

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Annual Financial Report

Year Ended June 30, 2023

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*
Gerald A. Thibodeaux, Jr., CPA*

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

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

INDEPENDENT AUDITOR'S REPORT

Dr. Charlie Butler, Superintendent,
and Members of the Madison Parish School Board
Tallulah, 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 Madison Parish School Board (the School Board), as of and for the year ended June 30, 2023, 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, 2023, 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 Auditor's 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.

Emphasis of Matter

As described in Note 12 to the financial statements, the School Board restated fund balance of the general fund and net position of the governmental activities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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.

Auditor's Responsibility 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.

Required Supplementary Information

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

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 nonmajor fund financial statements, schedules of compensation, and 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, schedules of compensation 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
January 31, 2024

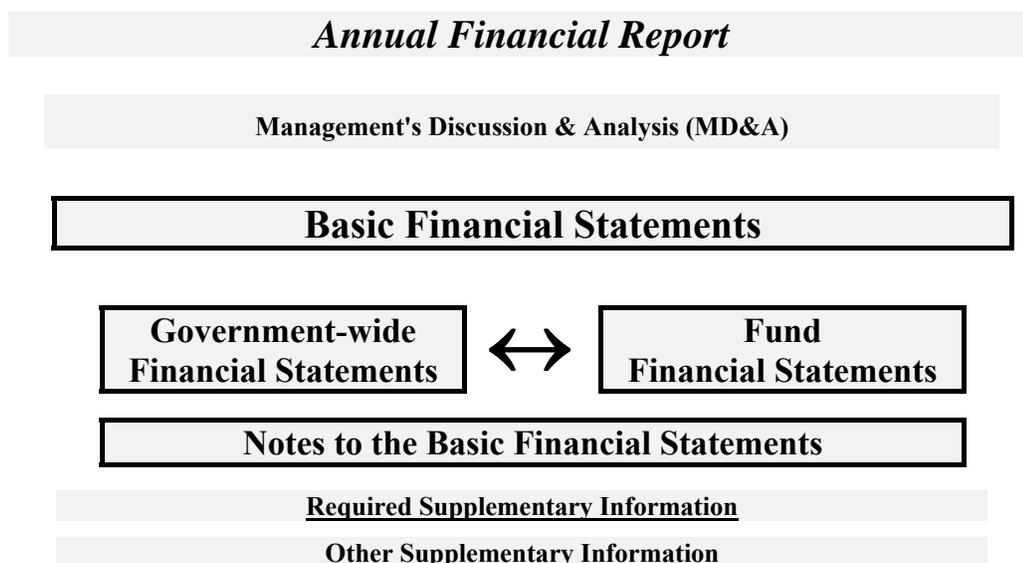
REQUIRED SUPPLEMENTARY INFORMATION:

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

**Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2023**

Our discussion and analysis of Madison Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, Title I, School Food Service, ESSER Fund and the Debt Service fund. The remaining statements – Proprietary Fund statements present financial activity that is similar to the private sector, and the Fiduciary fund statements presents financial information about activities for which the School Board acts solely as an agent for the benefit of the trust. The financial report consists of the following elements:



Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities

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

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2023

These two statements report the School Board's net position - the difference between assets, liabilities, and deferred outflows/inflows of resources as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report all of the School Board's governmental activities, including instruction, support services, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

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

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

Proprietary funds - Proprietary funds are reported in the same way that all activities are reported in the statement of net position and statement of activities. The School Board uses internal service proprietary funds to report activities that provide supplies and services to the School Board's other programs and activities.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its sales tax fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Net Position and the Statement of Changes of Fiduciary Net Position. We exclude these activities from the School Board's other financial statements because the

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2023

School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL BOARD AS A WHOLE The School Board's net position was \$(9,784,999) at June 30, 2023. Of this amount \$(30,335,358) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Governmental Activities
Net Position
June 30, 2023
(With Comparative Totals for June 30, 2022)

	2023	2022
Assets		
Cash and interest-bearing deposits	\$ 5,830,044	\$ 6,385,228
Receivables	4,196,522	3,796,672
Other assets	333,863	217,503
Capital assets	28,632,166	29,067,380
Total assets	38,992,595	39,466,783
Deferred Outflows of Resources	8,132,370	7,589,693
Liabilities		
Current liabilities	4,586,339	4,010,776
Long-term liabilities	50,088,573	43,710,251
Total liabilities	54,674,912	47,721,027
Deferred Inflows of Resources	2,235,052	10,082,533
Net Position		
Net investment in capital assets	17,824,417	16,842,381
Restricted	2,725,942	3,308,084
Unrestricted	(30,335,358)	(30,897,549)
Total net position	\$ (9,784,999)	\$ (10,747,084)

The \$(30,335,358) in unrestricted net position of governmental activities represents accumulated results of all past years' operations. The primary driving factor behind this deficit is the School Board's net pension and OPEB liabilities which account for \$16,166,077 and \$23,420,918, respectively, of this deficit.

The net position of the School Board increased by \$1,693,869 which was mainly due to an increase in sales taxes, grant revenue and changes in the net pension and OPEB liabilities. Additionally, the School Board took a conservative approach to our expenditures this year.

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2023

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

Table 2
Governmental Activities
Changes in Net Position
Fiscal Year Ended June 30, 2023
(With Comparative Totals for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,879	\$ 86,754
Operating grants	12,250,640	12,144,820
General revenues:		
Ad valorem taxes	2,320,211	2,832,352
Sales taxes	3,861,410	3,883,803
Minimum Foundation Program	8,690,459	7,962,505
Other	<u>2,978,131</u>	<u>2,520,156</u>
Total revenue	<u>30,102,730</u>	<u>29,430,390</u>
Functional/Program Expenses		
Instruction		
Regular programs	8,489,316	7,554,459
Special programs	345,257	322,392
Other instructional programs	3,739,013	4,437,770
Support services		
Student services	1,172,319	1,010,288
Instructional staff support	4,487,538	2,926,285
General administration	2,098,032	2,280,007
School administration	817,206	679,397
Business services	857,731	638,977
Plant services	1,875,839	2,490,897
Student transportation services	1,397,470	1,247,656
Central services	291,930	235,291
Food services	1,119,526	1,170,709
Other	1,286,488	280,402
Interest on long-term debt	<u>431,196</u>	<u>367,407</u>
Total expenditures	<u>28,408,861</u>	<u>25,641,937</u>
Increase (Decrease) in net position	<u>\$ 1,693,869</u>	<u>\$ 3,788,453</u>

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2023

is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

Budgetary Highlights The School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.) The original amount available for appropriations and the original amount budgeted for charges to appropriations were revised during the year due to monitoring the budget and seeing that the School Board was over the state mandated 5% budget law. The more significant changes to the budget are described below.

Upward revenue adjustments were made in the general fund, title I fund, and school food service fund due to an increase in the amount of sales tax, grants and MFP funding received. Upward expenditure adjustments were made in the general fund, title I fund, and school food service fund to primarily account for the distribution of the excess sales tax revenue and MFP for its intended purpose of salaries and benefits and operating expenses for additional grant receipts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2023, the School Board had \$28,632,166 invested in a broad range of capital assets, net of accumulated depreciation, including land, infrastructure, buildings and improvements, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$435,214 from last year.

Debt Administration The School Board's long-term liabilities at June 30, 2023 include sales tax bonds of \$3,380,000, general obligation bonds of \$8,228,000, net pension liability of \$16,166,077, OPEB liability of \$23,420,918, and compensated absences of \$635,056.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS The Madison Parish School Board, like most school systems in the state is constantly evaluating the services we are providing. The 2023-2024 budget projection shows that more than 75% of the School Board's General Fund budget is consumed by salaries and benefits. Technology upgrades throughout the system are constantly being monitored to keep pace with the ever-changing environment as well as meeting the unfunded mandates from the state to ensure our students are prepared for the 21st century. The school board is continuing the discussion, planning, and implementation on capital projects at various school facilities to ensure we provide our students with the highest quality education possible. We also anticipate purchasing additional buses for the upcoming fiscal year to assist in modernizing our transportation fleet over time.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the 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 Elvin Parker, Business Manager, at Madison Parish School Board, P. O. Box 1620, Tallulah, Louisiana 71284, telephone number (318) 574-3616.

