

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

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

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- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave. Employees with a minimum of 10 years of experience are included in the calculation.

K. LONG-TERM LIABILITIES

For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The OPEB Plan is a single employer defined benefit “substantive plan” as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB Plan is reported based on communication to plan members.

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

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has three types of items that qualify for reporting in this category. One item is deferred charges on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In the Statement of Net Position, the net investment in capital assets of \$13,094,841 includes the effect of deferring the recognition of expense from the deferred charge on refunding. The \$1,220,360 balance of deferred outflow of resources will be recognized as expense and decrease in net investment in capital assets over the remaining 10 years. The School Board has deferred outflows related to the net pension liability recorded as well as related to other post-employment benefits. See Note 6 for additional information related to the net pension liability recorded and Note 7 related to the other post-employment benefits.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has deferred inflows related to the net pension liability recorded. See Note 6 for additional information related to the net pension liability recorded.

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M. RESTRICTED NET POSITION

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net asset use are either:

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

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

The net position restricted for debt service and salaries is restricted due to enabling legislation.

N. FUND EQUITY OF FUND FINANCIAL STATEMENTS

GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* requires the fund balance amounts to be reported within the fund balance categories as follows:

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

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

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of a resolution passed at a School Board meeting committing the funds. The resolutions are usually the result of budget revisions.

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

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

It is the School Board's policy to use restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

O. INTERFUND ACTIVITY

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost

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

P. SALES TAX

The School Board collects 2.5% sales tax. Of the sales tax collected 1% is dedicated for salaries, .5% is dedicated for maintenance and 1% is dedicated for capital projects, which includes the authority to fund the sales tax into bonds.

Q. BUDGETS

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

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

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them. Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget. The Board adopted original and revised budgets for the general fund in the current year.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed.

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

R. USE OF ESTIMATES

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

NOTE 2 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

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

Property Tax Calendar

Millage rates adopted	September, 2020
Levy date	November, 2020
Due date	December 31, 2020
Lien date	January 1, 2021

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the tax roll of January 1, 2020.

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

All property taxes are recorded in the general and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2020 property taxes due to insignificant balance considered outstanding at year-end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of property taxes begins in December and ends around February of the following calendar year, still within the fiscal year, each year.

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

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	4.58	4.52	Statutory
Operations	5.25	5.18	2022
Debt service	12.20	12.00	2029

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NOTE 3 - DEPOSITS At June 30, 2021, the School Board has cash and cash equivalents of \$10,036,321.

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Interest rate risk: The School Board’s policy does not address interest rate risk.

Credit risk: The School Board’s policy does not address credit risk.

Custodial credit risk: At year end, the School Board’s carrying amount of deposits was \$10,038,321 (Statement A and J) and the bank balance was \$10,887,781. Of the bank balance, \$500,000 was covered by federal depository insurance or by collateral held by the School Board’s agent in the School Board’s name. The remaining bank balance was collateralized with securities held by the pledging financial institution’s trust department or agent but not in the School Board’s name. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES The balance of receivables at June 30, 2021, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	Intergovernmental - grants:		Local sources:		Total
	Federal	State	Sales tax	Other	
General	\$ -	\$ -	\$ 331,449	\$ -	\$ 331,449
Title I	294,112	-	-	-	294,112
Debt Service	-	-	331,424	-	331,424
Nonmajor Governmental	1,546,911	-	165,712	-	1,712,623
Total	\$ 1,841,023	\$ -	\$ 828,585	\$ -	\$ 2,669,608

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NOTE 5 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2021 are as follows:

	Balance, Beginning	Additions	Deletions	Balance, Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 936,308	\$ -	\$ -	\$ 936,308
Total capital assets not being depreciated	936,308	-	-	936,308
Capital assets being depreciated				
Buildings and improvements	43,182,506	-	-	43,182,506
Furniture and equipment	3,241,851	406,396	-	3,648,247
Total capital assets being depreciated	46,424,357	406,396	-	46,830,753
Less accumulated depreciation				
Buildings and improvements	17,358,484	866,735	-	18,225,219
Furniture and equipment	2,631,185	183,109	-	2,814,294
Total accumulated depreciation	19,989,669	1,049,844	-	21,039,513
Total capital assets being depreciated, net	26,434,688	(643,448)	-	25,791,240
Governmental activities				
Capital assets, net	\$ 27,370,996	\$ (643,448)	\$ -	\$ 26,727,548

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 192,929
Other instructional programs	165,952
Plant services	535,468
Student transportation services	88,227
Food services	67,268
Total depreciation expense	<u>\$ 1,049,844</u>

NOTE 6 - PENSION PLANS

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

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

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General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

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

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

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

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service, who has withdrawn from active service prior to the age at which that pension is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the system on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits.

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

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

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

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. The minimum service credit requirement is ten years for a surviving spouse with no minor children. Surviving spouse benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2.5% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified handicapped child.

Deferred Retirement Option Program (DROP)

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

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as these ad hoc COLAs were deemed not to be substantively automatic.

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Contributions:

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

Employer contributions to LSERS for fiscal year 2021 were \$189,381 with active member contributions ranging from 7.5% to 8%, and employer contributions of 28.7%. Employer defined benefit plan contributions to TRSL for fiscal year 2021 were \$1,894,624, with active member contributions of 8%, and employer contributions of 25.8%. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue of \$118,690 and PIP revenue of \$6,014 for fiscal year 2021, and was recognized as revenue by the School Board.

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 liabilities of \$1,575,860 and \$16,443,084 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). This liability will be liquidated by the general fund and special revenue funds with recorded salaries. The NPL for LSERS and TRSL was measured as of June 30, 2021, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2021, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date was .196135%, or a decrease of .024% for LSERS and .14782%, or an increase of .008% for TRSL. For the year ended June 30, 2021, the School Board recognized a total pension expense of \$1,473,251, or \$260,983 and \$1,212,268 for LSERS and TRSL, respectively.

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

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 38,792	\$ 263,948	\$ 302,740
Changes of assumptions	9,391	978,201	\$ 987,592	-	-	-
Net difference between projected and actual earnings on pension plan investments	239,938	1,269,308	\$ 1,509,246	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,879	1,448,555	\$ 1,467,434	113,641	625,553	739,194
Employer contributions subsequent to the measurement date	189,381	1,894,624	2,084,005	-	-	-
Total	\$ 457,589	\$ 5,590,688	\$ 6,048,277	\$ 152,433	\$ 889,501	\$ 1,041,934

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

	LSERS	TRSL	Total
2021	\$ (22,346)	\$ 89,821	\$ 67,475
2022	10,403	1,043,480	1,053,883
2023	72,850	1,033,304	1,106,154
2024	54,867	639,958	694,825

Actuarial Assumptions

The total net pension liabilities for LSERS and TRSL in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LSERS	TRSL
Valuation Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years, closed period	5 years, close period
Investment Rate of Return	7.00% per annum	7.45%, net of investment expenses
Inflation Rate	2.5% per annum	2.3% per annum
Projected Salary Increases	3.25%	3.1% to 4.6% varies depending on duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic
Mortality - Non-disabled	RP-2014 Sex Distinct Employee Tables, RP-2014 Healthy Annuitant Tables	Active members - 'RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females
Mortality-Disabled	RP-2014 Disabled Lives Mortality Table for males and females, with full generational MP2017 scale	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females
Termination, Disability, Retirement	2012-2017 experience study	2012-2017 experience study

Changes of assumptions. For LSERS, the current year actuarial assumptions were reset based on a plan experience study performed in 2018 using plan data for the period July 1, 2012, through June 30, 2017. The June 30, 2020, actuarial valuation reflects the following changes to actuarial methodologies and assumptions:

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- As a result of the experience study, the LSERS Board of Trustees approved a reduction in the discount rate to 7.0% over the next two years. As a result, the discount rate remained constant from 7.0% as of June 30, 2019 valuation, to 7.0% as of June 30, 2020.

The TRSL discount rate used in the June 30, 2020 net pension liability valuation was decreased from the 7.55% used in the June 30, 2019 valuation to 7.45%. The discount rate was reduced in accordance with the TRSL Board's adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contribution requirements for fiscal year 2021.

For LSERS, the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2%, and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.38% for 2020.

