

2025

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT





ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2025



LAFAYETTE
PARISH SCHOOL SYSTEM

Strength. Tradition. Excellence.

Lafayette, Louisiana

Prepared by the Business Services Division:

Anthony Mouton, CPA
Chief Financial Officer

Virginia Turnage, CPA
Accounting Supervisor

Heather LeBlanc
Budget Supervisor

2024-2025 Business Services Division Staff:

Lisa Breaux, Paul Degeyter, Jasmine Fitzpatrick, Edna Fuselier, Melissa Green, Gabrielle Matt, Katherine Small, Amy Andaya, Gwen Francis, Christy Gravois, Rose Miller, Phyllis Collette, Kimberly Charles, Tobie Darby, Alyssa Lapeyrouse, Tina Miller, Shantel Venable, Leah Tapo, Jennifer Usie, Cathy Knott, Renee Credeur, Stephanie Adams, Larry Breaux, Shelley Batten, Kristie Sam, Stacey Ashy, Brent Hebert, Quatrina Comeaux, Olanda Gray, Corrine Iden, Susan Kerry, Nancy Marks, Monica Moton, Delane Power, Dana Romero, Crystal Savage, Wendi Welsh



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

Lafayette Parish School System
Lafayette, Louisiana
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Table of Contents

	<u>Page(s)</u>
Table of Contents	i – iv
I. Introductory Section	
Message from the Superintendent.....	v
Letter of Transmittal	vii-xvi
Government Finance Officers Association	
<i>Certificate of Achievement for Excellence in Financial Reporting</i>	xvii
Association of School Business Officials International	
<i>Certificate of Achievement for Excellence in Financial Reporting</i>	xviii
Organizational Chart.....	xix
Principal & Administrative Officials.....	xx
II. Financial Section	
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis.....	5-23
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	25
Statement of Activities	26
Fund Financial Statements	
Balance Sheet-Governmental Funds	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Net Position - Proprietary Fund – Group Insurance Internal Service Fund	31
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund – Group Insurance Internal Service Fund	32
Statement of Cash Flows - Proprietary Fund – Group Insurance Internal Service Fund	33-34
Statement of Fiduciary Net Position.....	35
Statement of Changes in Fiduciary Net Position	36
Notes to the Basic Financial Statements	37-80

Lafayette Parish School System
Lafayette, Louisiana

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

Table of Contents

	<u>Page(s)</u>
Required Supplementary Information	
Budgetary Comparison Schedule-General Fund	82
Budgetary Comparison Schedule-Consolidated Special Revenue	83
Schedule of Employer’s Share of Net Pension Liability	84
Schedule of Employer Contributions.....	85
Schedule of Changes in Net OPEB Liability and Related Ratios.....	86-87
Schedule of Net OPEB Liability.....	88-89
Schedule of Employer Contributions.....	90-91
Schedule of Investment Returns	92
Notes to Required Supplementary Information.....	93-96
Other Supplementary Information (Optional)	
Schedule of Collections, Distributions, and Costs of Collection.....	97-98
Combining Balance Sheet – By Fund Type – Nonmajor Governmental Funds.....	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – By Fund Type -- Nonmajor Governmental Funds.....	100
Nonmajor Special Revenue Funds	
Combining Balance Sheet	102-103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104-105
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – 2002 Sales Tax Fund	106
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – Consolidated Other (ESSA).....	107
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Consolidated Special Education.....	108
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Consolidated Adult Education.....	109
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – Federal Title I (ESSA).....	110
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – Consolidated Other Federal Programs.....	111
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – Consolidated Other State	112
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Child Development Program.....	113
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – School Food Service.....	114
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – School Activity	115
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – On Track by 5	116

Lafayette Parish School System
Lafayette, Louisiana
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Table of Contents

	<u>Page(s)</u>
Nonmajor Debt Service Funds	
Combining Balance Sheet	117
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	118
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Consolidated School District #1	119
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – Sales Tax Revenue Bonds	120
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – Other Debt Service	121
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual – USDA Sinking Fund – Southside High	122
 Nonmajor Capital Projects Funds	
Combining Balance Sheet	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	124

