

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

ANNUAL FINANCIAL REPORT
As of and For the Year Ended June 30, 2022

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

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INDEPENDENT AUDITORS' REPORT

Board Members
Caldwell Parish School Board
Columbia, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Caldwell Parish School Board** (the School Board), as of and for the year ended June 30, 2022, 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.

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, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

**Board Members
Caldwell Parish School Board
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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 5 through 13, Budgetary Comparison Schedules on page 53 through 56, Schedule of Changes in Total OPEB Liability and Related Ratios on page 57, Schedule of Employer's Proportionate Share of Net Pension Liability on page 58, Schedule of Employer's Contributions to Pension Plans on page 59, and Notes to the Required Supplement Information for Pensions on page 60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits and other payments to agency head and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

March 17, 2023

**REQUIRED SUPPLEMENTARY INFORMATION
(PART A)**

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis (Unaudited)

June 30, 2022

The Management's Discussion and Analysis of the Caldwell Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available). Please read this document with the School Board's financial statements, which follow the Management's Discussion and Analysis.

Caldwell Parish is located in the northeastern area of the state and has a population of approximately 9,600. The public school system includes 1 preschool, 3 elementary schools, 1 junior high school and 1 high school. The system serves approximately 1,600 students. A majority of the students participate in the free or reduced lunch program. Advanced education is easily attained from nearby vocational-technical schools, colleges, and universities.

FINANCIAL HIGHLIGHTS

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

- The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the fiscal year by approximately \$57.5 million.
- The School Board's expenses exceeded revenues by approximately \$0.7 million for the year ended June 30, 2022.
- The School Board's general fund received \$14.3 million in funding, expended approximately \$14.2 million and recognized an increase in fund balance of \$132,073 for the fiscal year, which was primarily due to a reduction in MFP revenue from decreased student counts.
- The Sales Tax Fund accounts for the collection and distribution of the sales and use taxes in accordance with the propositions approved by the voters of Caldwell Parish. The fund balance of the Sales Tax Fund increased by \$151,780 during 2022 to \$318,415.

USING THIS ANNUAL REPORT

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

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Management's Discussion and Analysis (Unaudited)

June 30, 2022

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, Sales Tax Fund, and Education Stabilization Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

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Columbia, Louisiana

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June 30, 2022

Fund Financial Statements

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

Governmental funds

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Management's Discussion and Analysis (Unaudited)

June 30, 2022

These two statements report the School Board's net position and changes in net position. Increases or decreases in the School Board's net position are one indicator of whether its financial health is improving or deteriorating. The net position of the School Board as of June 30, 2022 consisted of a deficit balance of \$57,501,326. This decreased by an additional \$692,492, or 1.2% from 2021. The statement of net position and statement of activities reflect the School Board's governmental activities (e.g., its basic service), such as instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program ("MFP") Funds, and state and federal grants finance most of these activities.

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

Table 1
Summary of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Variance</u> <u>(\$)</u>	<u>Variance</u> <u>(%)</u>
Assets				
Current and other assets	\$ 11,768,440	\$ 11,955,882	\$ (187,442)	-1.6%
Capital assets, net of depreciation	13,966,221	14,045,764	(79,543)	-0.6%
Total assets	<u>25,734,661</u>	<u>26,001,646</u>	<u>(266,985)</u>	<u>-1.0%</u>
Deferred outflows of resources	<u>19,845,131</u>	<u>24,368,667</u>	<u>(4,523,536)</u>	<u>-18.6%</u>
Liabilities				
Current and other liabilities	2,035,041	2,324,366	(289,325)	-12.4%
Long-term liabilities				
Due within one year	1,535,000	1,430,090	104,910	7.3%
Due in more than one year	74,794,168	101,571,831	(26,777,663)	-26.4%
Total liabilities	<u>78,364,207</u>	<u>105,326,287</u>	<u>(26,962,080)</u>	<u>-25.6%</u>
Deferred inflows of resources	<u>24,716,911</u>	<u>1,852,860</u>	<u>22,864,051</u>	<u>1,234.0%</u>
Net position				
Net invested in capital assets	8,061,221	7,285,674	775,547	10.6%
Restricted	2,129,075	2,164,111	(35,036)	-1.6%
Unrestricted	(67,691,622)	(66,258,619)	(1,433,003)	-2.2%
Total net position (deficit)	<u>\$(57,501,326)</u>	<u>\$(56,808,834)</u>	<u>\$ (692,492)</u>	<u>-1.2%</u>

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Columbia, Louisiana

Management's Discussion and Analysis (Unaudited)

June 30, 2022

Statement of Net Position

Current assets are comprised primarily of cash and cash equivalents which account for 33.3% of total assets. The remaining current assets, such as receivables, and inventory, comprise 12.4% of total assets.

Capital assets, which are reported net of accumulated depreciation, account for 54.3% of total assets. Total capital assets decreased by \$79,543, or 0.6%, due to the excess of depreciation expense over additions.

Long-term liabilities decreased by \$26.7 million, or 25.9%, due primarily to a \$13.8 million decrease in other post-employment (OPEB) benefits, \$11.7 million decrease in net pension liability and a \$805,000 decrease in bonds payable.

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

Net investment in capital assets ended with a balance of \$8,061,221 as of June 30, 2022.

Unrestricted net position ended with a negative balance of \$67,691,622. As of June 30, 2022, the School Board plans to eliminate this negative balance when it shows increases in revenues over expenses and is able to fund pension and post-employment benefits, reducing the total liability and increasing net position.

Changes in Net Position

As reported in the statement of activities, the cost of all governmental activities this year was \$26.8 million. Some of the cost was paid by those who benefited from the program (\$32,425) or by other governments and organizations who subsidized certain programs with grants and contributions (\$6.7 million). Of the remaining \$20.0 million unrestricted financed amount, MFP funds paid \$12.1 million, and ad valorem and sales taxes paid \$6.3 million.

Total revenues increased by approximately \$1.4 million, primarily due to a \$0.9 million increase in grants and contributions.

Expenses decreased by \$4.4 million, which was mostly attributable to fluctuations in the pension and OPEB valuations in the current year.

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Management's Discussion and Analysis (Unaudited)

June 30, 2022

**Table 2
Changes in Net Position
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Variance (\$)</u>	<u>Variance (%)</u>
Revenues				
Program revenues				
Charges for service	\$ 32,425	\$ 25,930	\$ 6,495	25.0%
Operating and capital grants and contributions	6,746,113	5,843,179	902,934	15.5%
General revenues				
Ad valorem taxes	3,531,515	3,542,349	(10,834)	-0.3%
Sales taxes	2,760,557	2,680,678	79,879	3.0%
State equalization	12,057,152	11,991,584	65,568	0.5%
Other general revenues	<u>1,007,740</u>	<u>652,072</u>	<u>355,668</u>	<u>54.5%</u>
Total revenues	<u>26,135,504</u>	<u>24,729,795</u>	<u>1,405,709</u>	<u>5.7%</u>
Expenses				
Instructional				
Regular programs	8,389,487	10,218,716	(1,829,229)	-17.9%
Special education programs	2,178,058	3,001,135	(823,077)	-27.4%
Other instructional programs	4,816,720	4,795,612	21,108	0.4%
Support services				
Pupil support services	1,332,557	1,624,551	(291,994)	-18.0%
Instructional staff support	2,267,908	2,963,147	(695,239)	-23.5%
General administration	609,892	737,853	(127,961)	-17.3%
School administration	1,221,453	1,549,664	(328,211)	-21.2%
Business services	591,940	620,817	(28,877)	-4.7%
Plant services	2,023,850	1,913,709	110,141	5.8%
Student transportation services	1,472,833	1,575,963	(103,130)	-6.5%
Central services	170,104	233,247	(63,143)	-27.1%
Food services	1,539,222	1,826,590	(287,368)	-15.7%
Interest on long-term debt	<u>213,968</u>	<u>233,927</u>	<u>(19,959)</u>	<u>-8.5%</u>
Total expenses	<u>26,827,996</u>	<u>31,294,931</u>	<u>(4,466,935)</u>	<u>-14.3%</u>
Increase(decrease) in net position	(692,492)	(6,565,136)	5,872,644	89.5%
Net position(deficit) – beginning	<u>(56,808,834)</u>	<u>(50,243,698)</u>	<u>(6,565,136)</u>	<u>-13.1%</u>
Net position(deficit) – ending	<u>\$ (57,501,326)</u>	<u>\$ (56,808,834)</u>	<u>(692,492)</u>	<u>-1.2%</u>

Major Fund Financial Analysis

The School Board's financial statements include four major funds. These funds are the General Fund, Sales Tax Fund, and Education Stabilization Fund.

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Management's Discussion and Analysis (Unaudited)

June 30, 2022

The General Fund's fund balance increased by \$132,073, or 1.8%, during the year ended June 30, 2022, which was primarily due to increase in funding through MFP which is based on the October 1st student counts. Revenues increased by \$496,168, or 3.6%, which was primarily due to increase in MFP funding and Medicaid funding. Expenditures increased by \$54,300, or 0.4%, which was primarily due to increase in purchase of supplies. Variances between budgeted and actual amounts include a 2.0% positive variance of total revenues over budgeted revenues and a 0.4% negative variance of total expenditures over budgeted expenditures.

During fiscal year 2022, the Sales Tax Fund's revenue of \$2,760,573 exceeded expenditures of \$2,608,793. These operations resulted in an increase in fund balance by \$151,780, or 91.1%. Variances between budgeted and actual amounts include a 0.02% positive variance of total revenues over budgeted revenues and a 9.57% positive variance of total expenditures over budgeted expenditures.

The Education Stabilization Fund is a reimbursement grant fund. For the 2022 fiscal year, revenues and expenditures were both \$2,479,573. Variances between budgeted and actual amounts include a 10.0% negative variance of total revenues over budgeted revenues and a 10.0% positive variance of total expenditures over budgeted expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the School Board had \$13,966,221 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a current year net decrease (including additions, deductions, and depreciation) of \$79,543, or 0.6%, in comparison to the prior year. The decrease is due primarily to total current year depreciation of \$599,242 exceeding current year additions of \$519,699. See Note 4 in the notes to the financials for further information.

Table 3
Capital Assets (Net of Depreciation)
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Variance(\$)</u>	<u>Variance(%)</u>
Land and improvements	\$ 215,318	\$ 215,318	\$ -	0.0%
Construction in progress	19,470	-	19,470	N/A
Buildings	13,080,205	13,356,154	(275,949)	-2.1%
Furniture and equipment	651,228	474,292	176,936	37.3%
Totals	<u>\$ 13,966,221</u>	<u>\$ 14,045,764</u>	<u>\$ (79,543)</u>	<u>-0.6%</u>

CALDWELL PARISH SCHOOL BOARD

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Long-Term Debt

At the end of the current fiscal year, the School Board had \$5,905,000 in general obligation bonds at year end with an overall interest rate of 2.375%.

Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2022, the School Board was within the legally restricted amount. Refer to the notes to the financial statements for further information regarding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

As with a significant number of other school boards in the state as well as nationally, the ongoing concern is the return of students to pre-2020 numbers. Instead, the School Board continues to see an eroding of the students from its classrooms. State Funding through MFP dollars is based on student enrollment and as such, the School Board's funding will continue to decline. Note that the increases in MFP recently reflected from year to year are due to the state funded pay raises which give an appearance of an increase when, in fact, it is a true decrease. Further decimating the financial picture is that in addition to the decrease in revenues, expenditures for transportation, insurance, utilities and substantially all other costs have seen a higher than expected increase due to inflation.