BASIC FINANCIAL STATEMENTS

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2023

ASSETS		
Cash and interest-bearing deposits		\$ 5,830,044
Receivables		636,033
Inventory		13,990
Due from other governments		3,560,489
Prepaid Items		319,873
Capital assets:		
Non-depreciable		936,308
Depreciable, net		<u>27,695,858</u>
Total assets		<u>38,992,595</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Change on refunding bonds		939,649
Deferred outflows related to OPEB		1,075,427
Deferred outflows related to pensions		<u>6,117,294</u>
Total deferred outflows of resources		<u>8,132,370</u>
LIABILITIES		
Accounts, salaries and other payables		2,580,974
Unearned revenue		14,638
Interest payable		74,851
Long-term liabilities:		
Long-term debt due within one year		1,915,876
Long-term debt due in more than one year		10,501,578
Other post employment benefits payable		23,420,918
Net pension liability		<u>16,166,077</u>
Total liabilities		<u>54,674,912</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB		2,140,232
Deferred inflows related to pensions		<u>94,820</u>
Total deferred inflows of resources		<u>2,235,052</u>
NET POSITION		
Net investment in capital assets		17,824,417
Restricted for:		
School food service		1,512,575
Other grants		264,652
Debt service		948,715
Unrestricted		<u>(30,335,358)</u>
Total net position		<u>\$ (9,784,999)</u>

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Activities
Governmental Activities
For the year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$ 8,489,316	\$ -	\$ 2,285,538	\$ (6,203,778)
Special education programs	345,257	-	64,648	(280,609)
Other instructional programs	3,739,013	-	3,334,293	(404,720)
Support services:				
Student Services	1,172,319	-	524,081	(648,238)
Instructional staff support services	4,487,538	-	2,673,204	(1,814,334)
General administration	2,098,032	-	847,615	(1,250,417)
School administration	817,206	-	102,728	(714,478)
Business services	857,731	-	31,971	(825,760)
Plant services	1,875,839	-	837,921	(1,037,918)
Student transportation services	1,397,470	-	198,736	(1,198,734)
Central services	291,930	-	120,043	(171,887)
Non-instructional service:				
Food services	1,119,526	1,879	1,229,862	112,215
Community service programs	13,650	-	-	(13,650)
Facilities acquisition and construction	1,081,917	-	-	(1,081,917)
Other LEA services	190,921	-	-	(190,921)
Interest on long-term debt	431,196	-	-	(431,196)
Total governmental activities	<u>\$ 28,408,861</u>	<u>\$ 1,879</u>	<u>\$ 12,250,640</u>	<u>(16,156,342)</u>
Taxes:				
				2,320,211
				3,861,410
				63,902
Grants and contributions not restricted to specific programs:				
				8,690,459
				58,809
				2,855,420
				<u>17,850,211</u>
				1,693,869
				<u>(11,478,868)</u>
				<u>\$ (9,784,999)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Title 1	School Food Service
ASSETS			
Cash and interest-bearing deposits	\$ 742,066	\$ 136,329	\$ 1,660,919
Receivables	260,478	-	-
Due from other governments	-	261,156	-
Interfund receivables	4,556,817	167,338	164,625
Inventory	-	-	13,990
Prepaid	319,873	-	-
Total assets	\$ 5,879,234	\$ 564,823	\$ 1,839,534
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 336,941	\$ 40,826	\$ -
Accrued salaries and related benefits	547,504	193,002	110,771
Interfund payables	670,163	330,995	201,475
Unearned revenue	-	-	723
Total liabilities	1,554,608	564,823	312,969
Fund balances:			
Nonspendable	319,873	-	13,990
Restricted	-	-	1,512,575
Unassigned	4,004,753	-	-
Total fund balances	4,324,626	-	1,526,565
Total liabilities and fund balances	\$ 5,879,234	\$ 564,823	\$ 1,839,534

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

<u>ESSER</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
\$ 368,268	\$ 798,542	\$ 1,411,039	\$ 5,117,163
-	250,430	125,125	636,033
2,678,377	-	620,956	3,560,489
-	391,960	263,847	5,544,587
-	-	-	13,990
-	-	-	319,873
<u>\$ 3,046,645</u>	<u>\$ 1,440,932</u>	<u>\$ 2,420,967</u>	<u>\$ 15,192,135</u>

\$ 31,447	\$ 130,540	\$ 300,394	\$ 840,148
358,244	-	530,885	1,740,406
2,655,773	361,677	1,324,504	5,544,587
1,181	-	12,734	14,638
<u>3,046,645</u>	<u>492,217</u>	<u>2,168,517</u>	<u>8,139,779</u>
-	-	-	333,863
-	948,715	264,652	2,725,942
-	-	(12,202)	3,992,551
-	948,715	252,450	7,052,356
<u>\$ 3,046,645</u>	<u>\$ 1,440,932</u>	<u>\$ 2,420,967</u>	<u>\$ 15,192,135</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds		\$ 7,052,356
Capital assets, net		28,632,166
Long-term liabilities:		
Accrued interest payable	\$ (74,851)	
Bonds payable	(11,608,000)	
Bond premium	(139,398)	
Compensated absences payable	<u>(635,056)</u>	(12,457,305)
Deferred charge on bond refunding		939,649
Net position of the internal service fund		677,461
Pension:		
Net pension liability	(16,166,077)	
Deferred outflows of resources	6,117,294	
Deferred inflows of resources	<u>(94,820)</u>	(10,143,603)
Other Post Employment Benefits (OPEB):		
Net OPEB obligation	(23,420,918)	
Deferred outflows of resources	1,075,427	
Deferred inflows of resources	<u>(2,140,232)</u>	<u>(24,485,723)</u>
Net position		<u>\$ (9,784,999)</u>

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

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MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2023

	General	Title 1	School Food Service	ESSER
Revenues				
Local sources -				
Taxes:				
Ad valorem taxes	\$ 1,107,054	\$ -	\$ -	\$ -
Sales taxes	1,549,362	-	-	-
Interest	23,453	-	12,816	-
Other	1,872,974	-	3,380	-
State sources -				
Equalization	8,677,463	-	12,996	-
Other	71,041	-	-	-
Federal sources	20,400	1,715,035	1,229,862	6,835,447
Total revenues	13,321,747	1,715,035	1,259,054	6,835,447
Expenditures				
Current:				
Instruction -				
Regular programs	5,485,858	73,647	-	1,693,406
Special education programs	285,396	-	-	221
Other instructional programs	895,724	801,005	-	1,578,650
Support services -				
Student Services	671,755	210,962	-	94,433
Instructional staff support services	476,106	543,413	-	2,296,216
General administration	1,254,416	118	-	845,760
School administration	708,069	-	-	82,551
Business services	731,167	-	-	-
Plant services	559,534	-	-	237,937
Student transportation services	1,153,915	1,325	-	812
Central services	177,312	84,565	-	5,461
Food services	49,778	-	1,072,577	-
Community service programs	13,650	-	-	-
Facilities acquisition and construction	41,839	-	-	-
Debt service	-	-	-	-
Total expenditures	12,504,519	1,715,035	1,072,577	6,835,447
Excess (deficiency) of revenues over expenditures	817,228	-	186,477	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(1,188)	-	-	-
Total other financing sources (uses)	(1,188)	-	-	-
Net change in fund balances	816,040	-	186,477	-
Fund balances, beginning, as restated	3,508,586	-	1,340,088	-
Fund balances, ending	\$ 4,324,626	\$ -	\$ 1,526,565	\$ -

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

<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Totals</u>
\$ 1,213,157	\$ -	\$ 2,320,211
1,545,907	766,141	3,861,410
13,834	204	50,307
463,337	448,681	2,788,372
-	-	8,690,459
-	402,236	473,277
-	<u>2,040,521</u>	<u>11,841,265</u>
<u>3,236,235</u>	<u>3,657,783</u>	<u>30,025,301</u>
1,190,862	490,946	8,934,719
-	64,427	350,044
107,723	954,638	4,337,740
-	218,686	1,195,836
-	1,245,097	4,560,832
-	1,737	2,102,031
23,740	20,177	834,537
84,831	31,971	847,969
457,804	599,984	1,855,259
19,100	196,599	1,371,751
-	30,017	297,355
-	-	1,122,355
-	-	13,650
4,375	-	46,214
<u>1,871,110</u>	<u>-</u>	<u>1,871,110</u>
<u>3,759,545</u>	<u>3,854,279</u>	<u>29,741,402</u>
<u>(523,310)</u>	<u>(196,496)</u>	<u>283,899</u>
-	1,188	1,188
-	-	(1,188)
-	<u>1,188</u>	<u>-</u>
(523,310)	(195,308)	283,899
<u>1,472,025</u>	<u>447,758</u>	<u>6,768,457</u>
<u>\$ 948,715</u>	<u>\$ 252,450</u>	<u>\$ 7,052,356</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2023