III. Statistical Section (Unaudited)

	Table
Statistical Section Narrative.....	125
Net Position by Component, Last Ten Fiscal Years	126 I
Change in Net Position, Last Ten Fiscal Years	128-129 II
General Revenues and Total Change in Net Position, Last Ten Years.....	130-131 III
Fund Balances of Governmental Funds, Last Ten Fiscal Years	132-133 IV
Governmental Funds Revenues, Last Ten Fiscal Years	134-135 V
Governmental Funds Expenditures and Debt Service Ratio, Last Ten Fiscal Years	136-137 VI
Other Financing Sources and Uses and Net Changes in Fund Balance, Last Ten Fiscal Years.....	138-139 VII
Assessed and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	140-141 VIII
Gross Sales Tax Revenue, Last Ten Fiscal Years.....	142 IX
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	144-145 X
Principal Property Tax Payers, Current Year and Nine Years Ago	146 XI
Property Tax Levies and Collections, Last Ten Tax Years	147 XII
Ratios of Outstanding Debt by Type, Last Ten Tax Years	148 XIII
Ratios of General Bonded Debt, Last Ten Tax Years.....	150-151 XIV
Direct and Overlapping Governmental Activities Debt.....	152 XV
Computation of Legal Debt Margin, Last Ten Fiscal Years.....	154-155 XVI
Pledged-Revenue Coverage, Last Ten Fiscal Years	156 XVII
Demographics and Economic Statistics, Last Ten Calendar Years	157 XVIII

Lafayette Parish School System
Lafayette, Louisiana

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Table of Contents

	<u>Page(s)</u>	
Principal Employers, Current Year and Nine Years Ago	158	XIX
Full-Time Equivalent District Employees by Type, Last Ten Fiscal Years	160-161	XX
State Support and Local Support Per Student, Last Ten Fiscal Years	162	XXI
Miscellaneous Statistical Data	163	XXII
Capital Asset Information, Last Ten Fiscal Years	164	XXIII

IV. Single Audit Section

Schedule of Expenditures of Federal Awards.....	165-166	
Notes to Schedule of Expenditures of Federal Awards	167	
Summary Schedule of Prior Audit Findings	169-173	
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 <i>Government Auditing Standards</i>	175-176	
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	177-179	
Schedule of Findings and Questioned Costs.....	180-280	
Corrective Action Plan.....	282-334	



Introductory Section



LAFAYETTE
PARISH SCHOOL SYSTEM

P.O. Drawer 2158
Lafayette, LA 70502
PH: 337.521.7000
Website:
www.lpssonline.com

March 31, 2026

The President and Members of the
Lafayette Parish School Board
202 Rue Iberville
Lafayette, Louisiana 70508

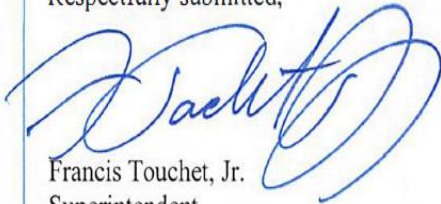
Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) for Lafayette Parish School System for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for the accuracy, completeness, and fairness of the information contained in this report rests with the School System. It is our belief that the data presented herein, is accurate in all material respects and is presented in a manner that fairly states the financial position of our School System.

I am proud to state that we applied for and received two prestigious awards for 2024 reporting: (1) Government Finance Officers Association's (GFOA) Certification of Achievement for Excellence in Financial Reporting and (2) Association of School Business Officials' (ASBO) Certification of Excellence in Financial Reporting. We have prepared this ACFR in compliance with national standards.

The Business Services Division is to be commended for their efforts and compliance with the national standards. Also, special recognition is due the many staff members whose leadership and abilities uphold the highest standards of fiscal accountability. Further, I would like to thank the School Board for their support and direction.

Respectfully submitted,



Francis Touchet, Jr.
Superintendent



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.