As a result of these factors, the School Board has budgeted a \$550,000 deficit for fiscal year 2023 which at this point, appears to be optimistic. At the current time, the State appears to not be concerned with this fiscal cliff that most school boards face or if they are concerned, those discussions are not public. Favorably, Caldwell Parish School Board began fiscal year 2023 with a healthy fund balance of approximately \$7,000,000 from which we can weather the storm in the short-term. Building this fund balance took decades to build up to this level but with the fiscal cliff that is on the horizon, it can be reduced significantly in a few short years. Beyond fiscal year 2023 shows the elimination of ESSER funding which has enabled all school boards to push the fiscal cliff further down the road. Additionally, the School Board is in need of updating its rolling stock of buses with the intention of replacing two buses per year for the next ten years. Two buses were purchased in December of 2022 for approximately \$125,000 each.

Favorably, it appears that a green energy plant could possibly begin operations in Caldwell Parish in the somewhat near future. This plant could have been located in other areas of the State but its leadership actively looked for where a plant could locate to make a significant difference to an area. This plant is still in the early stages of obtaining permits and the earliest guestimate for the commencement of operations is in fiscal year 2026. At that time, property taxes for the School Board, excluding debt service, would increase from approximately \$2.6 million to approximately \$4.8 million. The additional \$2.2 million represents 20% of the taxable base of the new plant. Beginning in the eleventh year of operation, the remaining 80% of the taxable base will result in an additional \$9,000,000 in property taxes where property taxes, in total, would be approximately

CALDWELL PARISH SCHOOL BOARD

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Management's Discussion and Analysis (Unaudited)

June 30, 2022

\$13.8 million. Obviously, the School Board is in full support of this significant investment in the parish coupled with the collateral benefit of good paying jobs for our current students, their ability to both live and work in this parish, and the likely benefit of economic growth supporting this plant. However, there will be a negative impact on MFP funding based on the additional tax base coming on-line and this impact is currently unknown.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Statement of Net Position

June 30, 2022

Assets

Cash and cash equivalents	\$ 8,564,500
Receivables	3,014,077
Prepaid expenses and other assets	165,713
Inventory	24,148
Capital assets, not being depreciated	
Land and construction in progress	234,788
Capital assets, net of depreciation	
Buildings, furniture and equipment	13,731,433
Total assets	<u>25,734,661</u>

Deferred outflows of resources

Deferred charge on refunding	413,312
Deferred charges on pensions	5,551,527
Deferred charges on OPEB	13,880,292
Total deferred outflows of resources	<u>19,845,131</u>

Liabilities

Accounts payable	294,588
Salaries payable	1,621,937
Interest payable	46,748
Unearned revenues	18,768
Other liabilities	53,000
Long-term liabilities:	
Due within one year	1,535,000
Due in more than one year	74,794,168
Total liabilities	<u>78,364,207</u>

Deferred inflows of resources

Deferred inflows on pensions	8,585,052
Deferred inflows on OPEB	16,131,859
Total deferred inflows of resources	<u>24,716,911</u>

Net position

Net investment in capital assets	8,061,221
Restricted for	
Workers' compensation	100,000
Salary improvements	318,415
School food service	305,641
Maintenance	861,443
Grant funds	43,989
Debt service	499,587
Unrestricted	(67,691,622)
Total net position	<u>\$ (57,501,326)</u>

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Statement of Activities

For the Year Ended June 30, 2022

	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE)</u>
	<u>EXPENSES</u>	<u>CHARGES FOR</u>	<u>OPERATING</u>	<u>REVENUE AND</u>
Functions/programs		<u>SERVICES</u>	<u>GRANTS AND</u>	<u>CHANGES IN</u>
			<u>CONTRIBUTIONS</u>	<u>NET POSITION</u>
Instructional services				
Regular programs	\$ 8,389,487	\$ -	\$ 29,816	\$ (8,359,671)
Special education programs	2,178,058	-	256,790	(1,921,268)
Vocational programs	727,263	-	105,492	(621,771)
Other instructional programs	803,120	-	31,998	(771,122)
Special programs	3,286,337	-	3,012,441	(273,896)
Support services				
Pupil support services	1,332,557	-	129,378	(1,203,179)
Instructional staff support services	2,267,908	-	1,260,989	(1,006,919)
General administration	609,892	-	524,843	(85,049)
School administration	1,221,453	-	-	(1,221,453)
Business services	591,940	-	150,557	(441,383)
Plant services	2,023,850	-	19,325	(2,004,525)
Student transportation services	1,472,833	-	37,482	(1,435,351)
Central services	170,104	-	-	(170,104)
Noninstructional services				
Food service operations	1,539,222	32,425	1,187,002	(319,795)
Long-term obligations				
Interest and other charges	213,968	-	-	(213,968)
Total Governmental Activities	<u>\$ 26,827,996</u>	<u>\$ 32,425</u>	<u>\$ 6,746,113</u>	<u>\$ (20,049,458)</u>
General revenues				
Taxes				
Ad valorem taxes levied for				
Salaries and benefits				\$ 2,543,231
Debt service purposes				988,284
Sales taxes levied for				
General purposes				2,760,557
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				12,057,152
State revenue sharing				63,652
Other state revenue				5,297
Interest and investment earnings				21,800
Other				916,991
Total general revenues				<u>19,356,966</u>
Change in net position				(692,492)
Net position at beginning of year				<u>(56,808,834)</u>
Net position at end of year				<u>\$ (57,501,326)</u>

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

**Balance Sheet
Governmental Funds
June 30, 2022**

	Major Funds			Nonmajor Funds	Total
	GENERAL FUND	SALES TAX FUND	EDUCATION STABILIZATION FUND	OTHER GOVERNMENTAL FUNDS	
Assets					
Cash and cash equivalents	\$ 6,657,512	\$ 231,398	\$ -	\$ 1,675,590	\$ 8,564,500
Receivables	657,099	199,218	928,088	1,229,672	3,014,077
Interfund receivables	1,303,394	-	-	-	1,303,394
Prepaid expenses and other assets	165,713	-	-	-	165,713
Inventory	-	-	-	24,148	24,148
Total assets	\$ 8,783,718	\$ 430,616	\$ 928,088	\$ 2,929,410	\$ 13,071,832
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 210,765	\$ 3,745	\$ 43,475	\$ 36,603	\$ 294,588
Salaries payable	1,129,376	108,457	139,906	244,198	1,621,937
Interfund payables	-	-	733,347	570,047	1,303,394
Other liabilities	53,000	-	-	-	53,000
Unearned revenue	-	-	11,360	7,408	18,768
Total liabilities	1,393,140	112,201	928,088	858,254	3,291,683
Fund balances					
Nonspendable	165,713	-	-	16,740	182,453
Restricted	100,000	318,415	-	2,054,416	2,472,831
Committed	2,000,000	-	-	-	2,000,000
Unassigned	5,124,865	-	-	-	5,124,865
Total fund balances	7,390,578	318,415	-	2,071,156	9,780,149
Total liabilities and fund balances	\$ 8,783,718	\$ 430,616	\$ 928,088	\$ 2,929,410	\$ 13,071,832

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

**Reconciliation of the Governmental Funds'
Balance Sheet to the Statement of Net Position**

June 30, 2022

Total fund balances – governmental funds \$ 9,780,149

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

Cost of capital assets	\$ 28,422,914	
Accumulated depreciation	<u>(14,456,693)</u>	13,966,221

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

Pensions	5,551,527	
Other post-employment benefits	13,880,292	
Refundings	<u>413,312</u>	19,845,131

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

Bonds payable	(5,905,000)	
Other post-employment benefits	(56,933,121)	
Net pension liability	(12,607,175)	
Compensated absences payable	<u>(883,872)</u>	(76,329,168)

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

Accrued interest on outstanding bonds		(46,748)
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Deferred inflows on pensions and other post-employment benefits are not reported in the governmental funds but are reported in the government-wide financial statements.

Pensions	(8,585,052)	
Other post-employment benefits	<u>(16,131,859)</u>	<u>(24,716,911)</u>

Total Governmental Activities-Net Position \$ (57,501,326)

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

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	<u>Major Funds</u>			<u>Nonmajor Funds</u>	<u>Total</u>
	<u>GENERAL FUND</u>	<u>SALES TAX FUND</u>	<u>EDUCATION STABILIZATION FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	
REVENUES					
Local sources					
Ad valorem taxes	\$ 1,912,114	\$ -	\$ -	\$ 1,619,401	\$ 3,531,515
Sales and use taxes	-	2,760,557	-	-	2,760,557
Interest earnings	20,985	16	-	799	21,800
Food services	-	-	-	32,425	32,425
Other	311,157	-	-	626,424	937,581
State sources					
Equalization	12,046,634	-	-	10,518	12,057,152
Other	44,304	-	-	421,806	466,110
Federal sources	-	-	2,479,573	3,848,792	6,328,365
Total revenues	<u>14,335,194</u>	<u>2,760,573</u>	<u>2,479,573</u>	<u>6,560,165</u>	<u>26,135,505</u>
EXPENDITURES					
Current					
Instructional services					
Regular programs	6,247,233	1,111,738	-	113,049	7,472,020
Special education programs	1,439,634	324,425	-	256,790	2,020,849
Vocational programs	498,155	78,735	-	105,492	682,382
Other instructional programs	353,219	23,000	16,018	321,302	713,539
Special programs	188,376	106,979	937,038	1,768,153	3,000,546
Support services					
Pupil support services	783,958	143,654	61,893	261,975	1,251,480
Instructional staff support services	776,634	145,609	673,517	555,028	2,150,788
General administration	155	63,913	328,241	187,335	579,644
School administration	971,933	164,399	-	-	1,136,332
Business services	466,357	51,523	12,643	21,614	552,137
Plant services	983,630	82,605	-	878,891	1,945,126
Student transportation	1,172,960	152,945	-	37,482	1,363,387
Central services	125,070	30,840	-	-	155,910
Noninstructional services					
Food service operations	88,485	128,427	-	1,262,851	1,479,763
Community service programs	-	-	-	-	-
Capital outlays	56,047	-	450,224	13,427	519,698
Debt service					
Principal	50,090	-	-	805,000	855,090
Interest	1,184	-	-	160,113	161,297
Total expenditures	<u>14,203,121</u>	<u>2,608,793</u>	<u>2,479,573</u>	<u>6,748,505</u>	<u>26,039,992</u>
Excess (deficiency) of revenues over expenditures	132,073	151,780	-	(188,340)	95,513
Fund balances at beginning of year	<u>7,258,505</u>	<u>166,635</u>	<u>-</u>	<u>2,259,496</u>	<u>9,684,636</u>
Fund balances at end of year	<u>\$ 7,390,578</u>	<u>\$ 318,415</u>	<u>\$ -</u>	<u>\$ 2,071,156</u>	<u>\$ 9,780,149</u>

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2022**

Total net change in fund balances – Governmental Funds \$ 95,513

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

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

Capital outlays	\$ 519,699	
Depreciation	<u>(599,242)</u>	(79,543)

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

Bonds	805,000	
Capital leases	<u>50,090</u>	855,090

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

Interest expense payable at June 30, 2021	53,121	
Interest expense payable at June 30, 2022	<u>(46,748)</u>	6,373

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

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

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

Compensated absences	(616,531)	
Claims	<u>922,248</u>	305,717

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.