Net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 283,899
Capital assets:		
Capital outlay	\$ 747,703	
Depreciation expense	<u>(1,182,917)</u>	(435,214)
Bond principal retirement		1,534,000
Change in accrued interest		22,658
Bond refunding amortization		(142,887)
Bond premium amortization		26,143
Change in compensated absences		(31,977)
Change in net OPEB obligation		210,340
Change in net position of the Internal Service Fund		(54,263)
Nonemployer pension contributions		68,927
Change in pension expense		<u>212,243</u>
Change in net position per Statement of Activities		<u>\$ 1,693,869</u>

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Proprietary Fund
Statement of Net Position
June 30, 2023

	<u>Internal Service Fund</u>
ASSETS	
Cash and interest bearing deposits	<u>\$ 712,881</u>
LIABILITIES	
Current liabilities:	
Accounts payable	420
Claims payable	<u>35,000</u>
Total liabilities	<u>35,420</u>
NET POSITION	
Unrestricted	<u>\$ 677,461</u>

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Proprietary Fund
Statement of Revenue, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

	<u>Internal Service Fund</u>
Operating expenses:	
Claims	\$ 60,789
Administration	<u>1,976</u>
Total operating expenses	<u>62,765</u>
Operating loss	(62,765)
Nonoperating revenues	
Interest income	<u>8,502</u>
Change in net position	(54,263)
Net position, beginning	<u>731,724</u>
Net position, ending	<u>\$ 677,461</u>

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Proprietary Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

	<u>Internal Service Fund</u>
Cash flows from operating activities:	
Claims paid	\$ (89,789)
Administrative fees	<u>(1,556)</u>
Net cash used by operating activities	<u>(91,345)</u>
 Cash flows from investing activities:	
Interest on investments	<u>8,502</u>
Net change in cash and cash equivalents	(82,843)
 Cash and interest bearing deposits, beginning of period	<u>795,724</u>
 Cash and interest bearing deposits, end of period	<u><u>\$ 712,881</u></u>
 Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (62,765)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase (decrease) in current liabilities	
Accounts payable	420
Claims payable	<u>(29,000)</u>
Net cash used by operating activities	<u><u>\$ (91,345)</u></u>

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Fiduciary Net Position
June 30, 2023

	<u>Custodial Fund</u>
ASSETS	
Cash and interest bearing deposits	<u>\$ 195,518</u>
NET POSITION	
Net position held for others	<u>\$ 195,518</u>

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2023

	<u>Custodial Fund</u>
Additions	
Interest income	\$ 473
Deductions	
Sales tax disbursements	<u>17,260</u>
Change in net position	(16,787)
Net position, beginning	<u>212,305</u>
Net position, ending	<u>\$ 195,518</u>

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Madison Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

The School Board operates five schools within the parish with a total enrollment of approximately 1,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board is considered a separate financial reporting entity, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities, excluding fiduciary funds.

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

Fund Financial Statements

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

The various funds of the School Board are classified into three categories: governmental, proprietary, fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental funds:

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 other funds.

The Title 1 fund accounts for federal funds received for the Title 1 federal program.

The School Food Service fund accounts for cash grants and food donations, at assist in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

The ESSER Fund accounts for Federal revenues received in response to COVID-19 and the respective expenses.

The Debt service funds accounts are established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

Additionally, the School Board reports the following fund types:

Proprietary Funds

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

Internal Service Funds

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

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The fund accounted for in this category by the School Board is the sales tax fund.

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

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

The more significant of the Madison Parish School Board's accounting policies are described below.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, the governmental activities are presented using the economic resources measurement focus. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gain, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Allocation of indirect expenses

The School Board reports all direct expenses by function in the Statement of Activities. 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.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. State law requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current year. The taxes are based on assessed values determined by the Assessor of Madison Parish

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

Federal and State entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. State equalization entitlement funds are recognized when the School Board is entitled to them. State revenue sharing, which is based on population and homesteads in the parish, is recorded as revenue in lieu of taxes in the year received which coincides with the recognition of the related ad valorem taxes discussed above. Federal and State grants are recorded when the School Board is entitled to the funds, usually after reimbursable expenditures have been incurred.

Sales taxes are recognized in the period when the underlying sales or use transaction occurred.

Federal commodities are recognized as revenues when used.

Revenue from services provided to other local governments are recorded as other revenues from local sources when the School Board is entitled to the funds.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured, and the interest is available.

Substantially all other revenues are recognized when received by the School Board.

Based on the above criteria, sales taxes, federal and state grants, and certain revenues from local sources have been treated as susceptible to accrual.

Expenditures

Salaries are recorded as expenditures under the modified accrual basis of accounting when the related fund liability is incurred. The salaries for teachers and most other school-level employees are earned over a nine-month period but may be paid over a twelve-month period.

Purchases of various operating supplies, etc. are recorded as expenditures in the accounting period in which they are purchased.

Food costs are recognized as expenditures in the accounting period in which the food is consumed.

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

Commitments under construction contracts are recognized when earned by the contractor. Substantially all other expenditures are recognized when the related fund liability has been incurred.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, proceeds from indebtedness, the sale of fixed assets, and proceeds for insurance are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Fund

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include all demand deposits, interest-bearing demand deposits, and time deposits of the School Board.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents. Investments are reported at fair value.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful account was not considered necessary.

Short-Term – Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivable" or "interfund payable" on the balance sheet. These interfund receivables/payables are eliminated for reporting in the Statement of Net Position.

Inventory

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. Inventory of the School Lunch Fund consists of foods purchased by the School Board and commodities granted by the United States Department of Agriculture

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

(USDA) through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. All purchased inventory items are valued at actual cost. Inventory is recorded as expenditures when consumed, using a first-in, first-out basis.

Prepaid Expenses

Certain payments to vendors reflect cost applicable to future accounting periods are reported as prepaid items. Prepaid items are also accounted for using the consumption method where expenditures are recognized as the prepaid item expires with the passage of time.

Capital Assets

In the Government-Wide Financial Statements capital assets are capitalized and depreciated on a straight-line method over their estimated useful lives. The School Board has adopted a capitalization threshold of \$5,000 for reporting purposes. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. A breakdown of the asset valuation between actual and estimated cost is not available. Donated capital assets, if any, are valued at their estimated acquisition cost on the date received. Estimation of useful lives in years is as follows:

Buildings and improvements	15 - 40 years
Furniture, vehicles and equipment	3 - 10 years

Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed.

In the Fund Financial Statements capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds.

No provision is made for depreciation on capital assets in the Fund Financial Statements since the full cost is expensed at the time of purchase or construction.

Unearned Revenue

The School Board reports unearned revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures or for commodities in inventory at June 30. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue from the combined balance sheet is removed and the revenue is recognized.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

Compensated Absences

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

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

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

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

A. The employees' rights to receive compensation are attributable to services already rendered.

B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The School Board uses this approach and bases the calculation on employees with a minimum year experience level of twenty years.

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.

Long-term liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of claims payable, bonds payable, accrued compensated absences, pension liabilities and other post-retirement benefits.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The School Board reported \$948,715 of restricted net position, which is restricted by enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, fund balances are classified as follows in the governmental fund financial statements.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the School Board’s adopted policy, only Board members or the Board’s finance committee may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

Fund balances components other than unassigned fund balances consist of the following:

	Nonspendable	Restricted
General Fund:		
Prepaid	\$ 319,873	\$ -
School Food Service Fund:		
Inventory	13,990	-
Food service	-	1,512,575
Debt Service Fund:		
Debt service	-	948,715
Nonmajor Governmental Funds:		
Other	-	264,652
Total	\$ 333,863	\$ 2,725,942

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board members or the finance committee has provided otherwise in its commitment or assignment actions.

At June 30, 2023 the Sales Tax Maintenance Fund had a deficit fund balance of \$12,202. This deficit will be eliminated by transfers from the General Fund and reducing expenditures.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Basic Financial Statements

E. Interfund Transfers

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

F. Sales Tax

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

G. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

H. Postemployment Benefits Other than Pensions (OPEB)

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

I. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may also deposit funds in time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which

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approximates market. The School Board does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$ 6,465,754</u>
Insured deposits	694,879
Uninsured and collateral held by the pledging bank not in the School Board's name	<u>5,770,875</u>
Total	<u>\$ 6,465,754</u>

(3) Interfund Assets, Interfund Liabilities, and Operating Transfers

A) Individual balances due from/to other funds are as follows:

	Interfund Receivable	Interfund Payable
Major Funds		
General Funds	\$ 4,556,817	\$ 670,163
Title 1	167,338	330,995
School Food Services	164,625	201,475
ESSER	-	2,655,773
Debt Service	391,960	361,677
Total major funds	5,280,740	4,220,083
Nonmajor Governmental	263,847	1,324,504
Total	\$ 5,544,587	\$ 5,544,587

Balances resulted from the routine lag between the dates that interfund goods or services are provided and reimbursable expenditures occur. Transactions are recorded in the accounting system, and payments between funds are made to satisfy the balances.