LAFAYETTE

PARISH SCHOOL SYSTEM

P.O. Drawer 2158

Lafayette, LA 70502

PH: 337.521.7000

Website:
www.lpssonline.com

To the Superintendent, Members of the School Board, and the Citizens of Lafayette Parish:

The Lafayette Parish School System (referred to in this letter as the “School System” and “LPSS”) is required to issue a complete set of financial statements within six months of the end of the fiscal year. These statements have been prepared in conformity with United States (U.S.) generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Therefore, we are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Lafayette Parish School System for the fiscal year ended June 30, 2025.

Management Representations

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the members of the Lafayette Parish School Board (“School Board”) and management of the School System. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in an approach designed to present, in a fair manner, the financial position and results of operations of various funds of the School System.

Internal Controls

In developing and evaluating the School System’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls established by management are designed to provide reasonable, but not absolute, assurance that: 1) assets are safeguarded against loss from unauthorized use or disposition; and 2) transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. We believe that the School System’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions; however, our independent auditors believe there are weaknesses within our internal controls.

Independent Audit

The School System’s financial statements have been audited by Kolder, Slaven & Company, LLC, a firm of licensed, independent, certified public accountants. The independent audit involved examining, on a test basis, the evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on the audit, that they could not render an opinion on whether the School System’s financial statements for the year presented are in conformity with U.S. GAAP. The independent auditor’s report is presented as the first component of the financial section in this document.

Single Audit

As a recipient of federal and state financial assistance, the School System is responsible for ensuring that an adequate internal control structure is in place for compliance with applicable laws and regulations related to these programs. This system of internal control is subject to periodic evaluations by administrators of district office and schools.

As part of the School System's single audit, tests are made to determine the adequacy of the system of internal controls, including the portion related to federal financial assistance programs, and to determine that the School System has complied with applicable laws and regulations. These reports are available in the School System's Single Audit Section located at the end of this document.

Management's Discussion and Analysis (MD&A)

GAAP requires that management staff provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A section and should be read in conjunction with it. The School System's MD&A can be found immediately following the independent auditor's report.

Profile of the School System

The School Board (LPSS) is a political subdivision created under Louisiana State Statutes and has the power to make rules and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the State Board of Elementary and Secondary Education. A board of nine members governs the School System, with each serving a four-year term.

The School System is contiguous with the boundaries of Lafayette Parish. It is located in the south-central part of the state of Louisiana, known as Acadiana, which is famous for its unique Cajun and Creole French heritage. Besides the City of Lafayette, which is the parish seat, there are five municipalities: Broussard, Carencro, Duson, Scott, and Youngsville. Lafayette Parish is strategically located at the crossroads of Interstates 10 and 49. The total parish population is approximately 250,819, with a public school student population (LPSS) of 29,706 for the fiscal year 2024-2025. Preliminary enrollment for 2025-2026 school year is 28,900.

The Lafayette Parish School System (LPSS) was ranked #1 Large School System in Louisiana. LPSS ranked #1 in Region IV and V and among all large districts in the K-8 and high school Progress Index measuring student growth. Twenty-one schools increased their School Performance Score. 98% of LPSS schools earned an A or B in student growth. J.W. Faulk Elementary earned its highest score ever. Dr. Raphael Baranco Elementary grew their score by 9.8 points, improving the letter grades for both ACE schools to a C. High schools posted their strongest ACT index results since 2019. Twenty-eight schools were named Top Gains Honorees for earning an A in progress. Thirteen schools were named Opportunity Honorees for strong performance in serving specific student groups, often outperforming 90% of schools statewide. Over 50% of our Pre-K sites attained the highest rating possible, outperforming the state average.

It is the responsibility of the School System to make public education available to all Lafayette Parish residents. The School System provides a full range of educational services covering levels from preschool to Grade 12. Educational services include regular and enriched academic education, special education, and vocational education. Other services, such as assessment, library, tutoring, transportation, and food services, are provided to augment the primary services and to promote the welfare of the students.

LPSS has many schools and several buildings that range in age from new to 80 years old as follows: three facilities ranging from 0 to 5 years old, one facility that is 7 years old, six facilities ranging from 21 to 30 years old, thirteen facilities ranging from 41 to 50 years old, nineteen facilities ranging from 51 to 60 years old, four facilities ranging from 61 to 70 years old, and two facilities ranging from 71 to 80 years old. Most buildings over 30 years old have had major renovations and additions.