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

Best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

	Target Allocation	LT Expected Real Rate of Return
TRSL (arithmetic)		
Domestic equity	27.00%	4.60%
International equity	19.00%	5.54%
Domestic fixed income	13.00%	0.69%
International fixed income	5.50%	1.50%
Private assets	25.50%	8.62%
Other private assets	10.00%	4.45%
Total	100.00%	
LSERS (arithmetic)		
Fixed income	26.00%	0.92%
Equity	39.00%	2.82%
Alternatives	23.00%	1.95%
Real Estate	12.00%	0.69%
Real Assets	0.00%	0.00%
Total	100.00%	6.38%
Inflation		2.00%
Expected arithmetic nominal return		8.38%

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June 30, 2021

Discount Rate. The discount rate used to measure the total pension liability was 7.00% for LSERS and 7.45% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at actuarially determined rates approved by the Public Employees’ Retirement Systems Actuarial Committee taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the NPL to changes in the discount rate - The following presents the School Board’s proportionate share of the NPL for LSERS and TRSL using the current discount rate as well as what the School Board’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
LSERS	\$ 2,064,143	\$ 1,575,860	\$ 1,158,251
TRSL	21,465,057	16,443,084	12,215,560

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

Payables to the Pension Plan - At June 30, 2021, the School Board had no payables to LSERS and no payables to TRSL for the June 2021 employee and employer legally required contributions.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

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

Benefits Provided and Funding Policy - The plan provides medical and life insurance benefits for retirees and their dependents. The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. The retirees contributes approximately 25% of the medical premium with the School Board contributing the balance. This percentage will be greater for eligible retirees with less than 20 years of service. Medical coverage is provided through options under the Louisiana Office of Group Benefits (OGB). A Medicare supplement benefit is provided at Medicare eligibility. Benefits continue for life. A life insurance benefit depending on final salary is provided at retirement prior to age 65. The life insurance benefit may continue for life if the retiree pays premiums. The cost of life insurance is shared with the retiree and the School Board.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

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

Inactive employees or beneficiaries currently receiving benefit payments	122
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	99
Employees with life insurance benefit but not medical benefit	56
Total	277

Total OPEB Liability - The School Board's total OPEB liability of \$24,249,181 was measured as of June 30, 2021 and was determined by an actuarial valuation as of the same date. The OPEB liability will be liquidated by the general funds and special revenue funds with recorded salaries.

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 method	Individual Entry Age Normal Cost Method- Level Percentage of Projected Salary
Discount rate	2.16%
Healthcare trend	Level 4.5% trend rate
Mortality	RPH-2014 Total Table with Projection MP-2020
Turnover	Range from 9% at age 25 to 4.20% at age 55 and over
Retirement rates	Ranges from 75% at age 55 with 25-29 years of service to 25% at age 60 and 22% at age 66+
Salary increase	3.50%
Retirees' share of benefit-related costs	25% of the medical contributions and 50% of the cost of life insurance

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2020	\$ 24,445,783
Changes for the year:	
Service cost	948,433
Interest	551,063
Changes in assumptions or other inputs	(777,610)
Benefit payments	(918,488)
Net changes	(196,602)
Balance at June 30, 2021	\$ 24,249,181

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

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$28,171,163	\$24,249,181	\$21,119,625

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

	1% Decrease (3.5%)	Trend Rate (4.5%)	1% Increase (5.5%)
Total OPEB liability	\$21,212,372	\$24,249,181	\$28,082,186

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the School Board recognized OPEB expense of \$1,003,155. At June 30, 2021, the School Board reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions/inputs	\$ 977,382	
Differences between expected and actual experience		\$ (1,930,895)

The net amounts of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2022	\$ (496,340)
2023	(365,690)
2024	(91,483)
	\$ (953,513)

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES Payables at year-end are as follows:

	Accounts	Salaries	Total
General	\$ 16,341	\$ 542,051	\$ 558,392
Title I	3,343	99,926	103,269
Debt Service	105,871	-	105,871
Nonmajor Governmental	193,767	365,600	559,367
Total	\$ 319,322	\$ 1,007,577	\$ 1,326,899

NOTE 9 - COMPENSATED ABSENCES At June 30, 2021, employees of the School Board have accumulated and vested \$285,357 of employee leave benefits, which were computed in accordance with GASB Codification Section C60.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Private placement bonds payable:					
2013 General Obligation- Refunding	\$ 9,080,000	\$ -	\$ 7,655,000	\$ 1,425,000	\$ 500,000
2014 General Obligation- Refunding	1,270,000	-	870,000	400,000	400,000
2015 Sales Tax Bond - Refunding	4,835,000	-	470,000	4,365,000	485,000
2021 General Obligation Refunding 2013 GO Bonds	-	8,544,000	100,000	8,444,000	107,000
Bond Premium (A)	449,221	-	230,148	219,073	53,532
Other Liabilities					
Workers compensation claims	142,319	(48,455)	10,864	83,000	4,000
Compensated absences	286,631	199,917	201,191	285,357	200,297
Governmental activities					
Long-term liabilities	<u>\$ 16,063,171</u>	<u>\$ 8,695,462</u>	<u>\$ 9,537,203</u>	<u>\$ 15,221,430</u>	<u>\$ 1,749,829</u>

(A) Bond premium deletions includes \$168,808 of the 2013 Bond Issue that was partially advance refunded. That unamortized portion was added to the "deferred charges to refunding" for the 2021 Refunding Bonds

Below is a schedule of principal and interest payments for the general obligation and sales tax revenue bonds:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2022	\$ 1,492,000	\$ 379,135	\$ 1,871,135
2023	1,534,000	335,360	1,869,360
2024	1,614,000	257,430	1,871,430
2025	1,659,000	223,517	1,882,517
2026	1,698,000	188,584	1,886,584
2027-2030	6,637,000	350,687	6,987,687
Total	<u>\$ 14,634,000</u>	<u>\$ 1,734,713</u>	<u>\$ 16,368,713</u>

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

The private placement individual bond issues are as follows:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>
General obligation bonds	\$ 9,080,000	3.00-4.25%	March 15, 2023	\$ 1,425,000
Series 2013- Refunding				
General obligation bonds	5,560,000	2.00-3.00%	March 15, 2022	400,000
Series 2014- Refunding				
Sales Tax Bond - Refunding	7,035,000	2.00-4.00%	March 15, 2029	4,365,000
Series 2015				
General obligation bonds -	8,544,000	1.680-2.080%	March 15, 2030	8,444,000
Series 2021 - Refunding 2013 GO				

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property (\$106,510,036). At June 30, 2021, the long term bonded debt balance was well below the legal limit of \$35,278,513. The bond payments are made by the debt service fund.

The compensated absences liability that is attributable to the governmental activities is liquidated primarily by the general fund.

Pledged Revenues: The School Board has pledged and dedicated the net revenues of the special one percent (1%) sales and use tax now being levied and collected by the School Board, pursuant to Article VI, Section 29 of the Louisiana Constitution of 1974, and other constitutional and statutory authority, and in compliance with the election held therein on November 2, 2004. Proceeds from the bond provided for acquiring, constructing, maintaining, improving and/or renovating school buildings and facilities, including furniture, fixtures and equipment. The School Board has a balance of \$2,512,398 in the 2015 Sales Tax Revenue debt service fund for payment of the bond. Total principal and interest remaining to be paid on the bond is \$4,365,000 and \$738,000, respectively. For the year ended June 30, 2021 the School Board received \$898,304 from the collection of the incremental sales tax and paid \$470,000 in bond principal and \$162,850 in debt service interest. The annual required principal and interest payments are estimated to be 57% of the tax revenue over the next 10 years.

Advanced Refunding: In January 2021, the School Board issued \$8,544,000 in general obligation bonds for a defeasance of the 2013 refunding bonds maturing March 15, 2023 to March 15, 2030 to reduce total future debt service payments. The proceeds were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded general obligation bonds. The reacquisition price exceeded the net carrying value of the old debt by \$582,590. This amount is considered a deferred outflow of resources and will be amortized over the life of the new bonds. The refunding resulted in a present value savings of \$234,169 in future debt service payments over the next 11 years for a net economic savings of \$250,036.

Defeasance of Debt: The School Board defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. At June 30, 2021, \$7,655,000 of defeased bonds remain outstanding. These bonds will be called on March 15, 2023.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

NOTE 11 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

The interfund receivables and payables at June 30, 2021 are as follows:

Interfund Receivable/Payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Title I	\$ 358,181
Debt Service	General Fund	30,283
Nonmajor Governmental	General Fund	160,273
General Fund	Nonmajor Governmental	1,613,589
Nonmajor Governmental	Nonmajor Governmental	1,240
Title I	General Fund	167,338
Total		<u>\$ 2,330,904</u>

The purpose of these transactions was to clear out beginning deficit fund balances.