B) Transfers consisted of the following:

	Transfers In	Transfers Out
Major Fund		
General Fund	\$ -	\$ 1,188
Nonmajor Funds	1,188	-
Total	\$ 1,188	\$ 1,188

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Transfers are used to 1) move revenues from the fund required by statute, voter-approved resolution or budget to collect them to the fund required by statute or budget to expend them, and 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(4) Capital Assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 936,308	\$ -	\$ -	\$ 936,308
Other Capital assets:				
Building and improvements	45,877,490	737,703	-	46,615,193
Furniture and equipment	<u>3,787,068</u>	<u>10,000</u>	<u>-</u>	<u>3,797,068</u>
Total	<u>50,600,866</u>	<u>747,703</u>	<u>-</u>	<u>51,348,569</u>
Less accumulated depreciatoin				
Building and improvements	19,117,513	1,051,009	-	20,168,522
Furniture and equipment	<u>2,415,973</u>	<u>131,908</u>	<u>-</u>	<u>2,547,881</u>
Total	<u>21,533,486</u>	<u>1,182,917</u>	<u>-</u>	<u>22,716,403</u>
Net capital assets	<u>\$29,067,380</u>	<u>\$ (435,214)</u>	<u>\$ -</u>	<u>\$28,632,166</u>

Depreciation expense was charged to functions as follows:

Regular programs	\$ 24,942
Special programs	8,848
Business services	18,339
Plant services	38,417
Student transportation services	50,521
Food services	6,147
Facilities acquisition	<u>1,035,703</u>
Total depreciation expense	<u>\$ 1,182,917</u>

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Notes to Basic Financial Statements

(5) Long-Term Liabilities

A summary of long-term debt follows:

	Original Issue	Interest Rate	Maturity Date	Outstanding Principal
Sales Tax Bond - Refunding Series 2015	7,035,000	2.00-4.00%	3/15/2029	\$ 3,380,000
General obligation bonds Refunding Series 2021	8,544,000	1.680-2.080%	3/15/2030	8,228,000

The amount of interest charged to expense for year is \$431,196.

Compensated absences, claims and litigation typically have been liquidated by the General Fund and a few other governmental funds.

A summary of changes in long term liabilities for the year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Direct placement bonds payable:					
2013 General Obligation - Refunding	\$ 925,000	\$ -	\$ 925,000	\$ -	\$ -
2015 Sales Tax Bond - Refunding	3,880,000	-	500,000	3,380,000	515,000
2021 General Obligation Refunding	8,337,000	-	109,000	8,228,000	1,099,000
Bond Premium	165,541	-	26,143	139,398	23,233
Other Liabilities					
Workers compensation claims	64,000	60,789	89,789	35,000	35,000
Compensated absences	603,079	364,008	332,031	635,056	266,876
Governmental activities					
Long-term liabilities	<u>\$ 13,974,620</u>	<u>\$ 424,797</u>	<u>\$ 1,981,963</u>	<u>\$ 12,417,454</u>	<u>\$ 1,939,109</u>

The annual requirement to amortize outstanding long-term debt is as follows:

Year Ending June 30,	Principal payments	Interest payments	Total
2024	\$ 1,614,000	\$ 257,430	1,871,430
2025	1,659,000	223,518	1,882,518
2026	1,698,000	188,584	1,886,584
2027	1,746,000	152,789	1,898,789
2028	1,787,000	110,240	1,897,240
2029-2030	3,104,000	87,650	3,191,650
Totals	<u>\$ 11,608,000</u>	<u>\$ 1,020,211</u>	<u>\$ 12,628,211</u>

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(6) Retirement Systems

Eligible employees of the School Board participate in one of several cost-sharing multiple-employer public retirement systems (PERS) which are controlled and administered by a separate board of trustees. The employer pension schedules for both systems are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports may be obtained at www.lasers.net and www.trsl.org.

General Information About the Pension Plans

Plan Description/Benefits Provided

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

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

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

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A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service who has withdrawn from active service prior to the age at which that person is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the system on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S. 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011 and July 1, 2015.

Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 20 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

Members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. 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.

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

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year

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maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

Pension Related Contributions, Liabilities, Expenses, and Deferred Items

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

Additional information about the School Board's contributions, liabilities, expenses and deferred items to each plan is provided in the tables below:

	<u>TRSL</u>	<u>LSERS</u>
Employee contribution rate	8%	8%
Employer contribution rate	25.2%	28.7%
Net pension liability	\$ 14,547,853	\$ 1,618,224
Pension expense	\$ 2,207,572	\$ 281,830
Non-employer contribution	\$ 68,927	\$ -
Proportionate share	0.15%	0.24%
Change in proportion from prior year	0.01%	0.02%

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	Deferred Outflows			Deferred Inflows		
	TRSL	LSERS	Total	TRSL	LSERS	Total
Differences between expected and actual experiences	\$ 225,487	\$ 38,315	\$ 263,802	\$ 41,955	\$ -	\$ 41,955
Changes of assumptions	981,245	58,374	1,039,619	-	-	-
Net difference between projected and actual earnings on pension plan investments	825,572	-	825,572	-	41,683	41,683
Change in proportion and differences between employer contributions and proportionate share of contributions	1,137,471	149,183	1,286,654	11,182	-	11,182
Employer contributions subsequent to the measurement date	<u>2,453,307</u>	<u>248,340</u>	<u>2,701,647</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,623,082</u>	<u>\$ 494,212</u>	<u>\$ 6,117,294</u>	<u>\$ 53,137</u>	<u>\$ 41,683</u>	<u>\$ 94,820</u>

Non-employer contributions are recognized as revenue and were used as employer contributions. Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the subsequent year.

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

Year Ending June 30,	TRSL	LSERS	Total
2024	\$ 990,080	\$ 166,443	\$ 1,156,523
2025	\$ 591,789	\$ 50,758	\$ 642,547
2026	\$ (63,316)	\$ (93,564)	\$ (156,880)
2027	\$ 1,598,085	\$ 80,552	\$ 1,678,637

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Actuarial Assumptions

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

	<u>TRSL</u>	<u>LSERS</u>
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization approach		
Expected Remaining Service Lives	5 years	3 years
Investment Rate of Return	7.25%, net	6.8%, net
Inflation Rate	2.3% per annum	2.5% per annum
Salary Increases	3.1% to 4.6% varies depending on duration of service	3.25%
Cost of Living Adjustments	None	None
Mortality Rates	RP-2014 White Collar Tables RP-2014 Disability Tables	RP-2014 Sex Distinct Tables RP-2014 Healthy Annuitant Tables
Termination and disability	2012-2017 experience study	2013-2017 experience study

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	26.0%	0.73%
Equity	39.0%	2.67%
Alternatives	23.0%	1.85%
Real estate	<u>12.0%</u>	<u>0.62%</u>
Total	<u>100.0%</u>	5.87%
Inflation		<u>2.30%</u>
Expected arithmetic nominal return		<u>8.17%</u>

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	27.0%	4.15%
International equity	19.0%	5.16%
Domestic fixed income	13.0%	0.85%
International fixed income	5.5%	-0.10%
Private equity	25.5%	8.15%
Other private assets	10.0%	3.72%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>Discount Rate</u>	<u>Change from Prior Year</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
TRSL	7.25%	-0.15%	\$ 19,979,200	\$ 14,547,853	\$ 9,616,051
LSERS	6.80%	-0.10%	\$ 2,263,012	\$ 1,618,224	\$ 1,067,122

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

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(7) Post-Retirement Health Care and Life Insurance Benefits

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

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

Employees covered by benefit terms – The following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	116
Inactive employees entitles to but not yet receiving benefit payments	-
Active employees	101
Employees with life insurance benefits but not medical benefits	<u>55</u>
	<u>272</u>

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

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial method	Individual Entry Age Normal Cost Method
Service cost	Actuarial Present Value of Benefits allocated to the valuation year
Discount rate	3.54%
Inflation	2.5%
Salary increases	3.5%
Healthcare cost trend rates	4.5%

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

Mortality rates were based on the RPH-2014 Table with projection MP-2020.