3,125,806

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

(4,942,402)

Change in net position of governmental activities \$ (692,492)

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The School Board operates five schools within the parish with a total enrollment of approximately 1,600 students, including Pre-K. In conjunction with the regular educational programs, some of these schools offer special and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

B. Basis of Accounting and Measurement Focus

Government-wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

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

General Revenues

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

Program Revenues

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

Allocation of Indirect Expenses

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

Fund Financial Statements (FFS)

Governmental Funds

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

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Measurable means the amount

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

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

C. Fund Accounting

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

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

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

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

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

The **Education Stabilization Fund** accounts for the federal grants the School Board had received under the CARES Act, Coronavirus Responses and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan (ARP) to assist the School Board in meeting the challenges in providing education services as a result of the COVID-19 pandemic.

The School Board has 14 nonmajor Special Revenue Funds.

Debt Service Funds - Debt Service Funds accounts for and report the financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The School Board has 1 nonmajor Debt Service Fund.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest-bearing and non-interest-bearing demand deposits and bank certificates of deposit as well as short-term investments with a maturity date within three months of the date acquired. Bank certificates of deposit are considered cash equivalents regardless of time to maturity and are stated at cost, which approximates fair value. Short-term investments are stated at cost, which approximates fair value. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. Short-Term Interfund Receivables and Payables

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

F. Eliminations and Reclassifications

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

G. Inventory and Prepaid Items

Inventory of the school food service special revenue fund consists primarily of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as deferred revenues when received; however, all inventory items are recorded as expenditures

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

Prepaid items are also accounted for using the consumption method where expenditures are recognized as the prepaid item expires with the passage of time. Prepaid expenses at year-end consisted of prepaid insurance and prepaid employee benefits.

H. Capital Assets

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

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

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

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

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

I. Unearned Revenue

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

Governmental Fund's Fund Financial Statements' balance sheet and the revenue is recognized as earned.

J. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation to the Government-wide Financial Statements. Reimbursements occur between funds when one fund incurs a cost that benefits another fund, and the benefiting fund reimburses the fund incurring the cost for the benefit received. All other interfund transactions are treated as transfers. Transfers between governmental funds are eliminated as part of the reconciliation to the government-wide financial statements.

K. Compensated Absences

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

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

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

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

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

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

L. Long-Term Liabilities

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

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

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

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

M. Deferred Outflows/Inflows of Resources

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

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that were refunded in previous fiscal periods. This amount is deferred and amortized over the shorter of the life of the refunded or refunding bond issues.

In addition to liabilities, a separate section for deferred inflows of resources is reported in the Statement of Net Position. *Deferred Inflows* represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These have a negative effect on net position and fund balance and are similar to liabilities. The School Board has deferred inflows reported on the government-wide Statement of Net Position as *unavailable revenue* from the *deferred inflows on pensions* and the *deferred inflows on OPEB*. These amounts are reported as deferred and recognized as an inflow of resources in the period the amounts become available.

N. Equity Classifications

Government-wide Financial Statements

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

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

The following net positions are considered restricted:

- Debt service resources from sales and use taxes and ad valorem taxes levied specifically to meet the principal and interest payments of various general obligation and revenue bond issues via an approved public referendum in accordance with state law and bond covenants with investors.
- Available resources from ad valorem taxes levied specifically for use in School Board maintenance, operations, and construction.
- Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of supplemental salaries and benefits to employees.

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- Investments held by the Louisiana Workforce Commission as surety for payment of workers compensation claims of self-insured employers, as promulgated under Louisiana Revised Statute 23:1168.
- **Unrestricted Net Position** – All other net positions that do not meet the definition of “restricted” or “net investments in capital assets”.

Sometimes the School Board will make expenditures for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School Board’s practice to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements

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

Nonspendable fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory or prepaid expenses.

Restricted fund balance represents resources restricted by enabling legislation, state or federal laws, tax ordinances or by local, state, or federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.

Committed fund balance indicates the School Board’s plans for the use of financial resources in a future period for specific purposes determined by the School Board, the highest level of the government’s decision-making authority. Fund balance commitments are made by formal actions of the School Board in the form of a resolution, ordinance, or action approved by the majority vote of the School Board in an open meeting prior to the end of the fiscal year. Once adopted, the limitation imposed by the instrument remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balances are those determined by the Board of the Finance Committee, under authority given under a resolution of the Board, as needed for the payment of specific purposes but are not restricted or committed.

Unassigned fund balance is the remaining fund balance in the General Fund after all classifications have been made in the previously described fund balance categories. Unassigned fund balance is only reported in the General Fund. However, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

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

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

O. Sales and Use Taxes

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

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

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

P. Encumbrances

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

Q. Levied Taxes

The School Board levies taxes on real and business personal property located within Caldwell Parish. Property taxes are levied by the School Board on property values assessed by the Caldwell Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Caldwell Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

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The property tax calendar is as follows:

Millage rates adopted	May 6, 2021
Levy date	January 1, 2021
Tax bills mailed	October 25, 2021
Due date	December 31, 2021
Lien date	January 1, 2022
Tax Sale – 2020 delinquent property	June 22, 2022

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the tax roll of January 1, 2020, and is done every four years. Total assessed value was \$80,903,660 in calendar year 2021. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer’s primary residence from parish property taxes. The homestead exemption was \$15,016,090 of the assessed value in calendar year 2021.

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

All property taxes are recorded in the general, special revenue maintenance fund and the sinking fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year are primarily due to the subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the property taxes occurs in December, and January and February of the following year. There are taxes that have been paid in protest by one taxpayer that accounts for approximately 10% of property taxes. Tax year 2018 had a similar claim that was resolved in favor of Caldwell Parish. Tax years 2019, 2020, and 2021 are also being challenged by this taxpayer

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and he remitted payment to the Caldwell Parish Sheriff’s Office until the lawsuit is resolved. The legal basis for filing the claim is the same as it was in 2018 and therefore it is deemed reasonable to include these amounts in receivables. These amounts are shown as receivables in the Government-Wide Financial Statements as well as the Fund Financial Statements since their exclusion from the fund financial statements would lead the reader to an unrealistic view of the financial status of the School Board.

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:

	Adjusted Maximum Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	5.44	5.44	Indefinite
Maintenance	7.27	7.27	2023
Operations, maintenance, and construction	5.43	5.43	2026
Operations and maintenance	8.97	8.97	2025
Operations	11.40	11.40	2026
Bond repayment	Variable	15.53	2027

R. Use of Estimates

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

S. New and Upcoming Accounting Pronouncements

The following is a summary of accounting standards recently adopted by the Governmental Accounting Standards Board (GASB) that have been implemented or are scheduled to be implemented in the future that may affect the School Board’s financial report:

GASB Statement No. 87. *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. It establishes a single model of lease accounting based on the principle that leases are financings of the right to use an underlying asset. The School Board has implemented the requirements of this Statement in its June 30, 2022 financial statements.

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GASB Statement No. 96. *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on accounting and reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement establishes that SBITAs result in right-to-use subscription assets and corresponding subscription liabilities. It also requires certain note disclosures regarding SBITAs. This Statement is effective for fiscal years beginning after June 15, 2022, and the School Board will include the requirements, as applicable, in its June 30, 2023 financial statements.

GASB Statement No. 100. *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the reporting entity by reported by adjusting current period beginning balances, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. It also requires that quantitative effects on beginning balances be disclosed in a tabular format. This Statement is effective for fiscal years beginning after June 15, 2023, and the School Board will include the requirements, as applicable, in its June 30, 2024 financial statements.

GASB Statement No. 101. *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and for leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid or settled. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. This Statement is effective for fiscal years beginning after June 15, 2023, and the School Board will include the requirements, as applicable, in its June 30, 2024 financial statements.

Note 2 – Cash and Cash Equivalents

Custodial credit risk - deposits. The School Board's cash and cash equivalents consist of deposits with financial institutions. The following is a schedule of the School Board's cash and cash equivalents at June 30, 2022. Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	School Board Balance	Bank Balance
Cash		
Demand deposits - checking	\$ 3,564,500	\$ 4,916,590
Total cash	<u>3,564,500</u>	<u>4,916,590</u>
Cash equivalents		
Certificates of deposit	5,000,000	5,000,000
Total cash equivalents	<u>5,000,000</u>	<u>5,000,000</u>
Total cash and cash equivalents	<u>\$ 8,564,500</u>	<u>\$ 9,916,590</u>

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The School Board's deposits were collateralized as follows:

Federal Deposit Insurance	\$ 1,049,066
Pledged Securities	4,867,524
Federal Deposit Insurance (For CD's)	<u>4,000,000</u>
Total collateralized deposits	<u>\$ 9,916,590</u>

Louisiana Revised Statute 39:1225 requires the School Board to insure its bank balances from loss against custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the School Board's deposits may not be returned. The School Board had total cash bank balances of \$4,916,590, of which \$1,049,066 was insured by Federal Depository Insurance (FDIC) and the remaining \$3,867,524 was covered by securities held as collateral by the trust department of agents of custodial banks in the name of the School Board at year-end. The cash equivalent Certificates of Deposit had total balance of \$5,000,000, of which \$4,000,000 was insured by Federal Depository Insurance (FDIC) and the remaining \$1,000,000 was covered by securities.

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

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

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

Note 3 – Receivables

The receivables of \$3,014,077 at June 30, 2022, as reported in the Fund Financial Statements are as follows:

	General Fund	Sales Tax	Education Stabilization	Nonmajor Governmental	Total Governmental
Intergovernmental					
Federal	\$ -	\$ -	\$ 928,088	\$ 697,220	\$ 1,625,308
State	-	-	-	82,342	82,342
Local sources					
Ad Valorem taxes	516,274	-	-	450,110	966,384
Sales and use taxes	-	199,218	-	-	199,218
Other	140,825	-	-	-	140,825
Total	<u>\$ 657,099</u>	<u>\$ 199,218</u>	<u>\$ 928,088</u>	<u>\$ 1,229,672</u>	<u>\$ 3,014,077</u>

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

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Note 4 – Capital Assets

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

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities				
Capital assets, nondepreciable				
Land	\$ 144,828	\$ -	\$ -	\$ 144,828
Land improvements	70,490	-	-	70,490
Construction in progress	-	19,470	-	19,470
Total nondepreciable capital assets	215,318	19,470	-	234,788
Capital assets, depreciable				
Buildings	24,308,329	220,284	-	24,528,613
Furniture and equipment	3,409,808	279,945	(30,240)	3,659,513
Total depreciable capital assets	27,718,137	500,229	(30,240)	28,188,126
Less: Accumulated depreciation				
Buildings	10,952,175	496,233	-	11,448,408
Furniture and equipment	2,935,516	103,009	(30,240)	3,008,285
Total accumulated depreciation	13,887,691	599,242	(30,240)	14,456,693
Total depreciable capital assets, net	13,830,446	(99,013)	-	13,731,433
Capital assets, net	\$ 14,045,764	\$ (79,543)	\$ -	\$ 13,966,221

Depreciation expense was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$ 412,081
Vocational programs	670
Other instructional programs	55,063
Special programs	60,114
Support services:	
General Administration	9,215
Plant services	20,771
Student transportation services	36,571
Non-instructional services:	
Food service operations	4,757
Total depreciation expense	\$ 599,242

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Note 5 – Pension Plans

General Information about the Pension Plan

Plan Descriptions

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

Benefits Provided

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

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

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

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

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

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

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

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

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

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

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by

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

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A member who joins the system on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

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

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

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For the Year Ended June 30, 2022

Contributions

TRSL

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2022 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	25.2%	8.0%
Lunch Plan A	25.2%	9.1%

The School Board's contractually required composite contribution rate for the year ended June 30, 2022 was 25.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$2,727,067 for the year ended June 30, 2022.