NOTE 12 - LITIGATION AND CONTINGENCIES

Litigation At June 30, 2021, the School Board was involved in various litigations. It is the opinion of legal counsel for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

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

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

NOTE 13 - RISK MANAGEMENT The School Board initiated a risk management program for workers' compensation in 1992. An excess insurance policy covers individual claims in excess of \$250,000.

Changes in the claims amount for the current and two prior fiscal years are as follows:

<u>Fiscal Year Ended</u>	<u>Beginning of fiscal year liability</u>	<u>Claims and changes in estimates</u>	<u>Benefit payments and claims</u>	<u>Ending of Fiscal year liability</u>
2018-2019	\$ 102,000	\$ 97,496	\$ 54,496	\$ 145,000
2019-2020	145,000	44,824	47,505	142,319
2020-2021	142,319		59,319	83,000

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The liability for unpaid claims is based on information provided by the third party administrator.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

NOTE 14 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$1,552. This amount was recognized as state revenue with a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes retirement remittances to the Teachers' Retirement System of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teachers' retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's Office. For 2021, the Tax Collector paid the Teachers' Retirement System of Louisiana \$118,690. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution to the TRSL pension plan.

NOTE 15 - ECONOMIC DEPENDENCY The Minimum Foundation Funding provided by the state to all public school systems in Louisiana is based on several factors. The State provided \$7,587,523 to the School Board, which represents approximately 33.5% of the School Board's total revenue for the year.

NOTE 16 - FUND BALANCE CLASSIFICATIONS

The fund balance classifications at June 30, 2021 are as follows:

	General	Title I	Debt Service	Nonmajor Governmental	Total
Non spendable:					
Inventory	\$ -	\$ -	\$ -	\$ 12,507	\$ 12,507
Prepaid items	60,752	-	-	-	60,752
Restricted for:					
Salaries	470,837	-	-	-	470,837
Debt service	-	-	5,875,285	-	5,875,285
Capital projects	-	-	-	6	6
School food service	-	-	-	998,675	998,675
Maintenance	-	-	-	491,979	491,979
Student activity funds	-	-	-	73,251	73,251
Committed to:					
LA 4	-	-	-	80,927	80,927
Health programs	-	-	-	(7,303)	(7,303)
Miscellaneous funds	-	-	-	58,486	58,486
Unassigned	2,137,185	-	-	-	2,137,185
Total	\$ 2,668,774	\$ -	\$ 5,875,285	\$ 1,708,528	\$ 10,252,587

NOTE 17 - NEW GASB STANDARD In the current fiscal year, the School Board implemented GASB Statement No. 84 – *Fiduciary Activities*. The principal objective of this statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. It improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting and how those activities should be reported. The implementation of this standard required that the School Board present a Statement of Changes in Fiduciary Net

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2021

Position for custodial funds. Additionally, the implementation of this statement required the School Board to reclassify previously reported agency funds as custodial funds. The impact to the School Board resulted in certain activities previously reported as fiduciary not being considered fiduciary under GASB 84. The Student Activity Funds previously reported as an agency fund is now reported as a special revenue fund. Due to this restatement, the Student Activity Funds beginning fund balance was restated by \$88,292.

NOTE 18 - PRIOR PERIOD ADJUSTMENT

- A. The Governmental Accounting Standards Board (GASB), the national standard setter for external financial reporting for governments in the United States, issued GASB Statement No. 84 "Fiduciary Activities" that was effective for the School Board's Fiscal Year Ended June 30, 2021. The impact of that Standard resulted in the student activities funds maintained by each school to be reported as a special revenue fund rather than as an agency fund. One difference in the reporting placement of the funds was to switch the fund equity of an agency fund from "Deposit Due Others" to "Fund Balances". This change resulted in reporting of a prior period adjustment to record the beginning fund balance in the Student Activity Fund special revenue fund. The adjustment was for \$88,292 and is included in the Nonmajor Governmental Funds column of Statement E.
- B. Also, GASB Statement 34 impacted the sales Tax Collection Custodial Fund the same way as Student Activity Funds. The adjustment for the Sales Tax Collection increased "Net Position" and reduced "Deposits Due Others" by \$640,999.
- C. A charge to Prior Period Adjustment and a credit (reduction) to Payroll Expense of \$550,000 was made in the General Fund to correct the estimated error in the accrued payroll liability account understatement at June 30, 2020.
- D. The debt service fund beginning balance was restated by a prior period adjustment for \$120,141 to move revenue from year ended June 30, 2020 to year ended June 30, 2021 due to an erroneous over accrual of revenues at June 30, 2020.

NOTE 19 - EXCESS EXPENDITURES OVER APPROPRIATIONS During the year ended June 30, 2021, the General Fund's actual expenditures of \$10,669,463 exceeded the budgeted expenditures of \$10,270,366 resulting in an unfavorable variance of \$399,097. The Title I actual expenditures of \$2,276,323 exceeded the budgeted expenditures of \$2,139,906 resulting in an unfavorable variance of \$136,417.

REQUIRED SUPPLEMENTARY INFORMATION

Madison Parish School Board

**Schedule of Changes in Total OPEB Liability and Related Ratios
For Fiscal Year Ended June 30, 2021**

Exhibit 1

Total OPEB Liability	2018	2019	2020	2021
Service costs	\$ 819,092	\$ 850,873	\$ 850,873	\$ 948,433
Interest	901,052	929,912	875,677	551,063
Differences between expected and actual experience	-	-	(3,237,020)	(570,149)
Assumption changes	-	235,476	2,261,378	(207,461)
Benefit payments	<u>(1,035,941)</u>	<u>(980,241)</u>	<u>(947,209)</u>	<u>(918,488)</u>
Net change in total OPEB liability	684,203	1,036,020	(196,301)	(196,602)
Total OPEB liability - Beginning	<u>22,921,861</u>	<u>23,606,064</u>	<u>24,642,084</u>	<u>24,445,783</u>
Total OPEB liability - Ending	<u>\$ 23,606,064</u>	<u>\$ 24,642,084</u>	<u>\$ 24,445,783</u>	<u>\$ 24,249,181</u>
Covered payroll	3,885,258	3,885,258	3,573,064	3,573,064
Total OPEB liability as a percentage of covered employee payroll	607.58%	634.25%	684.17%	678.67%

Changes of Assumptions

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

2018	3.88%
2019	3.50%
2020	2.21%
2021	2.16%

Notes:

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

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

Madison Parish School Board

**Schedule of Employer's Proportionate Share of the Net Pension Liability
For Fiscal Year Ended June 30, 2021**

Exhibit 2-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.300600%	\$ 1,745,440	\$ 841,994	207%	76.18%
2016	0.263019%	1,667,877	824,133	202%	74.49%
2017	0.228208%	1,721,481	648,185	266%	70.09%
2018	0.176953%	1,132,370	506,555	224%	75.03%
2019	0.211535%	1,413,344	628,327	225%	74.40%
2020	0.220314%	1,542,334	606,607	254%	73.49%
2021	0.196135%	1,575,860	580,415	272%	69.67%
Teachers' Retirement System of Louisiana					
2015	0.19257%	\$ 19,683,718	\$ 9,102,057	216%	63.7%
2016	0.16956%	18,232,085	9,140,137	199%	62.5%
2017	0.15492%	18,183,057	7,392,466	246%	59.9%
2018	0.12756%	13,077,192	6,187,541	211%	65.6%
2019	0.12860%	12,638,342	6,029,551	210%	68.2%
2020	0.14025%	13,919,619	6,320,783	220%	68.6%
2021	0.14782%	16,443,084	6,925,045	237%	65.6%

Notes:

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

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

* See notes to required supplementary information and independent auditor's report.

Madison Parish School Board

**Schedule of Employer Contributions to Pension Plans
For Fiscal Year Ended June 30, 2021**

Exhibit 2-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 271,964	\$ 271,964	\$ -	\$ 824,133	33.0%
2016	199,990	199,990	-	648,185	30.9%
2017	151,609	151,609	-	506,555	29.9%
2018	170,642	170,642	-	628,327	27.2%
2019	169,850	169,850	-	606,607	28.0%
2020	170,642	170,642	-	580,415	29.4%
2021	189,381	189,381	-	660,939	28.7%
Teachers' Retirement System of Louisiana					
2015	\$ 2,475,758	\$ 2,475,758	\$ -	\$ 9,140,137	27.1%
2016	2,054,589	2,054,589	-	7,392,466	27.8%
2017	1,723,591	1,723,591	-	6,187,541	27.9%
2018	1,686,317	1,686,317	-	6,029,551	28.0%
2019	1,687,649	1,687,649	-	6,320,783	26.7%
2020	1,800,512	1,800,512	-	6,925,045	26.0%
2021	1,894,624	1,894,624	-	7,343,502	25.8%

Notes:

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

* See notes to required supplementary information and independent auditor's report.