Changes in the Total OPEB Liability are as follows:

Balance, beginning of year	<u>\$22,668,438</u>
Changes for the year:	
Service cost	770,308
Interest	814,991
Difference between expected and actual experience	-
Changes in assumption	-
Benefit payments and net transfers	<u>(832,819)</u>
Net changes	<u>752,480</u>
Balance, end of year	<u><u>\$23,420,918</u></u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 1,075,427	\$ 67,076
Changes of assumptions	<u>-</u>	<u>2,073,156</u>
Total	<u><u>\$ 1,075,427</u></u>	<u><u>\$ 2,140,232</u></u>

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

<u>Year Ending</u> <u>June 30,</u>		
2024		\$(688,613)
2025		\$(376,192)

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

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were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease	Current Trend 3.65%	1.0% Increase
Total OPEB Liability	\$ 26,771,546	\$ 23,420,918	\$ 20,702,357

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease	Current Trend 4.50%	1.0% Increase
Total OPEB Liability	\$ 20,742,119	\$ 23,420,918	\$ 26,736,466

The School Board recognized OPEB expense of \$622,479.

(8) Litigation, Claims, and Contingencies

The School Board is involved in various litigations during the normal course of operations. Management and legal counsel for the School Board believe that the potential claims against the School Board would not materially affect the School Board's financial position.

The School Board receives grants for specific purposes that are subject to review and audit by the Louisiana Department of Education. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

The School Board’s bonded indebtedness is subject to the Internal Revenue Code’s provisions applicable to arbitrage earnings. In government finance, these earnings result in the temporary investment of the proceeds of the government entity’s tax-exempt securities in materially higher yielding taxable securities.

(9) Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees and others. The School Board purchases commercial insurance for property coverage, general liability, and automobile liability. No claims were paid on any of the policies during the past three years which exceeded the policies’ coverage amounts.

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The School Board is partially self-insured for workers' compensation insurance coverage. The School Board is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through a commercial stop loss policy. Coverage was in effect for specific occurrences exceeding \$250,000. The amount of settlements for each of the past three years has not exceeded the insurance coverage for each of the respective years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Changes to the fund's unpaid claims liability were as follows:

	June 30, 2023	June 30, 2022
Beginning of fiscal year liability	\$ 64,000	\$ 83,000
Claims and changes in estimate	60,789	-
Benefit payments and claims	89,789	19,000
Ending of fiscal year liability	\$ 35,000	\$ 64,000

(10) Economic Dependency

The Minimum Foundation funding provided by the state to all public school systems is primarily based on October 1 student count. The state provided approximately 31% of the School Board's revenue through this program during the year.

(11) On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the Parish Tax Collector for \$118,883 to the Teacher's Retirement System of Louisiana for employee retirement benefits.

(12) Prior Period Adjustment

During the fiscal year, the School Board identified an error related to the prior year receivables. Amounts anticipated to be paid by various funding sources have not been received as of the date of this report and are therefore not considered collectable. The effect of correcting this error is as follows:

	General Fund	Governmental Activities
July 1, 2022 balance, as reported:	\$4,240,364	\$ (10,747,090)
Prior period adjustment:		
Change in estimate	(731,778)	(731,778)
Balance, ending	\$3,508,586	\$ (11,478,868)

**REQUIRED
SUPPLEMENTARY INFORMATION**

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

General Fund
Budgetary Comparison Schedule
For the year ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Local sources:				
Taxes				
Ad valorem taxes	\$ 984,728	\$ 970,512	\$ 1,107,054	\$ 136,542
Sales taxes	1,311,302	1,537,641	1,549,362	11,721
Interest	45,148	52,324	23,453	(28,871)
Other	237,557	456,734	1,872,974	1,416,240
State sources:				
Equalization	7,671,492	8,446,653	8,677,463	230,810
Other	79,535	87,574	71,041	(16,533)
Federal sources	72,693	66,566	20,400	(46,166)
Total revenues	<u>10,402,455</u>	<u>11,618,004</u>	<u>13,321,747</u>	<u>1,703,743</u>
Expenditures				
Current:				
Instruction -				
Regular programs	4,840,479	5,284,936	5,485,858	(200,922)
Special education programs	236,086	285,394	285,396	(2)
Other instructional programs	699,593	894,932	895,724	(792)
Support services -				
Student services	548,948	671,754	671,755	(1)
Instructional staff support services	398,283	461,245	476,106	(14,861)
General administration	813,686	1,243,568	1,254,416	(10,848)
School administration	814,392	708,068	708,069	(1)
Business services	560,480	709,241	731,167	(21,926)
Plant services	391,340	559,533	559,534	(1)
Student transportation services	1,124,914	1,153,915	1,153,915	-
Central services	138,615	163,811	177,312	(13,501)
Food services	46,134	49,778	49,778	-
Community service programs	13,650	13,650	13,650	-
Facilities acquisition and construction	-	41,839	41,839	-
Total expenditures	<u>10,626,600</u>	<u>12,241,664</u>	<u>12,504,519</u>	<u>(262,855)</u>
Excess (deficiency) of revenues over expenditures	(224,145)	(623,660)	817,228	1,440,888
Other financing sources (uses):				
Transfers in	1,361,251	1,096,920	-	(1,096,920)
Transfers out	(14,965)	-	(1,188)	(1,188)
Total other financing sources (uses)	<u>1,346,286</u>	<u>1,096,920</u>	<u>(1,188)</u>	<u>(1,098,108)</u>
Net change in fund balance	1,122,141	473,260	816,040	342,780
Fund balances, beginning, as restated	3,508,586	3,508,586	3,508,586	-
Fund balances, ending	<u>\$ 4,630,727</u>	<u>\$ 3,981,846</u>	<u>\$ 4,324,626</u>	<u>\$ 342,780</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Title I Fund
Budgetary Comparison Schedule
For the year ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Federal sources	\$ 1,879,071	\$ 1,984,430	\$ 1,715,035	\$ (269,395)
Expenditures				
Current:				
Instruction -				
Regular programs	40,634	40,634	73,647	(33,013)
Other instructional programs	501,107	606,466	801,005	(194,539)
Support services -				
Student services	171,271	171,271	210,962	(39,691)
Instructional staff support services	233,433	233,433	543,413	(309,980)
General administration	76,270	76,270	118	76,152
Student transportation services	342,542	342,542	1,325	341,217
Central services	513,814	513,814	84,565	429,249
Total expenditures	<u>1,879,071</u>	<u>1,984,430</u>	<u>1,715,035</u>	<u>269,395</u>
Net change in fund balance	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

School Food Service
Budgetary Comparison Schedule
For the year ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Local sources:				
Interest	\$ 502	\$ 17,114	\$ 12,816	\$ (4,298)
Other	1,589	3,161	3,380	219
State sources:				
Equalization	-	12,996	12,996	-
Federal sources	700,814	1,296,490	1,229,862	(66,628)
Total revenues	702,905	1,329,761	1,259,054	(70,707)
Expenditures				
Current:				
Food services	882,562	1,014,726	1,072,577	(57,851)
Excess (deficiency) of revenues over expenditures	(179,657)	315,035	186,477	(128,558)
Other financing sources:				
Transfers in	73,651	-	-	-
Net change in fund balance	(106,006)	315,035	186,477	(128,558)
Fund balances, beginning	1,340,088	1,340,088	1,340,088	-
Fund balances, ending	\$ 1,234,082	\$ 1,655,123	\$ 1,526,565	\$ (128,558)