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2021 was 28.7%. The actual employer rate for the year ended June 30, 2022 was 36.5%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$307,431 for the year ended June 30, 2022.

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

The net pension liabilities were measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

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For the Year Ended June 30, 2022

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2021 and the change compared to the June 30, 2020 proportion.

	Net Pension Liability at June 30, 2022	Proportion at June 30, 2021	Increase from June 30, 2020 Proportion
TRSL	\$ 11,330,688	0.212230%	0.011689%
LSERS	1,276,487	0.268555%	0.021715%
	<u>\$ 12,607,175</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2021.

	Pension Expense	Amortization	Total
TRSL	\$ (47,719)	\$ (25,882)	\$ (73,601)
LSERS	52,787	21,088	73,875
	<u>\$ 5,068</u>	<u>\$ (4,794)</u>	<u>\$ 274</u>

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>TRSL</u>		
Differences between expected and actual experience	\$ 1,102,957	\$ (171,327)
Changes in assumptions	57,871	-
Net difference between projected and actual earnings on pension plan investments	-	(7,648,542)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,141,823	(181,700)
Employer contributions subsequent to the measurement date	2,727,068	-
Total TRSL	<u>\$ 5,029,719</u>	<u>\$ (8,001,569)</u>
<u>LSERS</u>		
Differences between expected and actual experience	\$ 27,610	\$ (18,548)
Changes in assumptions	42,060	-
Net difference between projected and actual earnings on pension plan investments	-	(485,650)
Changes in proportion and differences between employer contributions and proportionate share of contributions	144,707	(79,285)
Employer contributions subsequent to the measurement date	307,431	-
Total LSERS	<u>\$ 521,808</u>	<u>\$ (583,483)</u>

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For the Year Ended June 30, 2022

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
TRSL	\$ 5,029,719	\$ (8,001,569)
LSERS	521,808	(583,483)
	<u>\$ 5,551,527</u>	<u>\$ (8,585,052)</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2023. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
TRSL	\$ 2,727,067
LSERS	307,431
	<u>\$ 3,034,498</u>

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

<u>Year Ending June 30,</u>	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
2023	\$ (1,254,993)	\$ (74,285)	\$ (1,329,278)
2024	(1,063,264)	14,364	(1,048,900)
2025	(1,326,710)	(117,029)	(1,443,739)
2026	(2,053,950)	(192,156)	(2,246,106)
	<u>\$ (5,698,917)</u>	<u>\$ (369,106)</u>	<u>\$ (6,068,023)</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

	TRSL	LSERS
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	

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For the Year Ended June 30, 2022

Actuarial Assumptions:

Expected Remaining Service Lives	5 years	3 years
Investment Rate of Return	7.40% net of investment expenses*	6.90% net of investment expenses
Inflation Rate	2.30% per annum.	2.50% per annum.
Salary Increases	3.1% - 4.6% varies depending on duration of service.	2012-2017 experience study, 3.25%
Cost of Living Adjustments	None	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.

Mortality

Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.
 Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.
 Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

Mortality rates based on the RP-2014 Sex Distinct Employee Tables, Sex Distinct Disable Tables, and Healthy Annuitant Tables.

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members.

N/A

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* The investment rate of return used in the actuarial valuation for funding purposes was 7.80%, recognizing an additional 35 basis points for gain sharing. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.

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

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

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2021:

Asset Class	Target Allocation		Long-Term Expected Portfolio Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Cash	-	-	-	-
Domestic equity	27.0%	39.0%	4.21%	2.84%
International equity	19.0%	-	5.24%	-
Domestic fixed income	13.0%	26.0%	0.44%	0.76%
International fixed income	5.5%	-	0.56%	-
Alternative investments	35.5%	23.0%	12.75%	1.87%
Global asset allocation	-	-	-	-
Real assets	-	12.0%	-	0.60%
Total	100.0%	100.0%	N/A	6.07%
Inflation				2.10%
Expected Arithmetic Nominal Return				8.17%

Discount Rate

The discount rates used to measure the total pension liability for TRSL and LSERS were 7.40% and 6.90%, respectively, for the year ended June 30, 2021.

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For the Year Ended June 30, 2022

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

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Discount rate	6.40%	7.40%	8.40%
Share of NPL	\$ 18,751,140	\$ 11,330,668	\$ 5,089,308
LSERS			
Discount rate	5.90%	6.90%	7.90%
Share of NPL	\$ 1,965,857	\$ 1,276,487	\$ 687,225

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$91,583 for its participation in TRSL. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2022.

Pension Plans Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2022, the School Board had payables to TRSL of \$15,554 and to LSERS of \$71,937, for the June 2022 employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

Note 6 – Other Post-Employment Benefits

General Information about the OPEB Plan

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

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

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

Employees covered by benefit terms – As of the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	177
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>234</u>
Total	<u><u>411</u></u>

Total OPEB Liability

The School Board’s total OPEB liability of \$56,933,121 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

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For the Year Ended June 30, 2022

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.30%
Salary increases including inflation	3.00%
Discount rate	3.54%
Healthcare cost trend rates	Ranging from 3.7% to 6.6%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the following: PUB-2010 General Employees Amount-Weighted Table with Mortality Improvement Scale MP-2021 on a generational basis with healthy annuitant rates after benefit commencement for Pre-retirement, PUB-2010 General Retirees Amount-Weighted Table with Mortality Improvement Scale MP-2021 on a generational basis for Post-retirement and Disability, and PUB-2010 Contingent Survivors Amount-Weighted Table with Mortality Improvement Scale MP-2021 on a generational basis for Survivor benefits.

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

Changes in the Total OPEB Liability:

Balance at June 30, 2021	<u>\$ 70,761,670</u>
Changes for the year:	
Service cost	2,955,834
Interest	1,653,082
Effect of economic/demographic gains and losses	1,697,337
Effect of assumption changes or inputs	(18,983,778)
Benefit payments	<u>(1,151,024)</u>
Net changes	<u>(13,828,549)</u>
Balance at June 30, 2022	<u>\$ 56,833,121</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) and one percentage point higher (4.54%) than the current discount rate (3.54%).

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
Total OPEB Liability	<u>\$ 68,302,407</u>	<u>\$ 56,933,121</u>	<u>\$ 48,189,998</u>

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 47,858,996	\$ 56,933,121	\$ 68,815,290

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

For the year ended June 30, 2022, the School Board recognized OPEB expense of \$6,093,426. At June 30, 2022, the School Board reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,364,008	\$ -
Changes of assumptions	11,516,284	(16,131,859)
Total	\$ 13,880,292	\$ (16,131,859)

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

Year Ended June 30,	Amount
2023	\$ 1,819,389
2024	1,446,949
2025	547,858
2026	(2,856,232)
2027	(2,815,382)
Thereafter	(394,149)

Note 7 – General Long-Term Obligations

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

Original Issue	Issue Date	Original Borrowing	Interest Rate to Maturity	Interest to Maturity	Final Maturity	Outstanding June 30, 2022
<u>General obligation bonds</u>						
Series 2016 - Refunding	6/1/2016	\$8,665,000	2.375%	\$ 540,194	2029	\$ 5,905,000
Total general obligation bonds				\$ 540,194		\$ 5,905,000

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For the Year Ended June 30, 2022

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

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2023	\$ 835,000	\$ 140,244	\$ 975,244
2024	870,000	120,413	990,413
2025	890,000	99,750	989,750
2026	925,000	78,613	1,003,613
2027	955,000	56,644	1,011,644
2028-29	1,430,000	44,531	1,474,531
Total	<u>\$ 5,905,000</u>	<u>\$ 540,194</u>	<u>\$ 6,445,194</u>

The following is a summary of governmental activities long-term obligation transactions for the year ending June 30, 2022:

<u>Long-term Obligations</u>	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
G. O. Bonds	\$ 6,710,000	\$ -	\$ 805,000	\$ 5,905,000	\$ 835,000
Capital leases	50,090	-	50,090	-	-
Net pension liability	24,290,572	-	11,683,397	12,607,175	-
OPEB liability	70,761,670	-	13,828,549	56,933,121	-
Compensated absences	1,189,589	616,531	922,248	883,872	700,000
Total	<u>\$ 103,001,921</u>	<u>\$ 616,531</u>	<u>\$ 27,289,284</u>	<u>\$ 76,329,168</u>	<u>\$ 1,535,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 2022, the School Board had accumulated \$499,587 in the Debt Service Fund for future debt service requirements.

The general obligation bonds are obligations of Caldwell Bond District, with maturities from 2020 to 2029 and an interest rate of 2.375%. General obligation bonds' principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the respective taxing districts. In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the total assessed value of all property in the taxing district. At June 30, 2022, the statutory limit was \$28,316,281 (35% of the assessed value of \$80,903,660). The School Board's outstanding debt at June 30, 2022 is \$5,905,000 which results in an available debt margin of \$22,411,281.

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

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

Note 8 – Leases

During the 2017 fiscal year, the School Board purchased an additional four school buses for \$329,139, with \$90,000 paid in cash at the time of the purchase and the remaining balance under a capital lease agreement for \$239,139. Depreciation expense on leased assets in fiscal year 2022 totaled \$36,571 and accumulated depreciation totaled \$216,378. The June 30, 2021 balance of \$51,090 was paid off during the 2022 fiscal year, and accordingly, there are no future minimum lease payments.

Note 9 – Interfund Transactions

Individual balances due to/from other funds at June 30, 2022 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Education Stabilization Fund	\$ 733,347
General Fund	Nonmajor Governmental Funds	570,047
Total		<u>\$ 1,303,394</u>

The interfund receivable/payable balances between general fund and other governmental funds such as head start, education stabilization, and nonmajor governmental funds are due to timing differences between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The general fund pays the obligations of expenditure reimbursement grants until a claim is filed and payment is received. All interfund receivables/payables will be completed during the 2022-23 fiscal year.

Note 10 – Nonspendable, Restricted, Committed, & Assigned Fund Balances (FFS level only)

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

<u>NONSPENDABLE</u>	<u>PURPOSE</u>	<u>Balance at June 30, 2022</u>
Major Funds		
General Fund	Prepaid expenses	\$ 165,713
Nonmajor Funds		
Special Revenue Funds		
School Food Service	Food inventory	16,740
Total Nonspendable Fund Balance		<u>\$ 182,453</u>

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RESTRICTED	PURPOSE	Balance at June 30, 2022
Major Funds		
General Fund	Workers' compensation	\$ 100,000
Sales Tax Fund	Employee salaries and benefits	318,415
Nonmajor Funds		
Special Revenue Funds		
School Food Service	School food service	288,901
Maintenance	Maintenance & operations	861,443
School Activity	School activities	360,496
Educational Excellence	Educational purposes	11,528
Other Local Funds	Various	32,461
Debt Service Fund		
Debt Service	Bonded debt principal & interest	499,587
Total Restricted Fund Balance		\$ 2,472,831
COMMITTED	PURPOSE	Balance at June 30, 2022
Major Funds		
General Fund	Employee salaries and benefits	\$ 2,000,000
Total Committed Fund Balance		\$ 2,000,000

Note 11 – Litigation and Contingencies

The School Board has resolved all litigations. There are no pending cases against the School Board at this time.