Madison Parish School Board

Notes to Required Supplementary Information for Pensions For Fiscal Year Ended June 30, 2021

Louisiana School Employees' Retirement System

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

Changes in assumptions: For amounts reported for 2016, the valuation investment rate of return was reduced from the 7.25% reported in 2015 to 7.00%. The reduction was made to account for the funding of administrative expenses out of investment earnings. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses.

For amounts reported for 2017, based on Act 94 of the 2016 Regular Session of the Legislature, the explicit cost of projected noninvestment related administrative expense were included in the calculation of the actuarially required contribution for the plan. With this change, the valuation of plan liabilities based on valuation interest rate set for 0.25% below the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

For amounts reported for 2018, the actuarial assumptions were reset based on a plan experience study performed in 2018 using plan data for the period July 1, 2012, through June 30, 2017. The June 30, 2018, actuarial valuation reflects the following changes to actuarial methodologies and assumptions:

- As a result of the experience study, the LSERS Board of Trustees approved a reduction in the discount rate to 7.0% over the next two years. As a result, the discount rate decreased from 7.125% as of June 30, 2017 valuation, to 7.0625% as of June 30, 2018.
- The inflation rate decreased from 2.625% annum as of June 30, 2017, to 2.50% annum as of June 30, 2018.
- The mortality assumption was updated to reflect the results of the new experience study and was based on the RP-2014 Healthy Annuitant, Sex Distinct Employee, and Sex Distinct Disabled Lives mortality tables with generational projections using the full generational scale MP2017. The previous valuation set mortality from the RP-2000 Combined Healthy Sex Distinct and Disabled Lives mortality tables with no projection scale.
- The salary increase assumption was updated to 3.25% as of June 30, 2018, to reflect the results of the new experience study and change to the inflation rate. The previous valuation included a range of 3.075% to 5.375%.

For amounts reported for the 2020 measurement date:

- The discount rate remained constant from 7.0% as of June 30, 2018 valuation, to 7.0% as of June 30, 2019.

Teachers' Retirement System of Louisiana

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011.

Changes in assumptions: Amounts reported in 2017 and earlier were valued using a discount rate of 7.75%. For 2018, the discount rate was decreased from 7.75% to 7.70%. For the 2018 actuarial valuation, the discount rate was reduced to 7.65%. For 2020, the discount rate was decreased from 7.55% to 7.45%.

Madison Parish School Board

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

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

TITLE I Title I improves the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. It is designed primarily to provide instructional activities to educationally deprived children that reside in low-income areas who have been selected on the basis of a needs assessment. These services supplement, not supplant, those normally provided by state and local educational agencies.

MADISON PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

Exhibit 3-1

	BUDGETED AMOUNTS		(BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,229,416	\$ 2,229,416	\$ 2,229,416	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,167,000	1,100,150	1,167,148	66,998
Sales and use	1,113,374	1,400,900	1,549,762	148,862
Interest earnings	12,000	13,000	13,906	906
Other	37,822	26,476	30,722	4,246
State sources:				
Equalization	6,627,010	7,050,050	7,544,936	494,886
Other	126,315	56,000	69,050	13,050
Federal sources	58,651	60,000	90,625	30,625
Transfers of Indirect Cost	357,209	650,000	642,672	(7,328)
	<u>11,728,797</u>	<u>12,585,992</u>	<u>13,338,237</u>	<u>752,245</u>
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	4,124,214	4,591,770	5,701,337	(1,109,567)
Special programs	274,842	229,330	224,328	5,002
Other instructional programs	510,408	748,821	781,216	(32,395)
Support services:				
Student services	471,759	597,050	545,138	51,912
Instructional staff support	231,540	327,224	343,030	(15,806)
General administration	987,313	1,226,455	915,250	311,205
School administration	760,950	792,780	793,633	(853)
Business services	497,618	501,074	223,714	277,360
Plant services	251,324	291,384	288,371	3,013
Student transportation services	979,920	712,228	717,293	(5,065)
Central services	209,107	122,050	26,064	95,986
Food services	65,189	110,200	96,439	13,761
Community service programs	13,650	20,000	13,650	6,350
	<u>9,377,834</u>	<u>10,270,366</u>	<u>10,669,463</u>	<u>(399,097)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 2,350,963</u>	<u>\$ 2,315,626</u>	<u>\$ 2,668,774</u>	<u>\$ 353,148</u>

MADISON PARISH SCHOOL BOARD

TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

Exhibit 3-2

	BUDGETED AMOUNTS		(BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	-	1,998,560	2,276,323	277,763
Amounts available for appropriations	-	1,998,560	2,276,323	277,763
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	-	200,636	213,864	(13,228)
Other instructional programs	-	880,010	965,926	(85,916)
Support services:				
Student services	-	185,541	185,541	-
Instructional staff support	-	542,439	549,693	(7,254)
General administration	-	-	-	-
Business services	-	-	-	-
Plant services	-	-	-	-
Student transportation services	-	2,647	2,647	-
Central services	-	80,733	80,733	-
Transfers out Indirect Cost	-	247,900	277,919	(30,019)
Total charges to appropriations	-	2,139,906	2,276,323	(136,417)
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ (141,346)	\$ -	\$ 141,346

**Madison Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2021**

A. BUDGETS

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

Although there were no formal budget amendments approved by the School Board during the fiscal year, the Board has authorized the grant supervisors/administration to submit budget amendments to the State during the year as needed for cost reimbursement grants.

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

Transfers to Charter Schools The School Board is required to report State Equalization revenue, and a corresponding expenditure for amounts withheld from State Equalization Funding to be sent to applicable charter schools.

B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED APPROPRIATION

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2021:

Fund	Budget	Actual	Variance
General Fund	\$10,270,366	\$10,669,463	(\$399,097)
Title I	\$2,139,906	\$2,276,323	(\$136,417)

MADISON PARISH SCHOOL BOARD

**Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

Note B- Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL FUND	TITLE I
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 13,338,237	\$ 2,276,323
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(2,229,416)	-
Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(642,672)	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	10,466,149	2,276,323
<u>Charges to appropriations (outflows):</u>		
Actual amounts (budgetary basis) "charges to appropriations" from the Budgetary Comparison Schedule	10,669,463	2,276,323
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(642,672)	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 10,026,791	\$ 2,276,323

SUPPLEMENTARY INFORMATION

MADISON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2021

Exhibit 4

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,996,075	\$ 6	\$ 1,996,081
Receivables	1,712,623	-	1,712,623
Interfund receivables	161,513	-	161,513
Inventory	12,507	-	12,507
	3,882,718	6	3,882,724
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	559,367	-	559,367
Interfund payables	1,614,829	-	1,614,829
	2,174,196	-	2,174,196
TOTAL LIABILITIES			
Fund balances:			
Nonspendable	12,507	-	12,507
Restricted	1,563,905	6	1,563,911
Committed	132,110	-	132,110
Unassigned	-	-	-
	1,708,522	6	1,708,528
Total fund balances			
TOTAL LIABILITIES AND FUND BALANCES			
	\$ 3,882,718	\$ 6	\$ 3,882,724

* SEE INDEPENDENT AUDITOR'S REPORT.

MADISON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2021

Exhibit 5

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 774,665	\$ -	\$ 774,665
Interest earnings	1,121	-	1,121
Food services	1,044	-	1,044
Other	269,600	-	269,600
State sources:			
Equalization	42,587	-	42,587
Other	321,102	-	321,102
Federal sources	5,902,673	-	5,902,673
TOTAL REVENUES	7,312,792	-	7,312,792
EXPENDITURES			
Current:			
Instruction:			
Regular programs	1,075,726	-	1,075,726
Special programs	143,230	-	143,230
Other instructional programs	2,123,195	-	2,123,195
Support Services:			
Student services	324,484	-	324,484
Instructional staff support	465,426	-	465,426
General administration	407,825	-	407,825
School administration	39,791	-	39,791
Business services	66,318	-	66,318
Plant services	778,600	-	778,600
Student transportation services	395,749	-	395,749
Central services	105,774	-	105,774
Food Services	1,167,862	-	1,167,862
TOTAL EXPENDITURES	7,093,980	-	7,093,980
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	218,812	-	218,812
Net Change in Fund Balances	218,812	-	218,812
FUND BALANCES - BEGINNING	1,401,418	6	1,401,424
Prior Period Adjustment	88,292	-	88,292
FUND BALANCES - BEGINNING, AS RESTATED	1,489,710	6	1,489,716
FUND BALANCES - ENDING	\$ 1,708,522	\$ 6	\$ 1,708,528

* SEE INDEPENDENT AUDITOR'S REPORT.