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

ESSER Fund
Budgetary Comparison Schedule
For the year ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Federal sources	<u>\$21,061,611</u>	<u>\$21,061,611</u>	<u>\$6,835,447</u>	<u>\$(14,226,164)</u>
Expenditures				
Current:				
Instruction -				
Regular programs	6,483,215	6,483,215	1,693,406	4,789,809
Special education programs	-	-	221	(221)
Other instructional programs	3,562,179	3,562,179	1,578,650	1,983,529
Support services -				
Student services	3,949,653	3,949,653	94,433	3,855,220
Instructional staff support services	3,185,645	3,185,645	2,296,216	889,429
General administration	654,097	654,097	845,760	(191,663)
School administration	591,141	591,141	82,551	508,590
Plant services	2,180,876	2,180,876	237,937	1,942,939
Student transportation services	454,805	454,805	812	453,993
Central services	-	-	5,461	(5,461)
Total expenditures	<u>21,061,611</u>	<u>21,061,611</u>	<u>6,835,447</u>	<u>14,226,164</u>
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios
For the year ended June 30, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability*						
Service cost	\$ 819,092	\$ 850,873	\$ 850,873	\$ 948,433	\$ 948,433	\$ 770,308
Interest	901,052	929,912	875,677	551,063	534,590	814,991
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(3,237,020)	(570,149)	2,394,971	-
Changes of assumptions	-	235,476	2,261,378	(207,461)	(4,562,553)	-
Benefit payments	<u>(1,035,941)</u>	<u>(980,241)</u>	<u>(947,209)</u>	<u>(918,488)</u>	<u>(896,184)</u>	<u>(832,819)</u>
Net change in total OPEB liability	684,203	1,036,020	(196,301)	(196,602)	(1,580,743)	752,480
Total OPEB liability - beginning	<u>22,921,861</u>	<u>23,606,064</u>	<u>24,642,084</u>	<u>24,445,783</u>	<u>24,249,181</u>	<u>22,668,438</u>
Total OPEB liability - ending	<u>\$ 23,606,064</u>	<u>\$ 24,642,084</u>	<u>\$ 24,445,783</u>	<u>\$ 24,249,181</u>	<u>\$ 22,668,438</u>	<u>\$ 23,420,918</u>
Covered-employee payroll	<u>\$ 3,885,258</u>	<u>\$ 3,885,258</u>	<u>\$ 3,573,064</u>	<u>\$ 3,573,064</u>	<u>\$ 3,996,484</u>	<u>\$ 3,996,484</u>
Net OPEB liability as a percentage of covered-employee payroll	607.58%	634.25%	684.17%	678.67%	567.21%	586.04%

* Equal to Net OPEB Liability

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the year ended June 30, 2023

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana (TRSL)					
2023	0.15%	\$ 14,547,853	\$ 8,784,921	166%	72.40%
2022	0.14%	\$ 7,818,150	\$ 7,343,502	106%	83.90%
2021	0.15%	\$ 16,443,084	\$ 6,925,045	237%	65.60%
2020	0.14%	\$ 13,919,619	\$ 6,320,783	220%	68.60%
2019	0.13%	\$ 12,638,342	\$ 6,029,551	210%	68.20%
2018	0.13%	\$ 13,077,192	\$ 6,187,541	211%	65.60%
2017	0.15%	\$ 18,183,057	\$ 7,392,466	246%	59.90%
2016	0.17%	\$ 18,232,085	\$ 9,140,137	199%	62.50%
2015	0.19%	\$ 19,683,718	\$ 9,102,057	216%	63.70%
Louisiana School Employees' Retirement System (LSERS)					
2023	0.24%	\$ 1,618,224	\$ 772,475	209%	75.52%
2022	0.22%	\$ 1,058,873	\$ 660,939	160%	82.50%
2021	0.20%	\$ 1,575,860	\$ 580,415	272%	69.67%
2020	0.22%	\$ 1,542,334	\$ 606,607	254%	73.49%
2019	0.21%	\$ 1,413,344	\$ 628,327	225%	74.40%
2018	0.17%	\$ 1,132,370	\$ 506,555	224%	75.03%
2017	0.23%	\$ 1,721,481	\$ 648,185	266%	70.09%
2016	0.26%	\$ 1,667,877	\$ 824,133	202%	74.49%
2015	0.30%	\$ 1,745,440	\$ 841,994	207%	76.18%

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

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Employer Retirement Contributions
For the year ended June 30, 2023

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Teachers' Retirement System of Louisiana (TRSL)					
2023	\$2,453,307	\$2,453,307		\$ 9,735,345	25.2%
2022	\$2,213,800	\$2,213,800		\$ 8,580,620	25.8%
2021	\$1,894,624	\$3,186,039	-	\$ 7,343,504	25.8%
2020	\$1,800,512	\$2,950,094	-	\$ 6,925,046	26.0%
2019	\$1,687,649	\$2,937,414	-	\$ 6,320,783	26.7%
2018	\$1,686,317	\$1,686,317	-	\$ 6,022,561	28.0%
2017	\$1,723,591	\$1,723,591	-	\$ 6,177,746	27.9%
2016	\$2,054,589	\$2,054,589	-	\$ 7,390,608	27.8%
2015	\$2,475,758	\$2,475,758	-	\$ 9,135,638	27.1%
Louisiana School Employees' Retirement System (LSERS)					
2023	\$ 248,340	\$ 248,340		\$ 865,296	28.7%
2022	\$ 224,134	\$ 224,134		\$ 780,955	28.7%
2021	\$ 189,381	\$ 366,873	-	\$ 659,864	28.7%
2020	\$ 170,642	\$ 368,291	-	\$ 580,415	29.4%
2019	\$ 169,850	\$ 340,399	-	\$ 606,607	28.0%
2018	\$ 170,642	\$ 170,642	-	\$ 627,360	27.2%
2017	\$ 151,609	\$ 151,609	-	\$ 507,054	29.9%
2016	\$ 199,990	\$ 199,990	-	\$ 647,217	30.9%
2015	\$ 271,964	\$ 271,964	-	\$ 824,133	33.0%

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Required Supplementary Information

(1) Retirement Systems

Changes of assumptions –

Teachers' Retirement System of Louisiana (TRSL)

* Year Ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase	
					Lower Range	Upper Range
2015	7.75%	7.75%	2.50%	5	3.50%	10.00%
2016	7.75%	7.75%	2.50%	5	3.50%	10.00%
2017	7.75%	7.75%	2.50%	5	3.50%	10.00%
2018	7.70%	7.70%	2.50%	5	3.50%	10.00%
2019	7.65%	7.65%	2.50%	5	3.50%	4.80%
2020	7.55%	7.55%	2.50%	5	3.30%	4.80%
2021	7.45%	7.45%	2.30%	5	3.10%	4.60%
2022	7.40%	7.40%	2.30%	5	3.10%	4.60%
2023	7.25%	7.25%	2.30%	5	3.10%	4.60%

Louisiana School Employees' Retirement System (LSERS)

* Year Ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	7.00%	7.00%	2.75%	3	2.50% - 2.75%
2017	7.125%	7.125%	2.625%	3	3.075% - 5.375%
2018	7.125%	7.125%	2.625%	3	3.075% - 5.375%
2019	7.0625%	7.0625%	2.50%	3	3.25%
2020	7.00%	7.00%	2.50%	3	3.25%
2021	7.00%	7.00%	2.50%	3	3.25%
2022	6.90%	6.90%	2.50%	3	3.25%
2023	6.80%	6.80%	2.50%	3	3.25%

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Required Supplementary Information

(2) Other Post-Employment Benefits

Changes of assumptions –

Year Ended June 30,	Discount Rate	Medical Trend Rate	Inflation Rate
2018	3.88%	5.50%	3.00%
2019	3.50%	5.50%	3.00%
2020	2.21%	4.50%	3.00%
2021	2.16%	4.50%	3.00%
2022	3.54%	4.50%	3.00%
2023	3.54%	4.50%	3.00%

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

(3) Budget Practices

In May, the Superintendent submits to the School Board the proposed annual budget for the fiscal year beginning July 1st. The proposed budget is made available for public inspection and comments by taxpayers prior to September 15th. The School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopt a balanced budget, whereby total budgeted revenues and other financial sources, including fund balance, must equal or exceed total budgeted expenditures and other financing uses.

The budget is prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

The level of control over the budget is exercised at the function or program. The Superintendent and/or assistant superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Title II

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

IDEA

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

Sales Tax Maintenance Fund

This fund accounts for the collection and use of the School Board's maintenance dedicated sales tax.