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

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

Note 12 – Risk Management

The School Board initiated a risk management program for workers' compensation in 1991. It joined a pool of certain school boards in Northeast Louisiana in order to share workers' compensation cost. The School Board's share of risk is determined by calculating its

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For the Year Ended June 30, 2022

percentage of the total manual premium of the group. The risk allocated to the School Board for the year ended June 30, 2022, was 30.00%. Premiums and claims are paid by the General Fund.

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

Years Ended June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payment and Claims	Ending of Fiscal Year Liability
2020	\$ 163,000	\$ (25,618)	\$ 56,382	\$ 81,000
2021	\$ 81,000	\$ 32,779	\$ 37,779	\$ 76,000
2022	\$ 76,000	\$ 21,638	\$ 44,638	\$ 53,000

An excess coverage insurance policy covers individual claims in excess of \$450,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. The School Board is reporting \$53,000 claims payable as of June 30, 2022. The \$53,000 balance at June 30, 2022 was provided by the third-party administrator. The liability does not include incremental costs. The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School Board also participates in an entity risk pool for insurance coverage, including property and casualty insurance and the reinsurance of such coverage, in order to provide a more efficient and effective way to acquire insurance coverage. The entity risk pool is known as Property Casualty Alliance of Louisiana (PCAL), which is established only for School Boards and is overseen by a board made up of School Board Members. The responsibilities of the School Board is to pay contributions based upon a risk-funding plan developed by the Program as well as to have a loss prevention plan to make all reasonable efforts to eliminate and minimize hazards that would contribute to property/casualty losses. The pool is responsible for handling any and all claims after notice of loss has been received.

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

Note 13 – Economic Dependency

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Minimum Foundation Funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

count. The state provided \$12,057,152 to the school board, which represents approximately 46.1% of the School Board's total revenue for the year. Federal revenues also account for \$6,328,365 (24.2%) of total revenues.

Note 14 – Concentrations and Uncertainties

For the fiscal year 2023 budget, the General Fund is budgeted with a \$550,000 deficit which is likely to be optimistic, which includes continued increases in insurance (both property insurance and health insurance) coupled with decreasing MFP dollars related to student decline and other inflationary factors directly affecting expenditures, especially for fuel and utility charges. The fiscal year 2024 budget is even more of a concern with indirect costs (a revenue in the General Fund) decreasing back to the normal range of \$180,000 as compared to nearly \$500,000 in fiscal year 2022's and fiscal year 2023's budgeted \$445,000. This decrease is due to the ESSER funding being phased out in FY23. Of additional concern is the expected increases in insurance (excluding health insurance) which has increased from fiscal year 2021's \$229,889 to \$519,350 in fiscal year 2023. These increases coincided with the impact of Hurricane Laura in August of 2021 on the insurance industry. Years beyond fiscal year 24 appear to be even more dire. The options for a school board to increase revenues and / or decrease expenditures to the significant levels required are limited, at best.

Note 15 – Subsequent Events

The School Board has evaluated subsequent events through March 17, 2023, the date which the financial statements were available for issue and noted that there were no events occurring subsequent to the reporting period that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION (PART B)

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

General Fund

Budgetary Comparison Schedule (GAAP Basis) (Unaudited)

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance at beginning of year	\$ 6,904,918	\$ 7,258,505	\$ 7,258,505	\$ -
Resources (inflows)				
Local sources				
Ad valorem taxes	1,878,000	1,878,000	1,912,114	34,114
Interest earnings	15,000	15,000	20,985	5,985
Other	16,132	16,132	311,157	295,025
State sources				
Equalization	12,199,000	11,966,962	12,046,634	79,672
Other	38,500	38,500	44,304	5,804
Amounts available for appropriations	<u>21,051,550</u>	<u>21,173,099</u>	<u>21,593,699</u>	<u>420,600</u>
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	6,266,816	6,266,816	6,247,233	19,583
Special education programs	1,474,451	1,474,451	1,439,634	34,817
Vocational programs	602,265	600,227	498,155	102,072
Other instructional programs	281,552	281,552	353,219	(71,667)
Special programs	213,671	213,671	188,376	25,295
Support services				
Pupil support services	735,074	735,074	783,958	(48,884)
Instructional staff support services	839,866	839,866	776,634	63,232
General administration	(68,811)	(68,811)	155	(68,966)
School administration	965,933	965,933	971,933	(6,000)
Business services	431,130	431,130	466,357	(35,227)
Plant services	1,069,296	1,069,296	983,630	85,666
Student transportation	1,047,834	1,047,834	1,172,960	(125,126)
Central services	126,912	126,912	125,070	1,842
Noninstructional services				
Food service operations	113,600	113,600	88,485	25,115
Capital outlays	-	-	56,047	(56,047)
Debt service				
Principal	51,274	51,274	50,090	1,184
Interest	-	-	1,184	(1,184)
Total charges to appropriations	<u>14,150,863</u>	<u>14,148,825</u>	<u>14,203,121</u>	<u>(54,295)</u>
Budgetary fund balance at end of year	<u>\$ 6,900,687</u>	<u>\$ 7,024,274</u>	<u>\$ 7,390,578</u>	<u>\$ 366,304</u>

See accompanying notes to the budgetary comparison schedules.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Sales Tax Fund

Budgetary Comparison Schedule (GAAP Basis) (Unaudited)

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance at beginning of year	\$ 131,179	\$ 166,635	\$ 166,635	\$ -
Resources (inflows)				
Local sources				
Sales and use taxes	2,650,000	2,760,000	2,760,557	557
Interest earnings	-	-	16	16
Amounts available for appropriations	<u>2,781,179</u>	<u>2,926,635</u>	<u>2,927,208</u>	<u>573</u>
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	1,049,100	1,175,100	1,111,738	63,362
Special education programs	379,600	380,600	324,425	56,175
Vocational programs	80,900	86,900	78,735	8,165
Other instructional programs	21,900	23,900	23,000	900
Special programs	87,400	123,400	106,979	16,421
Support services				
Pupil support services	154,200	169,200	143,654	25,546
Instructional staff support services	149,700	160,700	145,609	15,091
General administration	57,800	61,800	63,913	(2,113)
School administration	159,300	170,300	164,399	5,901
Business services	50,600	56,600	51,523	5,077
Plant services	96,300	97,300	82,605	14,695
Student transportation	175,000	177,000	152,945	24,055
Central services	27,300	33,300	30,840	2,460
Noninstructional services				
Food service operations	160,900	168,900	128,427	40,473
Total charges to appropriations	<u>2,650,000</u>	<u>2,885,000</u>	<u>2,608,793</u>	<u>276,208</u>
Budgetary fund balance at end of year	\$ <u>131,179</u>	\$ <u>41,635</u>	\$ <u>318,415</u>	\$ <u>276,780</u>

See accompanying notes to the budgetary comparison schedules.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Education Stabilization Fund

Budgetary Comparison Schedule (GAAP Basis) (Unaudited)

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance at beginning of year	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	2,705,775	2,755,775	2,479,573	(276,202)
Amounts available for appropriations	<u>2,705,775</u>	<u>2,755,775</u>	<u>2,479,573</u>	<u>(276,202)</u>
Charges to appropriations (outflows)				
Current				
Instructional services				
Other instructional programs	-	-	16,018	(16,018)
Special programs	658,962	679,062	937,038	(257,976)
Support services				
Pupil support services	20,762	20,762	61,893	(41,131)
Instructional staff support services	851,378	874,378	673,517	200,861
General administration	466,721	473,621	328,241	145,380
Business services	-	-	12,643	(12,643)
Capital outlays	707,952	707,952	450,224	257,728
Total charges to appropriations	<u>2,705,775</u>	<u>2,755,775</u>	<u>2,479,573</u>	<u>276,202</u>
Budgetary fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the budgetary comparison schedules.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to Budgetary Comparison Schedules

For the Year Ended June 30, 2022

A. BUDGETS

General Budget Practices

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

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

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

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

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

Encumbrances

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

Budget Basis of Accounting

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

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

For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 2,955,834	\$ 2,577,250	\$ 2,028,714	\$ 1,723,684	\$ 1,844,592
Interest	1,653,082	1,548,732	1,485,266	1,356,214	1,351,401
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,697,337	-	1,935,668	-	441,045
Changes of assumptions or other inputs	(18,983,778)	(296,180)	22,818,048	2,321,310	(2,338,664)
Benefit payments	<u>(1,151,024)</u>	<u>(1,132,278)</u>	<u>(1,211,605)</u>	<u>(1,095,485)</u>	<u>(991,497)</u>
Net change in total OPEB liability	<u>(13,828,549)</u>	<u>2,697,524</u>	<u>27,056,091</u>	<u>4,305,723</u>	<u>306,877</u>
Total OPEB liability - beginning	<u>70,761,670</u>	<u>68,064,146</u>	<u>41,008,055</u>	<u>36,702,332</u>	<u>36,395,455</u>
Total OPEB liability - ending	<u>\$ 56,933,121</u>	<u>\$ 70,761,670</u>	<u>\$ 68,064,146</u>	<u>\$ 41,008,055</u>	<u>\$ 36,702,332</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 12,438,433	\$ 12,065,658	\$ 9,176,879	\$ 7,010,722	\$ 10,367,147
Total OPEB liability as a percentage of covered-employee payroll	457.72%	586.47%	741.69%	584.93%	354.03%

Notes to Schedule:

Discount Rate: 3.54% 2.16% 2.21% 3.50% 3.87%

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

Changes of benefit terms. There were no changes of benefits terms for the year ended June 30, 2022.

Changes of assumption. There were no changes of assumptions for the year ended June 30, 2022.