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

TITLE II To improve the skills of teachers and the quality of instruction in the mathematics and sciences, and to increase the accessibility of such instruction to all students.

PRESCHOOL These grants to states assist in providing a free, appropriate public education to preschool disabled children aged three through five years.

IDEA These grants to states assist in providing a free appropriate public education to all children with disabilities.

VOCATIONAL EDUCATION The purpose of these grants is to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

SCHOOL FOOD SERVICE Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP) To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning.

JOBS FOR AMERICA'S GRADUATES (JAG) A school to career program to keep young people in school through graduation and provide work based learning experiences.

LA4 This fund accounts for the preschool program funded by state and federal funds.

EDUCATIONAL EXCELLENCE This fund accounts for monies received from the state education excellence fund. The funds are to be expended in accordance with the School Board's plan submitted and approved by the State Department of Education.

8G EARLY CHILDHOOD To provide high quality early childhood educational experiences to four year old children who are considered to be at risk of achieving later academic success.

21ST CENTURY GRANT Accounts for Federal Funds received to support the erection of community learning centers to provide academic enrichment opportunities during non-school hours for children, particularly students who attend higher-poverty and low performing schools.

HEALTH PROGRAMS This fund accounts for the money received for the school based health program.

SCHOOL IMPROVEMENT To dramatically turn around the academic achievement of students in the Nation's persistently lowest-achieving schools.

TEACHER INCENTIVE To support programs that develop and implement performance-based compensation systems for teachers in high need schools.

STRIVING READERS Accounts for Federal Funds received to advance literacy skills, including pre-literacy skills, reading and writing for students from birth through 12th grade, including limited English proficient students and students with disabilities.

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

SCHOOL REDESIGN Accounts for Federal Funds received to support implementation of plans to improve struggling schools.

SALES TAX MAINTENANCE The maintenance fund accounts for the ad valorem tax levied for maintenance and operations and the related expenditures.

CARES (ESSERF) This program is funded by the CARES Act to assist the School District in meeting the challenges in providing educational services as a result of the COVID-19 pandemic.

STRONG START-INCENTIVE This program is funded by the CARES Act to support key Strong Start 2020 Planning Priorities.

GEER (Governor's Emergency Education Relief Fund) This program is funded by the CARES Act to assist the School District with investments in internet devices and connectivity.

ESSERF II This program is funded as part of the Education Stabilization Fund in the CARES Act to continue to address the impact that the COVID-19 virus has had and continues to have on elementary and secondary schools across the Nation.

ESSERF III This additional program is funded as part of the Education Stabilization Fund in the CARES Act to continue to address the impact that the COVID-19 virus has had and continues to have on elementary and secondary schools across the Nation.

STUDENT ACTIVITY FUNDS The activities of the various individual school accounts are accounted for in the school activity funds. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

MISCELLANEOUS FUNDS This fund accounts for various small local, state, and federal grants.

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2021

	TITLE II	PRESCHOOL	IDEA	VOCATIONAL EDUCATION	SCHOOL FOOD SERVICE
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 6,578	\$ 835,242
Receivables	60,487	11,538	70,541	-	284,781
Interfund receivables	12,771	-	51,571	-	29,456
Inventory	-	-	-	-	12,507
TOTAL ASSETS	73,258	11,538	122,112	6,578	1,161,986
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	60,820	198	29,871	-	106,955
Interfund payables	12,438	11,340	92,241	6,578	43,849
TOTAL LIABILITIES	73,258	11,538	122,112	6,578	150,804
Fund balances:					
Nonspendable	-	-	-	-	12,507
Restricted	-	-	-	-	998,675
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	-	-	-	1,011,182
TOTAL LIABILITIES AND FUND BALANCES	\$ 73,258	\$ 11,538	\$ 122,112	\$ 6,578	\$ 1,161,986

* SEE INDEPENDENT AUDITOR'S REPORT.

Exhibit 6

REAP	JAG	LA 4	EDUCATIONAL EXCELLENCE	8G EARLY CHILDHOOD	21st CENTURY GRANT	HEALTH PROGRAMS
\$ 2,518	\$ -	\$ 313,957	\$ -	\$ -	\$ -	\$ 154,791
-	117,942	26,565	56,398	68,841	192,913	-
-	7,442	-	-	-	-	80
-	-	-	-	-	-	-
<u>2,518</u>	<u>125,384</u>	<u>340,522</u>	<u>56,398</u>	<u>68,841</u>	<u>192,913</u>	<u>154,871</u>
1,871	6,575	3,233	-	7,201	190,132	8,790
<u>647</u>	<u>118,809</u>	<u>256,362</u>	<u>56,398</u>	<u>61,640</u>	<u>2,781</u>	<u>153,384</u>
<u>2,518</u>	<u>125,384</u>	<u>259,595</u>	<u>56,398</u>	<u>68,841</u>	<u>192,913</u>	<u>162,174</u>
-	-	-	-	-	-	-
-	-	80,927	-	-	-	(7,303)
-	-	-	-	-	-	-
-	-	<u>80,927</u>	-	-	-	<u>(7,303)</u>
<u>\$ 2,518</u>	<u>\$ 125,384</u>	<u>\$ 340,522</u>	<u>\$ 56,398</u>	<u>\$ 68,841</u>	<u>\$ 192,913</u>	<u>\$ 154,871</u>

(Continued)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2021

	SCHOOL IMPROVEMENT	TEACHER INCENTIVE	STRIVING READERS	SCHOOL REDESIGN	SALES TAX MAINTENANCE FUND
ASSETS					
Cash and cash equivalents	\$ 19,986	\$ 92,883	\$ 3,492	\$ -	\$ 325,471
Receivables	16,527	114,406	82,319	26,729	165,712
Interfund receivables	30,160	13,142	2,870	-	8,288
Inventory	-	-	-	-	-
TOTAL ASSETS	66,673	220,431	88,681	26,729	499,471
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	-	16,085	15,400	-	6,539
Interfund payables	66,673	204,346	73,281	26,729	953
TOTAL LIABILITIES	66,673	220,431	88,681	26,729	7,492
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	491,979
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	-	-	-	491,979
TOTAL LIABILITIES AND FUND BALANCES	\$ 66,673	\$ 220,431	\$ 88,681	\$ 26,729	\$ 499,471

* SEE INDEPENDENT AUDITOR'S REPORT.

Exhibit 6

CARES (ESSERF)	STRONG START	GEER	ESSERF II	ESSERF III	STUDENT ACTIVITY FUNDS	MISCELLANEOUS FUNDS	TOTAL
\$ -	\$ 9,047	\$ -	\$ -	\$ -	\$ 73,251	\$ 158,859	\$ 1,996,075
181,509	-	894	3,415	199,370	-	31,736	1,712,623
-	-	-	-	-	-	5,733	161,513
-	-	-	-	-	-	-	12,507
<u>181,509</u>	<u>9,047</u>	<u>894</u>	<u>3,415</u>	<u>199,370</u>	<u>73,251</u>	<u>196,328</u>	<u>3,882,718</u>
54,312	3,441	-	3,415	29,762	-	14,767	559,367
<u>127,197</u>	<u>5,606</u>	<u>894</u>	<u>-</u>	<u>169,608</u>	<u>-</u>	<u>123,075</u>	<u>1,614,829</u>
<u>181,509</u>	<u>9,047</u>	<u>894</u>	<u>3,415</u>	<u>199,370</u>	<u>-</u>	<u>137,842</u>	<u>2,174,196</u>
-	-	-	-	-	-	-	12,507
-	-	-	-	-	73,251	-	1,563,905
-	-	-	-	-	-	58,486	132,110
-	-	-	-	-	-	-	-
-	-	-	-	-	73,251	58,486	1,708,522
<u>\$ 181,509</u>	<u>\$ 9,047</u>	<u>\$ 894</u>	<u>\$ 3,415</u>	<u>\$ 199,370</u>	<u>\$ 73,251</u>	<u>\$ 196,328</u>	<u>\$ 3,882,718</u>