Student Activity Funds

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

Other Funds

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Title II	IDEA	Sales Tax Maintenance Fund	Student Activity Funds	Other Funds	Total
ASSETS						
Cash and interest-bearing deposits	\$ -	\$ 5,775	\$ 11,174	\$ 64,589	\$ 1,329,501	\$ 1,411,039
Receivables	-	-	125,125	-	-	125,125
Due from other governments	34,525	97,533	-	-	488,898	620,956
Interfund receivables	<u>15,315</u>	<u>62,022</u>	<u>8,288</u>	<u>-</u>	<u>178,222</u>	<u>263,847</u>
Total assets	<u>49,840</u>	<u>165,330</u>	<u>\$ 144,587</u>	<u>\$ 64,589</u>	<u>\$ 1,996,621</u>	<u>\$ 2,420,967</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	13,491	\$ 26,938	\$ -	\$ 259,965	\$ 300,394
Accrued salaries and related benefits	5,047	52,466	77,367	-	396,005	530,885
Interfund payables	37,590	99,373	52,484	-	1,135,057	1,324,504
Unearned revenue	<u>7,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,531</u>	<u>12,734</u>
Total liabilities	<u>49,840</u>	<u>165,330</u>	<u>156,789</u>	<u>-</u>	<u>1,796,558</u>	<u>2,168,517</u>
Fund balances:						
Restricted	-	-	-	64,589	200,063	264,652
Unassigned	<u>-</u>	<u>-</u>	<u>(12,202)</u>	<u>-</u>	<u>-</u>	<u>(12,202)</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>(12,202)</u>	<u>64,589</u>	<u>200,063</u>	<u>252,450</u>
Total liabilities and fund balances	<u>\$ 49,840</u>	<u>\$ 165,330</u>	<u>\$ 144,587</u>	<u>\$ 64,589</u>	<u>\$ 1,996,621</u>	<u>\$ 2,420,967</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2023

	Title II	IDEA	Sales Tax Maintenance Fund	Student Activity Funds	Other Funds	Total
Revenues						
Local sources:						
Sales tax	\$ -	\$ -	\$ 766,141	\$ -	\$ -	\$ 766,141
Interest	-	-	204	-	-	204
Other	-	-	-	258,550	190,131	448,681
State sources:						
Other	-	-	-	-	402,236	402,236
Federal sources	<u>36,511</u>	<u>568,815</u>	<u>-</u>	<u>-</u>	<u>1,435,195</u>	<u>2,040,521</u>
Total revenues	<u>36,511</u>	<u>568,815</u>	<u>766,345</u>	<u>258,550</u>	<u>2,027,562</u>	<u>3,657,783</u>
Expenditures						
Current:						
Instruction -						
Regular programs	-	-	152,202	-	338,744	490,946
Special education programs	-	63,629	-	-	798	64,427
Other instructional programs	3,867	101,227	-	258,699	590,845	954,638
Support services -						
Pupil support services	-	41,906	-	-	176,780	218,686
Instructional staff support services	32,644	361,609	-	-	850,844	1,245,097
General administration	-	-	1,737	-	-	1,737
School administration	-	-	-	-	20,177	20,177
Business services	-	-	31,971	-	-	31,971
Plant services	-	444	599,540	-	-	599,984
Student transportation services	-	-	187,308	-	9,291	196,599
Central services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,017</u>	<u>30,017</u>
Total expenditures	<u>36,511</u>	<u>568,815</u>	<u>972,758</u>	<u>258,699</u>	<u>2,017,496</u>	<u>3,854,279</u>
Excess (deficiency) of revenues over expenditures	-	-	(206,413)	(149)	10,066	(196,496)
Other financing sources (uses)						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,188</u>	<u>1,188</u>
Net change in fund balances	-	-	(206,413)	(149)	11,254	(195,308)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>194,211</u>	<u>64,738</u>	<u>188,809</u>	<u>447,758</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,202)</u>	<u>\$ 64,589</u>	<u>\$ 200,063</u>	<u>\$ 252,450</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedules of Compensation
For the Year Ended June 30, 2023

A detail of compensation paid to the Board is as follows:

Shelly Crawford	\$ 4,800
Eddie Fountain	4,800
Kathy Gultery	8,800
Oscar Hamilton	9,900
Paula Hamilton	4,717
Marguerite Hargrave	9,600
Lisa Johnson	9,600
Jeffery Wilson	<u>9,600</u>
	<u>\$ 61,817</u>

A detail of compensation, benefits and other payments paid to Charlie Butler, Superintendent is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 114,238
Benefits- insurance	\$ 7,232
Benefits- retirement	\$ 30,251
Benefits- taxes	\$ 1,730
Car allowance	\$ 7,600

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*
Gerald A. Thibodeaux, Jr., CPA*

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

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

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

Dr. Charlie Butler, Superintendent,
and Members of the Madison Parish School Board
Tallulah, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish School Board, (the School Board) as of and for the year ended June 30, 2023, 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 January 31, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we

consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as described in the accompanying schedule of findings and questioned costs as items 2023-002 through 2023-004.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
January 31, 2024

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
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Bryan K. Joubert, CPA
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Of Counsel
C. Burton Kolder, CPA*
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Dr. Charlie Butler, Superintendent,
and Members of the Madison Parish School Board
Tallulah, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Madison 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 Board's major federal programs for the year ended June 30, 2023. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023

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 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 requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and the provisions of contracts or grant agreements applicable to the School Board's federal programs.

Auditor's 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 judgment 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 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
January 31, 2024

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures
<u>United States Department of Agriculture-</u>			
Passed through Louisiana Department of Education-			
<u>Child Nutrition Cluster</u>			
School Breakfast Program	10.553	N/A	\$ 303,727
National School Lunch Program	10.555	N/A	\$ 866,701
Passed through Louisiana Department of Agriculture and Forestry-			
Food Distribution	10.555	N/A	<u>59,434</u>
Total assistance listing number 10.555			<u>926,135</u>
Total Child Nutrition Cluster			<u>1,229,862</u>
Total United States Department of Agriculture			<u>1,229,862</u>
<u>United States Department of Education-</u>			
Passed through National Institute for Excellence in Education			
Teacher Incentive Fund	84.374	N/A	<u>62,279</u>
Passed through Louisiana Department of Education			
Title I Grants to Local Educational Agencies	84.010A	28-23-T1-33	1,714,467
Title I 1003A Direct Student Services	84.010A	28-23-DSS-33	22,093
Title I Redesign 1003a	84.010A	28-22-RD19-33	<u>132,574</u>
Total assistance listing number 84.010			<u>1,869,134</u>
<u>Special Education Cluster</u>			
Special Education Grants to States-IDEA Part B	84.027	28-23-B1-33	509,236
Special Education Grants to States	84.027	28-22-IA11-33	23,600
Special Education Grants to States-IDEA 611 Set Aside	84.027	28-22-IISA-33	<u>9,014</u>
Total assistance listing number 84.027			541,850
Special Education-Preschool Grants	84.173	28-22-P1-33	22,416
Special Education Grants to States-IDEA 619 Set Aside	84.173	28-22-I9SA-33	<u>4,549</u>
Total assistance listing number 84.173			<u>26,965</u>
Total for Special Education Cluster			<u>568,815</u>
Student Support and Academic Enrichment Program	84.424	28-23-71-33	<u>37,397</u>
LA Gear Up	84.334	N/A	<u>20,434</u>
21st Century Community Learning Center	84.287	28-22-2C-33	<u>1,064,076</u>
Education Stabilization Fund - COVID 19	84.425A	28-21-REL2-33	54,514
Education Stabilization Fund - COVID 19	84.425D	28-21-ES2I-33	568
Education Stabilization Fund - COVID 19	84.425U	N/A	9,570
Education Stabilization Fund - COVID 19	84.425D	28-21-ES2F-33	1,214,585
Education Stabilization Fund - COVID 19	84.425U	28-21-ES3F-33	4,405,896
Education Stabilization Fund - COVID 19	84.425U	28-21-ESEB-33	<u>1,150,882</u>
Total assistance listing number 84.425			<u>6,836,015</u>
Supporting Effective Instruction State Grants - Title IIA	84.367A	28-23-50-33	<u>36,511</u>
Total United States Department of Education			<u>10,494,661</u>
<u>United States Department of Health and Human Services</u>			
Passed through Louisiana Department of Education-			
Temporary Assistance for Needy Families	93.558	28-22-36-33	<u>116,777</u>
Total United States Department of Health and Human Services			<u>116,777</u>
TOTAL FEDERAL AWARDS			<u>\$11,841,300</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

(1) General

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Madison Parish School Board under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Madison Parish School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Madison Parish School Board.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2023. 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.

(3) Noncash Programs

The commodities received, which are noncash revenues, are valued using pricing provided by the United States Department of Agriculture.

(4) Subrecipients

No amounts were provided to subrecipients.