This report includes all funds of the School System. The School System has one component unit: Other Post-Employment Benefits Trust Fund. It is reported as a fiduciary fund on the Board's financial statements. To learn more about the School System or individual schools within the system, visit our website at www.lpssonline.com.

Budget Process and Controls

The annual budget process serves as the foundation for the School System's financial planning and control. Each year, the School Board adopts a budget and approves the related appropriations for each fund. The budgets for the capital projects funds are prepared on a project basis and adopted annually to include carry-over for the prior year's incomplete projects. Each January, all applicable supervisors are given information on the status of the current year's budget. They review this information and input the necessary budget requests for the next fiscal year into the budget module within our financial software. The financial staff reviews the requests and prepares a working draft document for review by management staff in light of projected revenues and priorities of the School System. In early March, a proposed budget is presented to the School Board for discussion in a series of public workshops designed to involve the community in a transparent process. The approved final draft of the document is placed on public display for at least ten days, and then it is officially adopted at a public hearing. The State of Louisiana requires parish school systems to adopt the budget no later than September 15th of each year. The budget for fiscal year 2024-2025 was adopted on May 8, 2024, in compliance with the state statute. This adopted budget, as well as a history of past adopted budgets, can be found on the School System's website at <https://www.lpssonline.com/departments/business-services/budget-accounting/annual-budgets>.

Following budget adoption, a unified budget document is produced, which includes all significant funds. Incorporating all funds into a single, unified document facilitates further public and administrative review. Budgetary controls are exercised to ensure compliance with the annual appropriated budgets, as amended by the School Board. The School System maintains a computerized encumbrance accounting system as one technique of accomplishing budgetary control. During the fiscal year, management staff reviews periodic budgetary reports detailing the adopted or amended budget and remaining budget available. Budget revisions are presented to the School Board for approval quarterly and are based on the budget-to-actual status reports presented to the School Board monthly.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the School System operates.

Local Economy

The Lafayette Parish economy is strong and healthy because of its overall economic diversity and nonreliance on any particular industry. The City of Lafayette is the focal point of a four-parish metro-retail area (adjusted by the Office of Management and Budget) encompassing approximately 250,000 people. Lafayette is an energy, medical, transportation, finance, technology, entertainment, education and retail hub. The business base of the parish includes energy services, manufacturing, (general/special/advanced) health care, transportation and distribution, (K-12/post) education, corporate technology services, finance, tourism and other service-related industries. Within the top 50 employers in Lafayette Parish, no industry represented more than 26% of all top employers, making Lafayette's economic profile very diversified. Advancements in medical procedures and high-quality physicians within the region ignited intensive growth in healthcare and represented 26% of employment of all top employers.

The energy sector represented a minimal 5% of employment, while the education sector employed 22% as a top employer. Because of the wide variety of economic opportunities, Lafayette Parish is projected to experience a 3% increase in population over the next 3 years. In a twelve-month period, Lafayette Parish has exhibited growth in residential and commercial projects. Within this time frame, there were 1600 residential building permits adding assessment values over \$350 million, and 40 commercial building permits adding assessment values over \$147 million. As the parish population continues to grow, and businesses continue to develop and expand, our colleges and university will always have a pipeline of collegiate students to educate in our region.

Lafayette is the home of the University of Louisiana at Lafayette (UL Lafayette), the second-largest university in the state and the largest in the University of Louisiana System, with an enrollment exceeding 16,000. The university owns about 1,300 acres of land, of which is occupied by its main campus, an athletic complex, the Cajundome, a university research park, and other centers. In 2025, UL Lafayette conferred a total of 1,569 degrees at the Lafayette Cajundome this past spring. In the Fall of 2025, UL Lafayette is expecting to enroll over 3,000 students for a third year in a row. Other accolades have been promoted and highlighted by top magazines. According to the U.S. News & World report, UL Lafayette was ranked No. 84 in the Best Online Bachelor's Program category, meanwhile their Online Master's in Nursing Program was ranked No. 25 and their Master's in Accounting was ranked No. 29. The CEO Magazine ranked UL Lafayette's online MBA degree program No 62 and it recognized the University's traditional MBA program on its unranked list of Tier 1 schools, the publication's highest designation, with only 131 institutions making the Tier 1 cut. In late 2021, the university achieved the Carnegie Classification of Institutions of Higher Education's elite R1 designation. This prestigious designation is evaluated every three years, and UL Lafayette has retained it. Only 5% of the nation's colleges and universities have R1 status. This unique status creates opportunities for additional grant funding for research purposes. Over \$225 million was expended on research and development spanning several years. In summary, UL Lafayette helps to provide the parish with a stable economic base as well as a source of intellectual capital for the school system and the community.