(CONCLUDED)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2021

	TITLE II	PRESCHOOL	IDEA	VOCATIONAL EDUCATION	SCHOOL FOOD SERVICE
REVENUES					
Local sources:					
Taxes:					
Sales and use	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-	547
Food services	-	-	-	-	1,044
Other	-	-	14,523	-	16,255
State sources:					
Equalization	-	-	-	-	42,587
Other	-	-	-	-	-
Federal sources	144,856	14,382	304,631	2,859	1,639,202
TOTAL REVENUES	144,856	14,382	319,154	2,859	1,699,635
EXPENDITURES					
Current:					
Instruction:					
Regular programs	34,208	-	4,063	-	-
Special programs	-	4,940	87,036	-	-
Other instructional programs	12,938	2,019	54,902	2,800	-
Support Services:					
Student services	-	7,050	122,967	-	-
Instructional staff support	91,379	-	47,394	59	-
General administration	6,331	373	-	-	-
Business services	-	-	-	-	-
Plant services	-	-	2,792	-	-
Student transportation services	-	-	-	-	-
Central services	-	-	-	-	-
Food Services	-	-	-	-	1,167,862
TOTAL EXPENDITURES	144,856	14,382	319,154	2,859	1,167,862
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-	531,773
FUND BALANCES - BEGINNING	-	-	-	-	479,409
Prior Period Adjustment	-	-	-	-	-
FUND BALANCES - BEGINNING, AS RESTATED	-	-	-	-	479,409
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ 1,011,182

* SEE INDEPENDENT AUDITOR'S REPORT.

Exhibit 7

REAP	JAG	LA 4	EDUCATIONAL EXCELLENCE	8G EARLY CHILDHOOD	21st CENTURY GRANT	HEALTH PROGRAMS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	134,490
-	-	-	-	-	-	-
-	-	157,623	78,592	50,145	-	-
28,684	58,875	5,556	-	-	888,362	-
28,684	58,875	163,179	78,592	50,145	888,362	134,490
-	58,875	-	-	-	-	-
-	-	-	-	-	-	3,662
10,798	-	82,252	-	50,145	701,556	-
-	-	-	-	-	-	188,667
15,686	-	-	-	-	121,835	1,305
2,200	-	-	-	-	52,758	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	78,592	-	12,213	-
-	-	-	-	-	-	-
28,684	58,875	82,252	78,592	50,145	888,362	193,634
-	-	80,927	-	-	-	(59,144)
-	-	-	-	-	-	51,841
-	-	-	-	-	-	-
-	-	-	-	-	-	51,841
\$ -	\$ -	\$ 80,927	\$ -	\$ -	\$ -	\$ (7,303)

(CONTINUED)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2021

	SCHOOL IMPROVEMENT	TEACHER INCENTIVE	STRIVING READERS	SCHOOL REDESIGN	SALES TAX MAINTENANCE FUND
REVENUES					
Local sources:					
Taxes:					
Sales and use	\$ -	\$ -	\$ -	\$ -	\$ 774,665
Interest earnings	-	-	-	-	574
Food services	-	-	-	-	-
Other	-	-	-	-	-
State sources:					
Equalization	-	-	-	-	-
Other	-	-	-	-	-
Federal sources	158,304	475,213	110,680	253,738	-
TOTAL REVENUES	158,304	475,213	110,680	253,738	775,239
EXPENDITURES					
Current:					
Instruction:					
Regular programs	28,910	414,407	27,426	17,020	5,780
Special programs	-	-	47,592	-	-
Other instructional programs	84,419	-	-	150,000	124
Support Services:					
Student services	-	-	5,800	-	-
Instructional staff support	7,604	60,806	15,400	62,563	-
General administration	10,189	-	14,462	21,155	46,875
School administration	-	-	-	-	-
Business services	-	-	-	-	66,318
Plant services	-	-	-	-	754,186
Student transportation services	-	-	-	-	264,681
Central services	27,182	-	-	-	-
Food Services	-	-	-	-	-
TOTAL EXPENDITURES	158,304	475,213	110,680	253,738	1,137,964
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-	(362,725)
FUND BALANCES - BEGINNING	-	-	-	-	854,704
Prior Period Adjustment	-	-	-	-	-
FUND BALANCES - BEGINNING, AS RESTATED	-	-	-	-	854,704
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ 491,979

* SEE INDEPENDENT AUDITOR'S REPORT.

CARES (ESSERF)	STRONG START	GEER	ESSERF II	ESSERF III	STUDENT ACTIVITY FUNDS	MISCELLANEOUS FUNDS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 774,665
-	-	-	-	-	-	-	1,121
-	-	-	-	-	-	-	1,044
-	-	-	-	-	104,332	-	269,600
-	-	-	-	-	-	-	42,587
-	-	-	-	-	-	34,742	321,102
1,324,128	69,709	124,952	3,415	199,370	-	95,757	5,902,673
1,324,128	69,709	124,952	3,415	199,370	104,332	130,499	7,312,792
243,942	-	-	-	199,147	-	41,948	1,075,726
-	-	-	-	-	-	-	143,230
702,300	56,950	98,567	-	223	79,582	33,620	2,123,195
-	-	-	-	-	-	-	324,484
33,283	-	-	-	-	-	8,112	465,426
207,541	12,759	26,385	-	-	-	3,797	407,825
-	-	-	-	-	39,791	-	39,791
-	-	-	-	-	-	-	66,318
18,207	-	-	3,415	-	-	-	778,600
118,855	-	-	-	-	-	-	395,749
-	-	-	-	-	-	-	105,774
-	-	-	-	-	-	-	1,167,862
1,324,128	69,709	124,952	3,415	199,370	119,373	87,477	7,093,980
-	-	-	-	-	(15,041)	43,022	218,812
-	-	-	-	-	-	15,464	1,401,418
-	-	-	-	-	88,292	-	88,292
-	-	-	-	-	88,292	15,464	1,489,710
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,251	\$ 58,486	\$ 1,708,522

(CONCLUDED)

MADISON PARISH SCHOOL BOARD

STUDENT ACTIVITIES FUNDS BY SCHOOL
 Schedule of Changes in Fund Balances
 For the Year Ended June 30, 2021

Exhibit 8

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Madison High School	\$ 53,879	\$ 50,689	\$ 58,579	\$ 45,989
Tallulah Elementary School	4,580	38,523	41,143	1,960
Madison Middle School	28,615	9,771	14,296	24,090
Wright Elementary School	1,218	5,349	5,355	1,212
TOTALS	<u>\$ 88,292</u>	<u>\$ 104,332</u>	<u>\$ 119,373</u>	<u>\$ 73,251</u>

SEE INDEPENDENT AUDITOR'S REPORT.

Madison Parish School Board

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

Exhibit 9

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month and the President receives an additional \$100 per month.

<u>Board Member</u>	<u>District #</u>	<u>Amount</u>
Jeff Wilson	1	\$ 9,600
Mary Presley	2	9,600
Samuel Dixon, President - January 1, 2021 through June 30, 2021 Vice President - July 1, 2020 through December 31, 2020	3	10,200
Sharon Jackson	4	9,600
Darrell Sims, President - July 1, 2020 through December 31, 2020 Vice President - January 1, 2021 through June 30, 2021	5	10,200
Rev. O. W. Hamilton.	6	9,600
Lisa Johnson	7	9,600
Marguerite Hargrave	8	<u>9,600</u>
Total		<u><u>\$ 78,000</u></u>

* SEE INDEPENDENT AUDITOR'S REPORT.

Madison Parish School Board

Schedule Of Compensation, Benefits And Other Payments To Agency Head (Superintendent)
For the Year Ended June 30, 2021

Exhibit 10

Agency Head Name: Dr. Charles E. Butler, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 94,000
Benefits-insurance	6,029
Benefits-retirement	27,751
Benefits-other (Medicare & Life Insurance)	4,673
Car Allowance	7,596
December Sales Tax Payment	5,350
MFP Pay	1,000
May Sales Tax Payment	5,400
<u>Total</u>	<u>\$ 151,799</u>

SEE INDEPENDENT AUDITOR'S REPORT.

SINGLE AUDIT AND OTHER INFORMATION

KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the
Madison Parish School Board
Tallulah, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish School Board, (the School Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated August 15, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003.