(5) Indirect Cost Rate

The School Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting

Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
Significant deficiencies identified?	_____ <u>X</u> yes	_____ none reported

Noncompliance material to financial statements noted?	_____ <u>X</u> yes	_____ no
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Federal Awards

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

Internal control over major programs

Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
Significant deficiencies identified?	_____ yes	_____ <u>X</u> none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____ yes	_____ <u>X</u> no
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Major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund - COVID 19
84.287	Twenty First Century Community Learning

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

Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> no
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MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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

A. Internal Control Findings –

2023-001 Financial Records/Reconciliations

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

Condition: Several issues were identified through audit procedures: (1) the payroll clearing fund contained a significant volume of unreconciled interfund checks; (2) the general ledger system at the School Board had a high volume of uncleared outstanding items that required a significant amount of investigation and adjusting entries to resolve; (3) several of the School Board's grant funds were not timely monitored for overspending and/or submission of reimbursement requests.

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

Effect: The School Board's financial records contained errors.

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

View of Responsible Officials: *The bank accounts are reconciled thoroughly, and entries made on a monthly basis to assure a more accurate set of books. More monitoring and timely filing of State and Federal requisitions has been occurring during the fiscal year being audited.*

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

B. Compliance Findings –

2023-002 General Obligation Bond Continuing Disclosure

Criteria: Bond continuing disclosure requirements.

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

Cause: The School Board failed submit required continuing disclosures.

Effect: Continuing disclosure requirements were not met.

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

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

2023-003 Late Report Issuance

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

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

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

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

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

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

2023-004 Local Government Budget Act

Criteria: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for amending the budget when total revenue plus projected revenue are failing to meet total budgeted revenues by 5% or more.

Condition: Revenues in the School Food Service Fund failed to meet estimated revenues by more than 5%.

Cause: The condition is a result of failing to properly amend the budget as required.

Effect: The School Board is not in compliance with R.S. 39:1311.

Recommendation: The School Board should monitor the budget and make additional amendments as necessary.

View of Responsible Officials: The School Board made amendments to the budget throughout the year and will continue to monitor amounts for adjustment.

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

No items to be reported.

Board Members:

District 6
Rev. D. W. Hamilton
President

District 8
Mrs. Marguerite Hargrave
Vice-President

District 1
Mr. Jeff Wilson
District 3
Rev. Eddie Fountain
District 5
Ms. Paula Hamilton
District 4
Mrs. Kathy Gultery
District 7
Ms. Lisa Johnson
District 2
Ms. Shelly Crawford



Madison Parish School Board

Post Office Box 1620

Tallulah, Louisiana 71284-1620

(318) 574-3616

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

Madison Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2023.

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

Audit Period: Fiscal year ended June 30, 2023

The findings from the June 30, 2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

2023-001 Financial Records/Reconciliations

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

CORRECTIVE ACTION PLAN: The bank accounts reconciled thoroughly and entries made on a monthly basis to assure a more accurate set of books. Staff are using the sub codes of the general ledger accounts codes more frequently than past years that should result in a substantial improvement in the accuracy of the books. Both the unreconciled and voluminous number of outstanding items will decline to a reasonable level. More monitoring and timely filing of State and Federal requisitions has been occurring during the fiscal year.

Expected completion date: June 2024

2023-002 General Obligation Bond Continuing Disclosure

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

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

Expected completion date: June 2024

2023-003 Late Report Issuance

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

CORRECTIVE ACTION PLAN: The effort to close out the books for FYE June 30, 2024 is much further ahead of prior years and the accounting team is very confident that the annual financial report will be filed on time

"Unity: In Pursuit Of Excellence! "

The Madison Parish School Board Is An Equal Opportunity Employer

Expected completion date: December 2024

2023-004 Local Government Budget Act

RECOMMENDATION: The School Board should monitor the budget and make additional amendments as necessary.

CORRECTIVE ACTION PLAN: Amendments were made to the budget throughout the year. We will continue to monitor the budget and make additional adjustments when necessary.

Expected completion date: June 2024

If there are questions regarding the plan, contact:

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

Telephone: 318-574-3616.

Sincerely,



Elvin Parker
Business Manager

MADISON PARISH SCHOOL BOARD
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Dr. Charlie Butler, Superintendent,
and Members of the Madison Parish School Board
the Louisiana Department of Education and
the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Madison Parish School Board (School Board) for the fiscal year ended June 30, 2023; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514. Management of the School Board is responsible for its performance and statistical data.

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

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, and
 - Nonpublic Transportation Revenue.

There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

We noted one exception.

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

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

There were no exceptions noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

We noted one exception.

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

We are required to be independent of the School Board and to meet our 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 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
January 31, 2024

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2023

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

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

Schedule 2 (Formerly Schedule 6) – Class Size Characteristics

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana
Schedule 1

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2023

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 3,351,749	
Other instructional staff salaries	1,050,728	
Instructional staff employee benefits	1,848,982	
Purchased professional and technical services	143,992	
Instructional materials and supplies	69,915	
Instructional equipment	-	
Total teacher and student interaction activities	-	\$ 6,465,366

Other instructional activities: 202,925

Pupil support activities	848,005	
Less: Equipment for pupil support activities	-	
Net pupil support activities	-	848,005

Instructional staff services	483,795	
Less: Equipment for instructional staff services	-	
Net instructional staff services	-	483,795

School Administration	708,068	
Less: Equipment for school administration	-	
Net school administration	-	708,068

Total general fund instructional expenditures \$ 8,708,159

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

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 393,731	
Renewable ad valorem tax	576,781	
Debt service ad valorem tax	-	
Up to 1% of collections by the Sheriff on taxes other than school taxes	118,883	
Sales and use taxes	1,537,640	
Total local taxation revenue	-	\$ 2,627,035

Local earnings on investment in real property:

Earnings from 16th section property	\$ 31,582	
Earnings from other real property	-	
Total local earnings on investment in real property	-	\$ 31,582

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 79,463	
Revenue sharing - other taxes	2,098	
Revenue sharing - excess portion	-	
Other revenue in lieu of taxes	-	
Total state revenue in lieu of taxes	-	\$ 81,561

Nonpublic textbook revenue \$ -

Nonpublic transportation revenue \$ -

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana
Schedule 2

Class Size Characteristics
As of October 1, 2022

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	17.3%	23	67.7%	90	15.0%	20	0.0%	-
Elementary Activity Classes	0.0%	-	100.0%	7	0.0%	-	0.0%	-
Middle/Jr. High	55.2%	48	28.7%	25	16.1%	14	0.0%	-
Middle/Jr. High Activity Classes	93.8%	15	6.3%	1	0.0%	-	0.0%	-
High	88.4%	191	10.6%	23	0.9%	2	0.0%	-
High Activity Classes	77.1%	27	17.1%	6	2.9%	1	2.9%	1
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-

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

MADISON PARISH SCHOOL BOARD

Tallulah, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2022 through June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel

C. Burton Kolder, CPA*
Gerald A. Thibodeaux, Jr., CPA*

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

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
Madison 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, 2022 through June 30, 2023. Madison 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, 2022 through June 30, 2023. 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 whether 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, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(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.

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. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds 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.

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, 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.

Collections (excluding EFTs)

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 and 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.

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.

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.

Travel and Travel-Related Expense Reimbursements (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.

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.

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 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/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.

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.

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 bond/note 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).

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.

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.

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.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Policies and Procedures:

The School Board does not have written policies and procedures addressing IT/Disaster Recovery/Business Continuity and Contracting.

The School Board's written policies and procedures addressing purchasing do not cover the documentation required to be maintained for all bids and price quotes.

The Board's written policies and procedures addressing ethics do not include the prohibitions as defined in Louisiana Revised Statute 42:1111-1121.

The School Board does not have written policies and procedures addressing contracting.

Board Minutes:

The Board meeting minutes did not reference or include 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.

The Board meeting minutes did not contain written updates of the progress of resolving audit finding(s), according to management's corrective action plan.

Bank Reconciliations:

For one of the five accounts tested, the bank reconciliation was not prepared within two months of the statement closing date.

For five of the five accounts tested, the bank reconciliation did not contain evidence of management review.

Cash Collections:

For five of the five deposits tested, the collection date could not be determined, and original documentation was not observed.

Five of the five deposits selected were not deposited within one day of receipt.

Disbursements:

For fifteen of the twenty-five disbursements tested, original documentation was not provided, and segregation of duties was not observed.

Credit Cards:

For two of the seven transactions tested, original documentation and business/public purpose was not provided.

Ethics:

Five of the five employees tested completed some ethics training but not the required full hour.

The School Board has not appointed an ethics designee as required by R.S. 42:1170

Sexual Harassment:

The entity's report on sexual harassment did not include all required information.

Five of the five employees tested completed some sexual harassment training, but not the required full hour.

Management's Response:

Management of the School Board concurs with the exceptions and is working to address the deficiencies identified.

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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
January 31, 2024