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

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

For the Year Ended June 30, 2022

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Teachers' Retirement System of Louisiana					
2022	0.212230%	\$ 11,330,688	\$ 10,495,940	108%	83.9%
2021	0.200541%	\$ 22,307,319	\$ 9,932,122	225%	65.6%
2020	0.200770%	\$ 19,925,720	\$ 9,237,800	216%	68.6%
2019	0.200541%	\$ 22,307,319	\$ 9,414,859	237%	68.2%
2018	0.208017%	\$ 21,325,647	\$ 9,301,532	229%	65.6%
2017	0.216292%	\$ 25,386,164	\$ 9,620,333	264%	59.9%
2016	0.214320%	\$ 23,044,173	\$ 9,449,430	244%	62.5%
2015	0.201840%	\$ 20,630,432	\$ 9,528,791	217%	63.7%
Louisiana School Employees' Retirement System					
2022	0.268555%	\$ 1,276,487	\$ 1,060,617	120%	82.5%
2021	0.246840%	\$ 1,983,253	\$ 770,352	257%	69.7%
2020	0.281744%	\$ 1,972,382	\$ 818,325	241%	73.5%
2019	0.246840%	\$ 1,983,253	\$ 812,269	244%	74.4%
2018	0.299611%	\$ 1,917,292	\$ 857,539	224%	75.0%
2017	0.321572%	\$ 2,425,770	\$ 818,104	297%	70.1%
2016	0.324522%	\$ 2,057,882	\$ 901,855	228%	74.5%
2015	0.325000%	\$ 1,884,005	\$ 890,550	212%	76.2%

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

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

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

For the Year Ended June 30, 2022

Fiscal Year*	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Teachers' Retirement System of Louisiana					
2022	\$ 2,727,067	\$ 2,727,067	\$ -	\$ 10,803,713	25.2%
2021	\$ 2,709,877	\$ 2,709,877	\$ -	\$ 10,495,940	25.8%
2020	\$ 2,582,352	\$ 2,582,352	\$ -	\$ 9,237,800	28.0%
2019	\$ 2,550,409	\$ 2,550,409	\$ -	\$ 9,552,093	26.7%
2018	\$ 2,504,353	\$ 2,504,353	\$ -	\$ 9,414,859	26.6%
2017	\$ 2,371,891	\$ 2,371,891	\$ -	\$ 9,301,532	25.5%
2016	\$ 2,531,080	\$ 2,531,080	\$ -	\$ 9,620,333	26.3%
2015	\$ 2,744,269	\$ 2,744,269	\$ -	\$ 9,449,430	29.0%
2014	\$ 2,591,831	\$ 2,591,831	\$ -	\$ 9,528,791	27.2%
Louisiana School Employees' Retirement System					
2022	\$ 307,431	\$ 307,431	\$ -	\$ 841,874	36.5%
2021	\$ 304,397	\$ 304,397	\$ -	\$ 1,060,617	28.7%
2020	\$ 217,042	\$ 217,042	\$ -	\$ 770,352	28.2%
2019	\$ 229,131	\$ 229,131	\$ -	\$ 818,325	28.0%
2018	\$ 224,186	\$ 224,186	\$ -	\$ 812,269	27.6%
2017	\$ 234,108	\$ 234,108	\$ -	\$ 857,539	27.3%
2016	\$ 330,514	\$ 330,514	\$ -	\$ 818,104	40.4%
2015	\$ 298,477	\$ 298,477	\$ -	\$ 901,855	33.1%
2014	\$ 287,648	\$ 287,648	\$ -	\$ 890,550	32.3%

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

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Notes to the Required Supplemental Information for Pensions (Unaudited)

For the Year Ended June 30, 2022

Changes of Benefit Terms

Louisiana School Employees' Retirement System

There were no changes of benefit terms for the eight valuation years ended June 30, 2021.

Teachers' Retirement System of Louisiana

For the year ended June 30, 2016, members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining age 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

Changes of Assumptions

Louisiana School Employees' Retirement System

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

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.125% to 7.0625%, inflation rate was decreased from 2.625% to 2.5% and salary increases were decreased from a range of 3.075% to 5.375% to 3.25%.

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

For the actuarial valuation for the year ended June 30, 2021, the investment rate of return was decreased from 7.0000% to 6.9000%.

Teachers' Retirement System of Louisiana

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

For the actuarial valuation for the year ended June 30, 2018, the discount rate decreased from 7.70% to 7.65%.

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

For the actuarial valuation for the year ended June 30, 2020, the investment rate of return decreased from 7.55% to 7.45%, the inflation rate decreased from 2.5% to 2.3%, and the projected salary increases decreased from 3.3-4.8% to 3.1-4.6%.

For the actuarial valuation for the year ended June 30, 2021, the investment rate of return decreased from 7.45% to 7.40%.

OTHER SUPPLEMENTARY INFORMATION

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Combining Balance Sheet

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	TOTAL
Assets			
Cash and cash equivalents	\$ 1,447,126	\$ 228,464	\$ 1,675,590
Receivables	958,549	271,123	1,229,672
Inventory	24,148	-	24,148
Total assets	<u>\$ 2,429,823</u>	<u>\$ 499,587</u>	<u>\$ 2,929,410</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 36,603	\$ -	\$ 36,603
Salaries payable	244,198	-	244,198
Interfund payables	570,047	-	570,047
Unearned revenues	7,408	-	7,408
Total liabilities	<u>858,254</u>	<u>-</u>	<u>858,254</u>
Fund balances			
Nonspendable	16,740	-	16,740
Restricted	1,554,829	499,587	2,054,416
Total fund balances	<u>1,571,569</u>	<u>499,587</u>	<u>2,071,156</u>
Total liabilities and fund balances	<u>\$ 2,429,823</u>	<u>\$ 499,587</u>	<u>\$ 2,929,410</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	TOTAL
REVENUES			
Local sources			
Ad valorem taxes	\$ 631,117	\$ 988,284	\$ 1,619,401
Interest earnings	172	627	799
Food services	32,425	-	32,425
Other	626,424	-	626,424
State sources			
Equalization	10,518	-	10,518
Other	421,806	-	421,806
Federal sources	3,848,792	-	3,848,792
Total revenues	<u>5,571,254</u>	<u>988,911</u>	<u>6,560,165</u>
EXPENDITURES			
Current			
Instructional services			
Regular programs	113,049	-	113,049
Special education programs	256,790	-	256,790
Vocational programs	105,492	-	105,492
Other instructional programs	321,302	-	321,302
Special programs	1,768,153	-	1,768,153
Support services			
Pupil support services	261,975	-	261,975
Instructional staff support services	555,028	-	555,028
General administration	176,042	11,293	187,335
Business services	21,614	-	21,614
Plant services	878,891	-	878,891
Student transportation	37,482	-	37,482
Noninstructional services			
Food service operations	1,262,851	-	1,262,851
Capital outlays	13,427	-	13,427
Debt service			
Principal	-	805,000	805,000
Interest	-	160,113	160,113
Total expenditures	<u>5,772,100</u>	<u>976,405</u>	<u>6,748,505</u>
Excess (deficiency) of revenues over expenditures	(200,846)	12,506	(188,340)
Fund balances at beginning of year	<u>1,772,415</u>	<u>487,081</u>	<u>2,259,496</u>
Fund balances at end of year	<u>\$ 1,571,569</u>	<u>\$ 499,587</u>	<u>\$ 2,071,156</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

**Combining Balance Sheet
SPECIAL REVENUE FUNDS (NONMAJOR)**

June 30, 2022

	<u>Food Service</u>	<u>Maintenance</u>	<u>School Activity</u>	<u>IDEA</u>	<u>Title I</u>	<u>Educational Excellence</u>	<u>Title II</u>	<u>LA-4</u>
Assets								
Cash and cash equivalents	\$ 321,531	\$ 702,927	\$ 360,496	\$ -	\$ -	\$ 12,151	\$ -	\$ -
Receivables	28,220	178,987	-	167,483	203,906	-	16,294	27,480
Inventory	24,148	-	-	-	-	-	-	-
Total assets	<u>\$ 373,899</u>	<u>\$ 881,914</u>	<u>\$ 360,496</u>	<u>\$ 167,483</u>	<u>\$ 203,906</u>	<u>\$ 12,151</u>	<u>\$ 16,294</u>	<u>\$ 27,480</u>
Liabilities and fund balances								
Liabilities								
Accounts payable	\$ 3,155	\$ 20,471	\$ -	\$ 6,305	\$ 4,345	\$ 623	\$ 630	\$ -
Salaries payable	57,696	-	-	15,658	42,723	-	1,776	25,142
Interfund payables	-	-	-	145,520	156,838	-	13,888	2,338
Unearned revenue	<u>7,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>68,258</u>	<u>20,471</u>	<u>-</u>	<u>167,483</u>	<u>203,906</u>	<u>623</u>	<u>16,294</u>	<u>27,480</u>
Fund balances								
Nonspendable	16,740	-	-	-	-	-	-	-
Restricted	<u>288,901</u>	<u>861,443</u>	<u>360,496</u>	<u>-</u>	<u>-</u>	<u>11,528</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>305,641</u>	<u>861,443</u>	<u>360,496</u>	<u>-</u>	<u>-</u>	<u>11,528</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 373,899</u>	<u>\$ 881,914</u>	<u>\$ 360,496</u>	<u>\$ 167,483</u>	<u>\$ 203,906</u>	<u>\$ 12,151</u>	<u>\$ 16,294</u>	<u>\$ 27,480</u>

(Continued)

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

**Combining Balance Sheet
SPECIAL REVENUE FUNDS (NONMAJOR)**

June 30, 2022

	<u>Vocational / JAG</u>	<u>Head Start</u>	<u>Early Childhood</u>	<u>Other Federal</u>	<u>Other State</u>	<u>Other Local</u>	<u>Total</u>
Assets							
Cash and cash equivalents	\$ -	\$ 17,560	\$ -	\$ -	\$ -	\$ 32,461	\$ 1,447,126
Receivables	60,390	49,732	1,697	170,680	53,680	-	958,549
Inventory	-	-	-	-	-	-	24,148
Total assets	<u>\$ 60,390</u>	<u>\$ 67,292</u>	<u>\$ 1,697</u>	<u>\$ 170,680</u>	<u>\$ 53,680</u>	<u>\$ 32,461</u>	<u>\$ 2,429,823</u>
Liabilities and fund balances							
Liabilities							
Accounts payable	\$ 398	\$ 278	\$ -	\$ 398	\$ -	\$ -	\$ 36,603
Salaries payable	11,851	67,014	-	14,901	7,437	-	244,198
Interfund payables	48,141	-	1,697	155,381	46,243	-	570,047
Unearned revenue	-	-	-	-	-	-	7,408
Total liabilities	<u>60,390</u>	<u>67,292</u>	<u>1,697</u>	<u>170,680</u>	<u>53,680</u>	<u>-</u>	<u>858,254</u>
Fund balances							
Nonspendable	-	-	-	-	-	-	16,740
Restricted	-	-	-	-	-	32,461	1,554,829
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,461</u>	<u>1,571,569</u>
Total liabilities and fund balances	<u>\$ 60,390</u>	<u>\$ 67,292</u>	<u>\$ 1,697</u>	<u>\$ 170,680</u>	<u>\$ 53,680</u>	<u>\$ 32,461</u>	<u>\$ 2,429,823</u>

(Concluded)

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

SPECIAL REVENUE FUNDS (NONMAJOR)

For the Year Ended June 30, 2022

	<u>Food Service</u>	<u>Maintenance</u>	<u>School Activity</u>	<u>IDEA</u>	<u>Title I</u>	<u>Educational Excellence</u>	<u>Title II</u>	<u>LA-4</u>
REVENUES								
Local sources								
Ad valorem taxes	\$ -	\$ 631,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	172	-	-	-	-	-	-	-
Food services	32,425	-	-	-	-	-	-	-
Other	-	-	619,136	-	-	-	-	-
State sources								
Equalization	10,518	-	-	-	-	-	-	-
Other	-	31,826	-	-	-	-	-	274,800
Federal sources	1,187,002	-	-	467,967	765,368	-	87,829	-
Total revenues	<u>1,230,117</u>	<u>662,943</u>	<u>619,136</u>	<u>467,967</u>	<u>765,368</u>	<u>-</u>	<u>87,829</u>	<u>274,800</u>
EXPENDITURES								
Current								
Instructional services								
Regular programs	-	-	72,368	-	-	10,865	-	-
Special education programs	-	-	-	256,790	-	-	-	-
Vocational programs	-	-	-	-	-	-	-	-
Other instructional programs	-	-	304,781	-	15,980	-	-	-
Special programs	-	-	-	39,780	323,745	-	63,174	274,800
Support services								
Pupil support services	-	-	194,490	67,485	-	-	-	-
Instructional staff support services	-	-	-	64,006	368,563	1,497	19,847	-
General administration	-	7,210	-	30,907	56,935	-	4,808	-
Business services	-	-	-	-	-	-	-	-
Plant services	-	859,566	-	-	-	-	-	-
Student transportation	-	-	-	8,999	144	-	-	-
Noninstructional services								
Food service operations	1,213,830	-	49,021	-	-	-	-	-
Capital outlays	-	6,160	-	-	-	-	-	-
Total expenditures	<u>1,213,830</u>	<u>872,937</u>	<u>620,660</u>	<u>467,967</u>	<u>765,368</u>	<u>12,362</u>	<u>87,829</u>	<u>274,800</u>
Excess (deficiency) of revenues over expenditures	16,287	(209,994)	(1,524)	-	-	(12,362)	-	-
Fund balances at beginning of year	<u>289,354</u>	<u>1,071,437</u>	<u>362,020</u>	<u>-</u>	<u>-</u>	<u>23,890</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 305,641</u>	<u>\$ 861,443</u>	<u>\$ 360,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,528</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