Madison Parish School Board's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 15, 2022

KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the
Madison Parish School Board
Tallulah, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance as described in the schedule of findings and questioned costs as item 2021-004 that we consider to be a material weakness.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 15, 2022

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	Activity <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:			
Non-cash assistance (commodities):			
National School Lunch Program	10.555	N/A	\$ 23,840
Cash assistance:			
Child and Adult Care Food Program	10.558	N/A	75,623
Summer Food Service Program	10.559	N/A	<u>1,539,739</u>
Total United States Department of Agriculture			<u>1,639,202</u>
United States Department of Education			
Passed through National Institute for Excellence in Teaching			
Teacher Incentive Fund	84.374	N/A	475,213
Passed Through Louisiana Department of Education:			
Title I			
Title I Grants to Local Educational Agencies	84.010A	28-20-T1-33	-
	84.010A	28-21-T1-33	2,276,323
	84.010A	28-18-RD18-33	253,738
	84.010A	28-21-DSS-33	<u>2,846</u>
			2,532,907
COVID-19 - Elementary and Secondary School Emergency Relief (ESSERF - Formula) (CARES Act)			
Strong Incentive Grant	84.425D	28-20ESRI-33	69,709
Governor's Emergency Education Relief (GEER) Fund	84.425C	28-20GERF-33	124,952
Education Stabilization Fund			
Real-time Early Access to Library	84.425	28-21-REL2-33	-
ESSERF II Formula	84.425D	28-20-ESRF-33	1,324,128
ESSERF II Formula	84.425D	28-21-ES2F-33	3,415
ESSERF III EB Interventions	84.425U	28-21-ESEB-33	<u>199,370</u>
			1,721,574
IDEA Part B 611 Special Education Cluster:			
Special Education Grants to States	84.027A	28-21-B1-33	304,631
	84.027	28-18-JP-33	54,480
IDEA Preschool 619			
Preschool Grants	84.173A	28-21-P1-33	<u>14,382</u>
			373,493
Carl Perkins - Secondary			
Career & Technical Education - Basic Grants to States	84.048A	28-21-02-33	2,859
21st Century Community Learning Centers			
	84.287	28-19-2C-33	888,362
Title IIA			
Supporting Effective Instruction State Grants	84.367A	28-21-50-33	144,856
School Improvement - Believe and Succeed - 1003(g)			
	84.377	28-17-TC07-33	158,304
Title V-B RLIS			
Rural Education	84.358B	28-21-RLIS-33	28,684
			<u>39,819</u>
			68,503
Striving Readers Comprehensive Literacy Program			
	84.371	28-18-SR06-33	60,301
	84.371	28-18-SR01-33	15,400
	84.371	28-18-SR05-33	34,979
	84.371	28-18-SR04-33	<u>-</u>
			110,680
Title IVA SSAE			
Student Support and Academic Enrichment Program	84.424A	28-21-71-33	<u>38,431</u>
Total United States Department of Education			<u>6,515,182</u>
United States Department of Health and Human Services			
Passed through Louisiana Department of Education:			
Temporary Assistance for Need Families	93.558	28-19-36-33	58,875
			<u>5,556</u>
			64,431
United States Department of the Interior			
Passed through Madison Parish Sheriff's Office:			
Federal Refugee Revenue Sharing	15.659	FRRS2017	26
United States Department of Defense Direct Program:			
Junior Reserve Officer Training Corps (JROTC)	12.UKN	N/A	<u>50,780</u>
TOTAL			<u>\$ 8,269,621</u>

*SEE INDEPENDENT AUDITOR'S REPORT AND NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.

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

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Madison Parish School Board under programs of the federal government for the year ended June 30, 2021. The School Board reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Madison Parish School Board, it is not intended to and does not present the financial position, changes in net position or cash flows of Madison Parish School Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

<u>Funds</u>	<u>Federal Sources</u>
Major Funds:	
General Fund	\$ 90,625
Title I	2,276,323
Debt Service	-
Nonmajor Special Revenue Funds:	
Title II	144,856
Preschool	14,382
IDEA	304,631
Vocational Education	2,859
School Food Service	1,639,202
REAP	28,684
JAG	58,875
LA4	5,556
21st Century Grant	888,362
School Improvement	158,304
Teacher Incentive	475,213
Striving Readers	110,680
School Redesign	253,738
CARES (ESSERF)	1,324,128
Strong Start	69,709
GEER	124,952
ESSERF II	3,415
ESSERF III	199,370
Miscellaneous Funds	95,757
Total	<u>\$ 8,269,621</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

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

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 7 - INDIRECT COST RATE The School Board has elected not to use the 10- percent de minimis indirect cost rate allowed under the Uniform Guidance.

MADISON PAIRIS SCHOOL BOARD
Tallulah, Louisiana

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

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

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

Major programs:

CFDA Numbers

84.010
84.425C, 84.425D, 84.425U

Name of Federal Program or Cluster

Title I
Education Stabilization Fund – COVID 19

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

Auditee qualified as low-risk auditee? Yes No

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

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

A. Internal Control Findings –

2021-001 Financial Records/Reconciliations

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

Condition: Several issues were identified through audit procedures: (1) the payroll clearing fund contained a significant volume of unreconciled interfund checks; (2) the general ledger system at the School Board had a high volume of uncleared outstanding items that required a significant amount of investigation and adjusting entries to resolve; (3) several of the School Board's grant funds were not timely monitored for overspending and/or submission of reimbursement requests; (4) sales tax agency funds were transferred to another collection agency and were not properly recorded in the School Board's general ledger; (5) prior period adjustments were made to correct several of the issues identified.

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

Effect: The School Board's controls contain a material weakness.

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

View of Responsible Officials: The bank accounts are reconciled thoroughly, and entries made on a monthly basis to assure a more accurate set of books. More monitoring and timely filing of State and Federal requisitions has been occurring during the fiscal year being audited. Item regarding the sales tax fund is a one-time event that is not a recurring item. The prior period adjustments are not expected to reoccur due to internal controls implemented.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

B. Compliance Findings –

2021-002 General Obligation Bond Continuing Disclosure

Criteria: Bond continuing disclosure requirements.

Condition: The School Board did not make required continuing disclosures related to their outstanding bonds on the MSRB reporting website.

Cause: The School Board failed submit required continuing disclosures.

Effect: Continuing disclosure requirements were not met.

Recommendation: The School Board should work with its bond counsel or other advisors to ensure the required disclosures are made.

View of Responsible Officials: The School Board will engage our legal counsel to update and maintain the EMMA website to ensure compliance.

2021-003 Late Report Issuance

Criteria: R.S. 24:513 requires that audits be completed within six months of the close of the School Board's fiscal year.

Condition: The School Board failed to submit its annual financial report to the Legislative Auditor's Office by the statutory deadline.

Cause: The overall condition of the School Board's financial records prohibited the School Board's CPA consultant from providing timely and accurate information to the School Board's auditors.

Effect: The School Board is not in compliance with R.S. 24:513.

Recommendation: The School Board should take the necessary steps to ensure that all financial records are accurate and made available to the School Board's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

View of Responsible Officials: The School Board is working with our CPA to assist with a timely closing of the books and will work with our audit to complete the audit by the required deadline.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

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

2021-004 Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Criteria: The Uniform Guidance Subpart F section 200.510 requires the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to include an accurate reporting of federal awards expended based on the terms and conditions of the grants.

Condition: The SEFA prepared by the School Board's personnel contained incorrect Assistance Listing Numbers and did not include all federal expenditures of the School Board.

Cause: Limited staffing and experience did not permit the School Board to accurately prepare the SEFA.

Effect: The SEFA provided to us did not contain the correct Assistance Listing Numbers or amounts of federal awards, which is the basis used to determine the major federal programs to be audited in a fiscal year. Errors such as the ones identified on the SEFA could result in additional audit work to achieve the necessary audit coverage required by Uniform Guidance or incorrect information regarding federal grants to be reported.

Recommendation: In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards a system of controls should be in existence that includes the review of the Assistance Listing Numbers and expenditure amounts reported on the SEFA.

View of Responsible Officials: The SEFA will continue to be reviewed and updated as necessary. The issue of reflecting child nutrition lunches and breakfast not as traditionally reported as lunches and breakfast Federal revenues but as Summer Feeding during this pandemic era has been noted and will be reflected as such until the U. S. Department of Education switches the child nutrition lunches and breakfasts back to the traditional reporting.

Madison Parish School Board
Tallulah, Louisiana

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

Finding 2020-001: Budget Compliance

Condition: The School Board did not adopt budgets for all but three of its special revenue funds. The budgets that were adopted were not available for inspection for at least fifteen days prior to adoption. The School Board published the required notice seven days prior to the public hearing rather than the mandatory ten days. The General Fund actual expenditures exceeded budgeted expenditures by more than five percent without the School Board amending the budget.