Lafayette is also home to South Louisiana Community College (SLCC), which educates over 12,000 students annually. The school offers more than 50 programs that lead to associate degrees, technical diplomas and certificates. LPSS has partnered with SLCC to incorporate dual enrollment courses, which enable students to complete college-level academic courses while attending high school. In addition to dual enrollment, LPSS and SLCC also partnered to create the Early College Academy. This partnership enables students to graduate from the academy with an associate degree and a high school diploma. The Aspen Institute has also named SLCC a Top 200 community college in the nation for a fourth year in a row. This signature recognition is considered the Oscars for community colleges, with a potential award of \$1,000,000.

Diversification is a major reason the Lafayette economy has been able to endure market changes and economic downturns. A key sector that has contributed to our diversification has been the medical industry, ranging from a variety of medical practices to home health to hospitals. In addition to major medical facilities, Lafayette is home to preeminent physicians, researchers, and scientists, resulting in over 26% of jobs out of the Top 50 employers in Lafayette Parish. Oschner Lafayette General, which is comprised of several hospitals, currently employs over 4,800 employees in Lafayette and generates over \$500,000,000 annually. Our Lady of Lourdes, which is our second-largest hospital system, employs over 2,900 employees. Overall, the healthcare industry has been instrumental in creating job opportunities and balancing our industry profile.

Because of the Parish's economic diversification, the mining industry which includes Oil & Gas is no longer the dominant force in our local economy. Within this region, this particular industry no longer has the same level of impact it once did decades ago. According to the Lafayette Economic Development Authority, the mining industry makes up only 1.4% of the Lafayette MSA. This translates to a minimal impact on home purchases and sales/property taxes in the

event political winds or technological advances trample the industry. Since the industry has already hit rock bottom, any fluctuations in employment will hardly be noticed. Mining operations have been hovering at low levels for quite some time, essentially making it the new normal. This new norm puts Lafayette on the same playing field with most cities and states.

Lafayette's vision and technological aspirations have led to job growth in the technology industry. Efforts by the city, university, LEDA and state governor have positioned our community as a technology hub, resulting in large investments in technology infrastructure. Such investments include the fiber-to-the-home initiative, which offers high-speed internet, telephone, and television as a public utility. This initiative alone has compelled high-tech companies to relocate to Lafayette. For the past few years, Tech companies have been relocating and or expanding their business operations in Lafayette. Drone Institute has been added to the list of expansions within Lafayette Parish. The company has announced a \$340,000 expansion to its Lafayette Headquarters to consolidate its drone operations, data processing and pilot training within a single facility. The company is expected to create 610 direct new jobs over the next 10 years while retaining the existing staff. From this location, the company will manage nationwide drone missions, train pilots and geospatial analysts and develop imaging tools that help industrial clients detect and prevent infrastructure issues. Another technology company elected to launch its U.S. drone manufacturing facility in Lafayette. DMR Technologies announced it will establish its first full-scale U.S. manufacturing facility in Lafayette Parish. The company will produce and deploy its flagship drone and market it within the U.S. The site will serve as its primary domestic production hub, integrating advanced flight control printing, rotor manufacturing, assembly, quality control and logistics staging all under one roof. The geographical location and Lafayette's transportation infrastructure reduces lead time issues while enabling next-day fulfillment to their customers. The company expects to create 521 direct new jobs over a 10-year period. Blueflite, a technology and healthcare logistics company, will be expanding its footprint in Lafayette. Through various partnerships and over \$10 million in investments, the company will develop new drone technology for medical logistics and emergency responses, including critical medical supplies such as blood and medications.