SPECIAL REVENUE FUNDS (NONMAJOR)

For the Year Ended June 30, 2022

	<u>Vocational / JAG</u>	<u>Head Start</u>	<u>Early Childhood</u>	<u>Other Federal</u>	<u>Other State</u>	<u>Other Local</u>	<u>Total</u>
REVENUES							
Local sources							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,117
Interest earnings	-	-	-	-	-	-	172
Food services	-	-	-	-	-	-	32,425
Other	-	-	-	-	-	7,288	626,424
State sources							
Equalization	-	-	-	-	-	-	10,518
Other	-	-	1,720	-	113,460	-	421,806
Federal sources	100,751	991,935	840	247,100	-	-	3,848,792
Total revenues	<u>100,751</u>	<u>991,935</u>	<u>2,560</u>	<u>247,100</u>	<u>113,460</u>	<u>7,288</u>	<u>5,571,254</u>
EXPENDITURES							
Current							
Instructional services							
Regular programs	1,671	-	-	26,341	1,804	-	113,049
Special education programs	-	-	-	-	-	-	256,790
Vocational programs	81,080	-	-	24,412	-	-	105,492
Other instructional programs	-	-	-	-	-	541	321,302
Special programs	-	799,779	2,560	165,636	98,679	-	1,768,153
Support services							
Pupil support services	-	-	-	-	-	-	261,975
Instructional staff support services	4,049	62,437	-	21,652	12,977	-	555,028
General administration	13,950	53,173	-	9,059	-	-	176,042
Business services	-	21,614	-	-	-	-	21,614
Plant services	-	19,325	-	-	-	-	878,891
Student transportation	-	28,339	-	-	-	-	37,482
Noninstructional services							
Food service operations	-	-	-	-	-	-	1,262,851
Capital outlays	-	7,267	-	-	-	-	13,427
Total expenditures	<u>100,751</u>	<u>991,935</u>	<u>2,560</u>	<u>247,100</u>	<u>113,460</u>	<u>541</u>	<u>5,772,100</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	6,747	(200,846)
Fund balances at beginning of year	-	-	-	-	-	25,714	1,772,415
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,461</u>	<u>\$ 1,571,569</u>

(Concluded)

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Compensation Paid Board Members

For the Year Ended June 30, 2022

Board Member		Amount
Randy Rentz, Vice President	Ward 1	\$ 5,100
Judith McKee	Ward 2	5,100
Melinda Ballard	Ward 3	5,100
Baron Glass	Ward 4	5,100
Maria Bass	Ward 5	5,100
James King	Ward 6	5,100
Gary Cassels, President	Ward 7	5,700
Total Compensation		<u>\$ 36,300</u>

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

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

For the Year Ended June 30, 2022

Agency Head: Nicki McCann, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 125,377
Benefits-retirement	34,973
Travel-included in contract	13,404
Travel-outside of parish	2,845
Dues	600
Total Compensation	<u><u>\$ 177,199</u></u>

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

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

Board Members

Caldwell Parish School Board

Columbia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Caldwell Parish School Board** (the School Board), as of and for the year ended June 30, 2022, 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 March 17, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned cost as items 2022-001 that we consider to be significant deficiency.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which is described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003.

The School Board's Response to Findings

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

Purpose of this Report

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

Woodard + Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

March 17, 2023



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Monroe, LA 71201

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Keeping you on course!

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

Board Members

**Caldwell Parish School Board
Columbia, Louisiana**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Caldwell Parish School Board's** (the School Board) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2022. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Caldwell Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance for each major federal program. Our audit does not provide a legal determination of the School Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

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

requirements of laws, statutes, regulations, rules, and provision of contracts or grant agreement applicable to the School Board's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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

Board Members
Caldwell Parish School Board
Columbia, Louisiana

compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Woodard + Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

March 17, 2023

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	Assistance Listing Number	Pass-Through Grantor No.	2022 Expenditures	2022 Passed Through to Subrecipients
United States Department of Agriculture				
<i>Passed through Louisiana Department of Education:</i>				
Child Nutrition Cluster:				
Non Cash Assistance (Commodities):				
National School Lunch Program	10.555	N/A	\$ 91,154	\$ -
Cash Assistance:				
School Breakfast Program	10.553	N/A	668,674	-
National School Lunch Program	10.555	N/A	290,629	-
Emergency Operational Costs Program	10.555		42,642	-
Fresh Fruit & Vegetables Grant	10.582	N/A	93,903	-
Total Child Nutrition Cluster			<u>1,187,002</u>	<u>-</u>
Total United States Department of Agriculture			<u>1,187,002</u>	<u>-</u>
United States Department of Education				
<i>Passed through Louisiana Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010A	28-22-T1-11	679,994	-
Title I Grants to Local Educational Agencies (Direct Student Service)	84.010A	28-22-DSS-11	16,912	-
Title I Grants to Local Educational Agencies (Redesign 1003a)	84.010	28-21-RD19-11	68,462	-
Total Title I			<u>765,368</u>	<u>-</u>
Special Education Cluster:				
Special Education- Grants to State (IDEA Part B 611)	84.027A	28-22-B1-11	413,358	-
COVID-19 Special Education - Grants to State (IDEA Part B 611 ARP)	84.027X	28-22-IA11-11	14,009	-
Special Education - Grants to State (IDEA Part B 611)	84.027A	28-21-I1SA-11	17,332	-
Special Education- Preschool Grants	84.173A	28-22-P1-11	18,921	-
COVID-19 Special Education - Preschool Grants (IDEA 619 ARP)	84.173X	28-22-IA19-11	4,347	-
Total Special Education Clusters:			<u>467,967</u>	<u>-</u>
COVID-19 Education Stabilization Fund				
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I - Formula)	84.425D	28-20-ESRF-11	6,280	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I - Incentive)	84.425D	28-20-ESRI-11	33,132	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II - Formula)	84.425D	28-21-ES2F-11	673,791	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II - Incentive)	84.425D	28-21-ES2I-11	50,000	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III - Formula)	84.425U	28-21-ES3F-11	1,356,093	-
Incentive)	84.425U	28-21-ES3I-11	39,569	-
COVID-19 American Rescue Plan Elementary & Secondary School Emergency Relief (ESSER III EB Interventions)	84.425U	28-21-ESEB-11	317,166	-
COVID-19 American Rescue Plan- Elementary & Secondary School Emergency Relief- Homeless Children and Youth	84.425W	28-22-HARP-11	3,542	-
Total COVID-19 Education Stabilization Fund			<u>2,479,573</u>	<u>-</u>
Vocational Education:				
Career and Technical Education-Basic Grants to States	84.048A	28-22-02-11	24,412	-
Rural and Low-Income School Education	84.358B	28-22-RLIS-11	28,476	-
Supporting Effective Instruction State Grants	84.367A	28-22-50-11	87,829	-
Comprehensive Literacy State Development (CLSD B-5)	84.371C	28-20-CCUB-11	19,600	-
Comprehensive Literacy State Development (CLSD K-5)	84.371C	28-20-CCUK-11	49,818	-
Student Support and Academic Enrichment Program	84.424A	28-22-71-11	2,288	-
Total United States Department of Education			<u>3,925,331</u>	<u>-</u>
United States Department of Health & Human Services				
<i>Passed through Louisiana Department of Education:</i>				
Every Student Succeeds Act/Preschool Development Grants (Ready Start Networks PDG)	93.434	28-22-RSB5-11	60,316	-
CCDF Cluster				
Child Care and Development Block Grant (EC Network Lead Agencies-CCDF)	93.575	28-21-CO-11	840	-
COVID-19 Child Care and Development Block Grant (Comm Childhood Recovery-CRRSA)	93.575	28-21-CCRC-11	12,293	-
Fund (Ready Start Networks CRRSA)	93.575	28-21-RSNC-11	7,475	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Ready Start Networks-CCDF)	93.596	28-21-RSN2-11	42,422	-
Total CCDF Cluster			<u>63,030</u>	<u>-</u>
<i>Passed through Louisiana Workforce Commission:</i>				
Temporary Assistance for Needy Families-Jobs for Graduates (JAG)	93.558	Contract (2000531663)	100,751	-
Direct Programs:				
Head Start Cluster				
Head Start	93.600	06CH01144502	547,265	-
Head Start	93.600	06CH01144503	444,670	-
Total Head Start Cluster			<u>991,935</u>	<u>-</u>
Total United States Department of Health & Human Services			<u>1,216,032</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 6,328,365</u>	<u>\$ -</u>

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Caldwell Parish School Board (the School Board) for the year ended June 30, 2022. The information is presented in accordance with the requirements of Title 22 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because of the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School Board.

Note 2 - Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Relationship to the Financial Statements

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

Federal Programs	Amount
Education Stabilization Fund	\$ 2,479,573
Nonmajor Funds	
School Food Service	1,178,091
Head Start	991,935
Title I	765,368
Special Education	466,952
TANF-JAG	100,751
Title II	87,829
Other Miscellaneous	247,940
Total Nonmajor Funds	3,848,792
Total Governmental Funds and Revenues	\$ 6,328,365

Note 4 - Noncash Program

Included in the Child Nutrition Cluster National School Lunch Program, CFDA 10.555, is \$91,154 of non-cash awards in the form of commodities provided by the United States Department of Agriculture. The commodities received, which are noncash revenues, are valued using prices provided by the Louisiana Department of Agriculture and Forestry.

Note 5 - Indirect Cost Rate

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

We have audited the financial statements of the governmental activities and each major fund of the Caldwell Parish School Board, as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the basic financial statements and have issued our report thereon dated March 17, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2022 resulted in an unmodified opinion.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting

Material Weaknesses Yes No

Significant Deficiency Yes None Noted

Noncompliance material to financial statements Yes No

Federal Awards

Internal Control

Material Weaknesses Yes No

Significant Deficiency Yes None Noted

Type of Opinion on Compliance Unmodified Modified

For Major Programs Disclaimer Adverse

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

Identification of Major Programs:

CFDA #84.425 COVID-19 Education Stabilization Fund

CFDA #93.600 Head Start Cluster

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

\$750,000.

Is the auditee a "low-risk" auditee Yes No

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

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

2022-001 Internal Controls over Accounts Payable (First Reported-2015)

Criteria or Specific Requirement

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

Conditions Found

The individual responsible for disbursements can add vendors to the system, input payments and print checks with signatures on them. There is no intermediate control to prevent illegitimate or erroneous disbursements prior to payment.

Cause

Internal controls were not adequately designed and operating regarding the controls around accounts payable checks.