Recommendation: The School Board implement a budgetary administration and monitoring system of controls whereby the above-referenced statutes can be properly followed.

Current Status: Not Resolved.

Finding 2020-002: General Obligation Bond Continuing Disclosure

Condition: For the June 30, 2019 reporting date: (1) for the two general obligation bond series outstanding, 2019 audited financial statements were posted on the MSRB reporting website after the submission deadline, and the notice of failure to file was not submitted; and (2) for the revenue bond, 2019 audited financial statements were posted on the MSRB reporting website after the submission deadline. For the June 30, 2020 reporting date, notice of failure to file was not submitted by the applicable deadline for the two general obligation bond series outstanding.

Recommendation: The School Board work with its bond counsel or other advisors to ensure the required disclosures are made.

Current Status: Not Resolved.

Finding 2020-003: Bank Accounts and Bank Reconciliations

Condition: Several issues were identified through audit procedures: (1) a money market account was discovered to exist for sales taxes paid under protest that had not been recorded or accounted for by the School Board; (2) the general ledger system at the School Board had a high volume of uncleared outstanding items that required a significant amount of investigation and adjusting entries to resolve; and (3) three cafeteria bank accounts are not reconciled regularly, and one cafeteria bank account is not recorded or accounted for by the School Board.

Recommendation: The School Board record all cash and money market accounts to its general ledger system. The School Board should also regularly and vigorously monitor outstanding and uncleared items and fully reconcile all bank accounts monthly.

Current Status: Not Resolved.

Madison Parish School Board
Tallulah, Louisiana

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

Finding 2020-004: Payroll Clearing Fund

Condition: The payroll clearing fund, which is reported within the General Fund, contained a significant volume of unreconciled interfund balances.

Recommendation: The School Board engage accounting consultants to so arrange the payroll clearing fund entries in such a way that does not create the aforementioned issues.

Current Status: Not Resolved.

Board Members:

District 4
Ms. Sharon Jackson
President

District 2
Mrs. Mary Presley
Vice-President

District 1
Mr. Jeff Wilson
District 3
Mr. Samuel Dixon
District 5
Mr. Darrell D. Sims
District 6
Rev. D. W. Hamilton
District 7
Ms. Lisa Johnson
District 8
Mrs. Marguerite Hargrave



Madison Parish School Board

Post Office Box 1620

Tallulah, Louisiana 71284-1620

(318) 574-3616

Charlie E. Butler, Jr. Ed.D., Superintendent

August 11, 2022

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

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

Audit Period: Fiscal year ended June 30, 2021

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

2021-001 Financial Records/Reconciliations

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

CORRECTIVE ACTION PLAN: *The auditor identified five areas to be addressed as part of their finding. Items #1 and #2 are being addressed by having bank accounts reconciled thoroughly and entries made on a monthly basis to assure a more accurate set of books. Staff are using the sub codes of the general ledger accounts codes more frequently than past years that should result in a substantial improvement in the accuracy of the books. Both of the unreconciled and voluminous number of outstanding items will decline to a reasonable level for the year ended June 30, 2022. Item #3 regarding more monitoring and timely filing of State and Federal requisitions has been occurring during the fiscal year being audited. Item #4 regarding the sales tax fund is a one time event that is not a recurring item. Item #5 regarding the number of prior period adjustments is not expected to reoccur due to internal controls implemented and the fact that the books will be in better shape at June 30, 2022 than in previous years.*

Expected completion date: October 2022

Responsible Official: Elvin Parker, Business Manager
Madison Parish School Board
2021-002 General Obligation Bond Continuing Disclosure

RECOMMENDATION: The School Board should work with its bond counsel or other advisors to ensure the required disclosures are made.

CORRECTIVE ACTION PLAN: *The School Board will follow the auditor's recommendation and engage our bond counsel to update and maintain the EMMA website to assure compliance with all the municipal securities reporting requirements.*

Expected completion date: October 2022

Responsible Official: Elvin Parker, Business Manager
Madison Parish School Board

2021-003 Late Report Issuance

RECOMMENDATION: The School Board should take the necessary steps to ensure that all financial records are accurate and made available to the School Board's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

CORRECTIVE ACTION PLAN: *The effort to close out the books for FYE June 30, 2022 is much further ahead of prior years and the accounting team is very confident that the annual financial report will be filed on time for the year ended June 30, 2022. Action taken so far are as follows:*

The closing out process was started much earlier this year than previous years, auditor's entries for the prior year were posted and beginning fund balances reconciled several months back,

bank reconciliations and corrections for discrepancies from the bank reconciliation process have been made,

special attention has been focused on flagging the summer payroll journals for nine and ten month employees so that the applicable payroll is automatically accrued at year-end rather than the manual process in the past, and

more effort has been and will continue to be made to review all federal and state revenue requisitions and collections to assure the reporting of these revenues in the proper year.

An extra person has been added to the accounting team

With the above actions taken, the annual financial report will be filed timely for the year ended June 30, 2022.

Expected completion date: November 2022 and annually thereafter

Responsible Official: Elvin Parker, Business Manager
Madison Parish School Board

2021-004 Preparation of Schedule of Expenditures of Federal Awards (SEFA)

RECOMMENDATION: In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards a system of controls should be in existence that includes the review of the Assistance Listing Numbers and expenditure amounts reported on the SEFA.

CORRECTIVE ACTION PLAN: *The SEFA will continue to be reviewed and updated as necessary. The issue of reflecting child nutrition lunches and breakfast not as traditionally reported as lunches and breakfast Federal revenues but as Summer Feeding during this pandemic era has been noted and will be reflected as such until the U. S. Department of Education switches the child nutrition lunches and breakfasts back to the traditional reporting.*

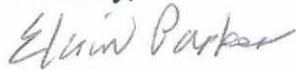
Expected completion date: October 2022

Responsible Official: Elvin Parker, Business Manager
Madison Parish School Board

If there are questions regarding the plan, contact:

Elvin Parker, Business Manager
Madison Parish School Board
301 South Chestnut
Tallulah, LA 71282
Email: elvin.parker@madisonpsb.org
Telephone: 318-574-3616.

Sincerely,



Elvin Parker
Business Manager

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

KOLDER, SLAVEN & COMPANY, LLC

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Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
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Bryan K. Joubert, CPA
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C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

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WWW.KSRCPAS.COM

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

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

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

The procedures and associated findings are as follows:

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

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

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

There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

There were no exceptions noted.

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

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

There were three exceptions noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

There were no exceptions noted.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

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

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana
Schedule 1

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

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 4,328,905	
Other instructional staff salaries	581,405	
Instructional staff employee benefits	1,652,681	
Purchased professional and technical services	48,405	
Instructional materials and supplies	34,772	
Instructional equipment	-	
Total teacher and student interaction activities		\$ 6,646,168

Other instructional activities:

Pupil support activities	847,455	
Less: Equipment for pupil support activities	-	
Net pupil support activities		847,455
Instructional staff services	329,112	
Less: Equipment for instructional staff services	-	
Net instructional staff services		329,112
School Administration	793,632	
Less: Equipment for school administration	-	
Net school administration		793,632
Total general fund instructional expenditures		\$ 8,745,385

Total general fund equipment expenditures (Object 730; Function series 1000-4000) \$ -

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 489,066
Renewable ad valorem tax	559,392
Debt service ad valorem tax	1,280,982
Up to 1% of collections by the Sheriff on taxes other than school taxes	118,690
Sales and use taxes	3,866,567
Total local taxation revenue	\$ 6,314,697

Local earnings on investment in real property:

Earnings from 16th section property	\$ 39,964
Earnings from other real property	-
Total local earnings on investment in real property	\$ 39,964

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 60,519
Revenue sharing - other taxes	965
Revenue sharing - excess portion	-
Other revenue in lieu of taxes	-
Total state revenue in lieu of taxes	\$ 61,484

Nonpublic textbook revenue \$ -

Nonpublic transportation revenue \$ -

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana
Schedule 2

Class Size Characteristics
As of October 1, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	40%	24	53%	32	7%	4	0%	-
Elementary Activity Classes	100%	1	0%	-	0%	-	0%	-
Middle/Jr. High	65%	43	31%	21	4%	3	0%	-
Middle/Jr. High Activity Classes	40%	2	60%	3	0%	-	0%	-
High	83%	140	17%	29	0%	-	0%	-
High Activity Classes	89%	17	11%	2	0%	-	0%	-
Combination	63%	60	33%	31	4%	4	0%	-
Combination Activity Classes	75%	3	25%	1	0%	-	0%	-

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