The City of Lafayette and Lafayette Parish together have promoted a hospitable climate to businesses and other opportunities while continuing to experience a high level of job growth in various industries. A Baton Rouge-based company, MMR Group, has announced it will expand its operations in Lafayette Parish. This company is the largest open-shop electrical contractor in the U.S., providing engineering, construction, maintenance and technical services for industrial and commercial clients worldwide. The company will invest \$55.2 million towards a new facility that will produce electrical components that are used in high-growth sectors such as data centers and semiconductors. The company expects to create 196 direct jobs in Lafayette over the next 10 years. In the new facility, MMR Group will create critical elements in the construction of AI and data centers. On the other end of the business spectrum, Buc-ee's will be building a large travel center in Lafayette. The company expects to spend \$82 million on the project, of which \$12.5 million will be spent on public infrastructure. The new 74,000 square foot facility will house approximately 120 gas pumps and other amenities that will attract visitors passing through the region. The company expects to create at least 150 new jobs with a starting wage of \$17 per hour.

According to the U.S. Bureau of Labor Statistics, around June of 2024, the unemployment rate was 4.2% for the Lafayette Metropolitan area; however, the metropolitan area consisted of 5 parishes at that time. In June of 2025 the unemployment rate was 4.3%, but Iberia Parish was excluded from the Lafayette MSA in 2025. The Lafayette Metropolitan's unemployment rate was only .2% points lower in comparison to the national unemployment rate of 4.1% during the same time period. Under a revised labor force of 200,613, only 8,581 citizens were unemployed in the region.

Lafayette Metropolitan Area										
Average Unemployment Rates By Calendar Year										
2016	2017	2018	2019	2020	2021	2022	2023	2024	2024	2025
7.1	5.6	4.9	4.6	8.0	5.2	3.4	3.4	3.6	4.0	3.8

Retail sales in Lafayette Parish for the fiscal year ended June 30, 2025, reflected an overall 5% increase year over year, which represents a healthy and steady growth. Retail sales are categorized into ten groups (food, apparel, general merchandise, automotive, home furnishings, building materials, miscellaneous services, manufacturers, utilities, and miscellaneous). Sales increased in seven out of ten categories. The food category experienced the largest increase of 5% year over year, trailing a 7% increase in the prior year. Building materials experienced a 4% increase in comparison to no growth the previous year.

The Lafayette Parish economy is fundamentally getting stronger and continues to be attractive to new businesses in part due to local and state tax incentives, our technological infrastructure as well as our skilled workforce. In addition, the Louisiana Economic Development named the city and parish of Lafayette as a Development Ready Community. This distinction is a state certification that signifies the local investment readiness of the region. By going through the certification process, it incentivizes participants to be more competitive for new jobs and investments and guides communities to create and implement a strategic economic development plan. By following such plans, communities learn to leverage their local assets while addressing unique challenges to empower business growth. Additional information about Lafayette and its economy can be found on the Lafayette Economic Development Authority’s (LEDA) website at www.lafayette.org.

Long-Term Financial Planning

The 2025-2026 adopted budget reflects a 7% decrease in local revenues compared to 2024-2025 final budgeted revenues. The decreases are a result of management’s conservative approach to budgeting in order to prevent financial shocks to the budget in the event revenue sources are negatively affected. State revenues which primarily consist of Minimum Foundation Program (MFP) funding are budgeted with a 2% increase over the previous fiscal year. The increase reflects unbudgeted state allocations.