Effect

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

Recommendation

Management should ensure implementation of the Positive Pay program as soon as possible.

Management's Response

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

2022-002 Louisiana Bid Law (First Reported 2019)

Criteria or Specific Requirement

Louisiana Revised Statute 38:2212 requires Caldwell Parish School Board (the School Board) to advertise for bids and let to the lowest responsible and responsive bidder for public works projects costing \$250,000 or more and all materials and supplies exceeding \$30,000 or more. Purchases of materials and supplies in excess of \$10,000 but less than \$30,000 must have documentation of telephone or fax quotes.

Condition Found

The School Board did not provide documentation supporting compliance with the bid law for three purchases. Out of the three purchases, two were materials and supplies in excess of \$30,000 and the remaining one was material and supplies in excess of \$10,000 but less than \$30,000.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

Cause

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

Effect

The School Board is not in compliance with Louisiana Revised Statute 38:2212.

Recommendation

Documentation should be maintained to support the School Boards compliance of the bid law through an annual and periodic review of spending per category and supporting choice of vendors.

Management's Response

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

2022-003 Late Submission of Audit Report to the Louisiana Legislative Auditor

Criteria or Specific Requirement

Louisiana Revised Statute 24:513 A(5)(a)(i) requires that audits of government agencies shall be completed within six months of the close of the entity's fiscal year. Audit reports are required to be filed with the Louisiana Legislative Auditor within this time restriction.

Condition Found

The School Board's audit for the year ended June 30, 2022 was not submitted to the Louisiana Legislative Auditor within six months of year end as required by law.

Cause

The School Board's 2021 report was significantly delayed due to the pandemic, natural disasters, and changes in the business manager and other significant positions at the School Board. This delayed the records being available to the auditors for the 2022 fiscal year.

Effect

The School Board is not in compliance with Louisiana Revised Statute 24:513A(5)(a)(i).

Recommendations to Prevent Future Occurrences

We recommend that the School Board implement year end close procedures to ensure all information required for financial reporting is properly captured and adjusted timely.

Management's Response

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

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

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

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Corrective Action Plan for Current Year Audit Findings and Questioned Costs

For the Year Ended June 30, 2022

2022-001 Internal Controls over Accounts Payable (First Reported-2015)

Management's Corrective Action Plan

We agree with this recommendation, and we will be implementing this enhancement. Until the Positive Pay program is implemented, the Business Manager has begun a review of each accounts payable check run and signs off on each of those runs. Additionally, which was not part of the original recommendation, the Business Manager maintains a logbook of the check numbers issued by fund to ensure that an extra check is not run that could otherwise be missed without keeping a logbook.

It should be noted that this finding has varied greatly since it was originally reported in 2015, morphing from what was originally reported in 2015 to this present version in 2021 and the recommendation of the implementation of the Positive Pay program first appeared in 2020.

Person responsible for corrective action plan

David Ray Soignier, CPA, MBA

Anticipated completion

June 30, 2023

2022-002 Louisiana Bid Law (First Reported 2019)

Management's Corrective Action Plan

We largely agree with this finding but we opted not to debate one of the two vendors that was over the \$30,000 threshold with multiple miscellaneous non-harmonious items which we believe would have been deemed to have been in compliance.

With respect to compliance with the Public Bid Law, we will ensure compliance going forward.

It should be noted that non-compliance will largely be eliminated with the increased dollar thresholds beginning in July of 2022. It should also be noted that our weakness is in the arena surrounding documentation and our purchases were deemed at the lowest priced available.

Person responsible for corrective action plan

David Ray Soignier, CPA, MBA

Anticipated completion

Resolved as of July 1, 2022

2022-003 Late Submission of Audit Report to the Louisiana Legislative Auditor

Management's Corrective Action Plan

We recognize the importance of timely reporting, and we will work diligently to return to this timely reporting with the fiscal year 2023 report cycle that is due on December 31, 2023. Please

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Corrective Action Plan for Current Year Audit Findings and Questioned Costs

For the Year Ended June 30, 2022

note that even though the report is late, that significant strides have been made in cutting the time frame down from being nine months late to being late by only two month . We do not anticipate being late with the June 30, 2023 report which will be due by December 31, 2023.

Person responsible for corrective action plan

David Ray Soignier, CPA, MBA

Anticipated completion

December 31, 2023

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Summary Status of Prior Year Findings

For the Year Ended June 30, 2022

The following is a summary of the status of the prior year findings included in our 2021 audit report dated September 30, 2022, covering the audit of the financial statements of Caldwell Parish School Board (the School Board), as of and for the year ended June 30, 2021.

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

2021-001 Internal Controls over Accounts Payable (First Reported-2015)

Conditions Found

The individual responsible for disbursements can add vendors to the system, input payments and print checks with signatures on them. There is no intermediate control to prevent illegitimate or erroneous disbursements prior to payment.

Status

Not resolved. Refer to current year finding 2022-001.

2021-002 Louisiana Bid Law (First Reported 2019)

Condition Found

The School Board did not provide documentation supporting compliance with the bid law for five purchases. Out of the five purchases, two were materials and supplies in excess of \$30,000 and the remaining three were material and supplies in excess of \$10,000 but less than \$30,000.

Status

Not resolved. Refer to current year finding 2022-002.

2021-003 Louisiana Budget Law

Condition Found

The Education Stabilization funds were not budgeted in accordance with the Local Government Budget Act. These funds were not revised resulting in actual expenditures exceeding budgeted by approximately \$900,000 or 116%.

Status

Resolved.

CALDWELL PARISH SCHOOL BOARD

Columbia, Louisiana

Summary Status of Prior Year Findings

For the Year Ended June 30, 2022

2021-004 Late Submission of Audit Report to the Louisiana Legislative Auditor

Condition Found

The School Board's audit for the year ended June 30, 2021 was not submitted to the Louisiana Legislative Auditor within the six months of year end as required by law.

Status

Not resolved. Refer to current year finding 2022-003.

OTHER REPORTS

AGREED-UPON PROCEDURES REPORT

SCHEDULES REQUIRED BY STATE LAW



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Caldwell 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 **Caldwell Parish School Board** for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the 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 purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

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

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

Results

No exceptions were noted as a result of applying the agreed-upon procedure.

Class Size Characteristics (Schedule 2)

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

Results

No exceptions were noted as a result of applying the agreed-upon procedure.

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.

Results

We were unable to perform the agreed-upon procedure. Due to changes in Louisiana Department of Education online systems, management was unable to extract and provide us with the complete October 1st PEP data that was submitted to the Louisiana Department of Education.

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).

Results

We were unable to perform the agreed-upon procedure. Due to changes in Louisiana Department of Education online systems, management was unable to extract and provide us with the complete June 30th PEP data that was submitted to the Louisiana Department of Education.

Management's Response

We are working with the Louisiana Department of Education to ensure that data is available for our internal use as well as for providing information to our auditors when completing the "School Board Agreed-Upon Procedures" section.

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

We are required to be independent of the 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.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Woodward & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

March 17, 2023

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2022

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

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

Schedule 2 - Class Size Characteristics

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

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources**
For the Year Ended June 30, 2022

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 4,716,245	
Other Instructional Staff Activities	451,711	
Instructional Staff Employee Benefits	3,083,436	
Purchased Professional and Technical Services	100,129	
Instructional Materials and Supplies	207,552	
Instructional Equipment	3,870	
Total Teacher and Student Interaction Activities		\$ 8,562,943
Other Instructional Activities		121,029
Pupil Support Services	783,958	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		783,958
Instructional Staff Services	776,634	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		776,634
School Administration	1,013,933	
Less: Equipment for School Administration	(3,617)	
Net School Administration		1,017,550
Total General Fund Instructional Expenditures		\$ 11,262,114
Total General Fund Equipment Expenditures		\$ 3,617
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 346,281
Renewable Ad Valorem Tax		2,105,934
Debt Service Ad Valorem Tax		988,284
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		92,015
Sales and Use Taxes		2,760,557
Total Local Taxation Revenue		\$ 6,293,071
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 9,395
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		\$ 9,395
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 31,826
Revenue Sharing - Other Taxes		31,826
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		\$ 72,216
Nonpublic Textbook Revenue		\$ 1,804
Nonpublic Transportation Revenue		\$ -

Caldwell Parish School Board
Columbia, Louisiana

Class Size Characteristics
As of October 1, 2021

School Type	Class Size Range									
	1-20		21-26		27-33		34+		Total	
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	89.01%	324	10.99%	40	0.00%	-	-	-	100.00%	364
Elementary Activity Classes	65.52%	19	10.34%	3	10.34%	3	13.79%	4	100.00%	29
Middle/Jr. High	78.45%	142	21.55%	39	0.00%	-	0.00%	-	100.00%	181
Middle/Jr. High Activity Classes	66.04%	35	28.30%	15	1.89%	1	3.77%	2	100.00%	53
High	92.86%	195	6.67%	14	0.48%	1	0.00%	-	100.00%	210
High Activity Classes	97.10%	67	2.90%	2	0.00%	-	0.00%	-	100.00%	69
Combination	100.00%	5	0.00%	-	0.00%	-	0.00%	-	100.00%	5
Combination Activity Classes	100.00%	2	0.00%	-	0.00%	-	0.00%	-	100.00%	2
Total		<u>789</u>		<u>113</u>		<u>5</u>		<u>6</u>		<u>913</u>

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

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board Members of Caldwell Parish School Board
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Caldwell Parish School Board's (the School Board) management is responsible for those C/C areas identified in the SAUPs.

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 C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy .
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: We obtained and inspected the School Board's written policies and procedures and observed that the School Board's sexual harassment policies and procedures did not address annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public fund if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Result: No exceptions were identified as a result of these procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Result: No exceptions were identified as a result of these procedures.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

- e) Trace the actual deposit per the bank statement to the general ledger.

Result: Of the 10 deposits tested under procedure #7, 5 of them did not have a receipt, and accordingly, we could not trace pre-numbered receipts for those 5 deposits.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Result: We observed the segregation of job duties under procedure #9 and identified that the same person processes payments and mails checks. Of the 25 disbursements tested under procedure #10, 3 disbursements did not include evidence of segregation of duties tested under #9.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Result: No exceptions were identified as a result of these procedures.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Result: No exceptions were identified as a result of these procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Result: No exceptions were identified as a result of these procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Result: 1 of the 5 employees tested under procedure #17 did not document their daily attendance.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Result: 1 of the 5 individuals tested did not complete the required training.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Result: No exceptions were identified as a result of these procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: No exceptions were identified as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Result: We performed the procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
 - a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

Result: The School Board did not have an annual sexual harassment report for the current fiscal period.

Management's Response to Results

Written Policies and Procedures – We were unaware of the need to file a report when there were no such activities to report.

Collections – We agree with the results and we will strive for 100% compliance with this item in the future.

Non-Payroll Disbursements – We do not consider the person preparing checks and mailing the checks to be incompatible duties and do not intend to change this activity. As for the three disbursements, we will strive for 100% compliance with this item in the future.

Payroll and Personnel – The one employee identified as an exception is a bus driver. Bus drivers do not document their time the same as all of the other employees. We will continue operating in our current set of norms.

Ethics – We agree with the results and we will strive for 100% compliance with this item in the future.

Sexual Harassment – We were unaware of the need to file a report when there were no such activities to report.

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 applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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 those C/C areas identified in the SAUPs, 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 LLA as a public document.

Woodard + Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

March 17, 2023