The total 2025-2026 adopted budget expenditures are 2% above the prior year’s final budgeted expenditures. Next year’s budgeted expenditures include a salary step increase for all full-time employees, additional transfers to charter schools, and additional group health insurance expenses. Charter school allocations (MFP funds sent by the Louisiana Department of Education (LDOE) directly to local and distant charter schools) have increased substantially to \$68.4 million. This figure is comprised of both a state component and a local component. The state component is defined as the initial calculated reduction of State funding from the Lafayette Parish School System based on charter school enrollment. The Local Component is a second reduction of State funding by way of indirectly diverting local property taxes and local sales taxes from the Lafayette Parish School System, of which the LDOE believes the school district owes the charter schools based on student enrollment. Although the process is logical in nature, it is inequitable in reality. All of LPSS’s sales taxes are dedicated to specific objectives, debt obligations and programs. As local taxation is transferred to charter schools, the dedications associated with the funds are not transferred. It is as though the dedicated taxes are being administratively laundered to be used in any capacity once it reaches a charter school and is legislatively inequitable. In the FY 25-26 budget, and based on estimated charter enrollments, \$4.4 million was added to “External Transfers to Charter Schools” in anticipation of an elevated expense.

It is important to emphasize that the local economy is fundamentally strong and diversified, and tax collections for the School System have been historically steady with periodic growth spurts.

The School System is mindful of the changes in political landscapes, shifts in economic sectors and their effect on revenues, expenditures and general operations; therefore, management has consistently employed conservative budgeting practices. This has allowed the School System to build a strong fund balance, which includes economic stabilization funds (2.5 months of budgeted expenditures) of \$72.5 million. To further insulate the School System against unfavorable downturns in the economy, management will continue to allocate 25 percent of sales tax collections in excess of Sales Tax budgeted amounts into the capital funds for use in future fiscal years. The following paragraphs will elaborate on three specific areas of concern in terms of long-term financial planning: 1) capital project funding, 2) fund balance reserve, and 3) accommodation for major demographic growth in the parish.

Capital Projects

Each year, the board routinely allocates funding for use in future fiscal years for small and large capital projects. This practice enables management to determine the exact amount available to spend on capital projects in a given fiscal year and provide a reserve to meet capital needs. In addition, it creates a financial planning buffer that allows management to be less reactive and more proactive when faced with economic downturns. The source of this funding primarily comes from a 1965 1% sales tax. Monthly collections of the 1965 sales tax are split between the General Fund, Self-Funded Construction Fund, Capital Improvement Fund and the Sales Tax Sinking Fund (debt payments). Each year, the Self-Funded Construction fund and Capital Improvement fund are each budgeted at \$2,500,000; however, if actual sales tax collections surpass our sales tax budget, 25% of excess collections are diverted to these capital-related funds. Management's conservative method ensures that construction managers start each year with a base level of funding while enabling these two capital fund balances to grow throughout the year.

Planning ahead for future Capital Projects and keeping up with Plant and Maintenance facilities continues to be our primary area of focus. Capital projects identified in our most recent Master Facilities Plan are estimated to cost between \$277 and \$406 million. Within this fiscal year, several major capital projects were finally completed and made available for the next school year. Some of the capital projects included, but were not limited to the following: New turf,



Scoreboards for Southside High, Carencro High, Comeaux High, Acadiana High, and Northside High), new roofing at several schools campuses, secure entry vestibules at eleven campuses, parking lot improvements, track and sidewalk improvements, drainage improvements, landscaping and tree removal, lighting upgrades, electrical upgrades, storage buildings, restroom and plumbing upgrades, covered walkways, door replacements, painting, new fencing, facility renovations and upgrades, bus replacements, AC installations on buses, technology installation and upgrades, audio systems, classroom furniture, and asbestos removal.

A Long Range Planning Committee was formed in June of 2023 to begin the process of understanding and prioritizing the capital needs of the school district. Capital requests grow each year, and capital funding is limited. This committee will propose which projects move forward along with a five-year timeline to track progression.

After several years of financial planning and board action, citizens of Lafayette Parish will be able to witness the opening of the New Lafayette High School, which is located at the same block of the original Lafayette High School. The brand new school is expected to open in just in time for the start of the 2025-2026 school year. The 313,000 sq. ft. facility will include a 600-seat concert hall, large gyms, high-tech classrooms and several career and technical education spaces. The school will be constructed to house up to 2,300 students.



Charter Schools

Six charter schools, not including online charter schools, are currently operating in Lafayette Parish; Acadiana Renaissance Charter Academy (K-12), Lafayette Renaissance Charter Academy Elementary School (K-4), Lafayette Renaissance Charter Academy Middle School (5-8), Lafayette Renaissance Charter High School (9-12), Willow Charter Academy (K-8) and JCFA (9-12). These charter school applications were rejected by the Lafayette Parish School Board but were subsequently approved by the Louisiana State Board of Elementary and Secondary Education (BESE). The School Board has no role in the management of these charter schools. These schools receive a share of LPSS's local and state revenue, which is deducted from LPSS's portion of the state's Minimum Foundation Formula (MFP) and sent directly to the charter schools. The financial impact of having charter schools within our region reduced LPSS's MFP funding by \$42.5 million for the 2024-2025 fiscal year. This means the school district had to maintain fixed costs such as salaries (quasi-variable), general operations, infrastructure repairs and debt covenants while embracing inflationary costs. LDOE projects the total transfer to charter schools in FY 2025-2026 will equate to \$68.4 million. The imposition of BESE-approved charter schools in Lafayette Parish and the resulting diversion of state and local funds to those schools pose a significant financial challenge to the School System.

Fund Balance Reserve

The Government Finance Officers Association (GFOA) recommends general-purpose governments, regardless of size, maintain an unrestricted budgetary fund balance in their General Fund of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures. Committed, Assigned and Unassigned Fund Balances, of which spending constraints are imposed by the government itself, are considered unrestricted fund balance in this context.

Due to the potential volatility of sales tax collections, the Board has created a conservative policy that commits fund balance in excess of GFOA's recommendation. Our School Board policy requires that a stabilization fund shall equal at least two and one-half (2 ½) months of the budgeted General Fund operating expenditures and General Fund transfers out for debt service. This fund balance is committed to protecting against cash flow shortfalls, the volatility of sales tax collections and state revenues, economic downturns, natural disasters, and other threats to the economic stability of the School System. Based on the 2024-2025 budget, the amount committed for this purpose is approximately \$72.5 million and is sufficient to comply with Board policy. Over the next few years, management will work towards increasing the fund balance to meet three (3) months of budgeted operating expenditures per board policy.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Lafayette Parish School System for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the thirty-second consecutive year that LPSS has received this award.

The *Certificate of Achievement* is a prestigious national award recognizing conformance with the highest standards for preparation of state and local financial reports. In order to be awarded a *Certificate of Achievement*, a government must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A *Certificate of Achievement* is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the *Certificate of Achievement Program's* requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The Association of School Business Officials of the United States and Canada (ASBO) awarded a *Certificate of Excellence in Financial Reporting* to the Lafayette Parish School System for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This is the thirty-second consecutive year that LPSS has received this award.

The award certifies that the recipient school system presented its Annual Comprehensive Financial Statement to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the U. S. principles and practices of financial reporting recognized by ASBO. Receiving this award is a recognition that a school system has met the highest standards of excellence in school financial reporting.

A *Certificate of Excellence* is valid for only one year. The report continues to conform to the *Certificate of Excellence* program requirements and the current report will be submitted to the ASBO to determine eligibility for another certificate.

Acknowledgments

The preparation of this report was made possible by the dedicated efforts of the Business Services Division staff. All members have our sincere thanks and appreciation for their contributions. We would like to congratulate the Accounting staff within the Business Services Division. The staff consists of Virginia Turnage, Heather LeBlanc, Heidi LeBourgeois, Jasmine Fitzpatrick, Melissa Green, Paul Degeyter, Katherine Small, Gabrielle Matt, and Edna Fusilier. These skilled and talented professionals continue to practice financial accountability, objectivity, and moral and ethical standards that benefit LPSS in every way. We would also like to thank Heidi LeBourgeois for her assistance in preparing the statistical section. Their combined efforts and contributions throughout the year made the preparation of the 2024-2025 Annual Comprehensive Financial Report a success. We would also like to thank our auditors and their staff for their assistance in the coordination and preparation of this document. We commend the Superintendent and the members of the School Board for their interest and support towards setting the trajectory of the School System.

Respectfully submitted,



Anthony Mouton

Anthony C Mouton, CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lafayette Parish School System
Louisiana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Lafayette Parish School System

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



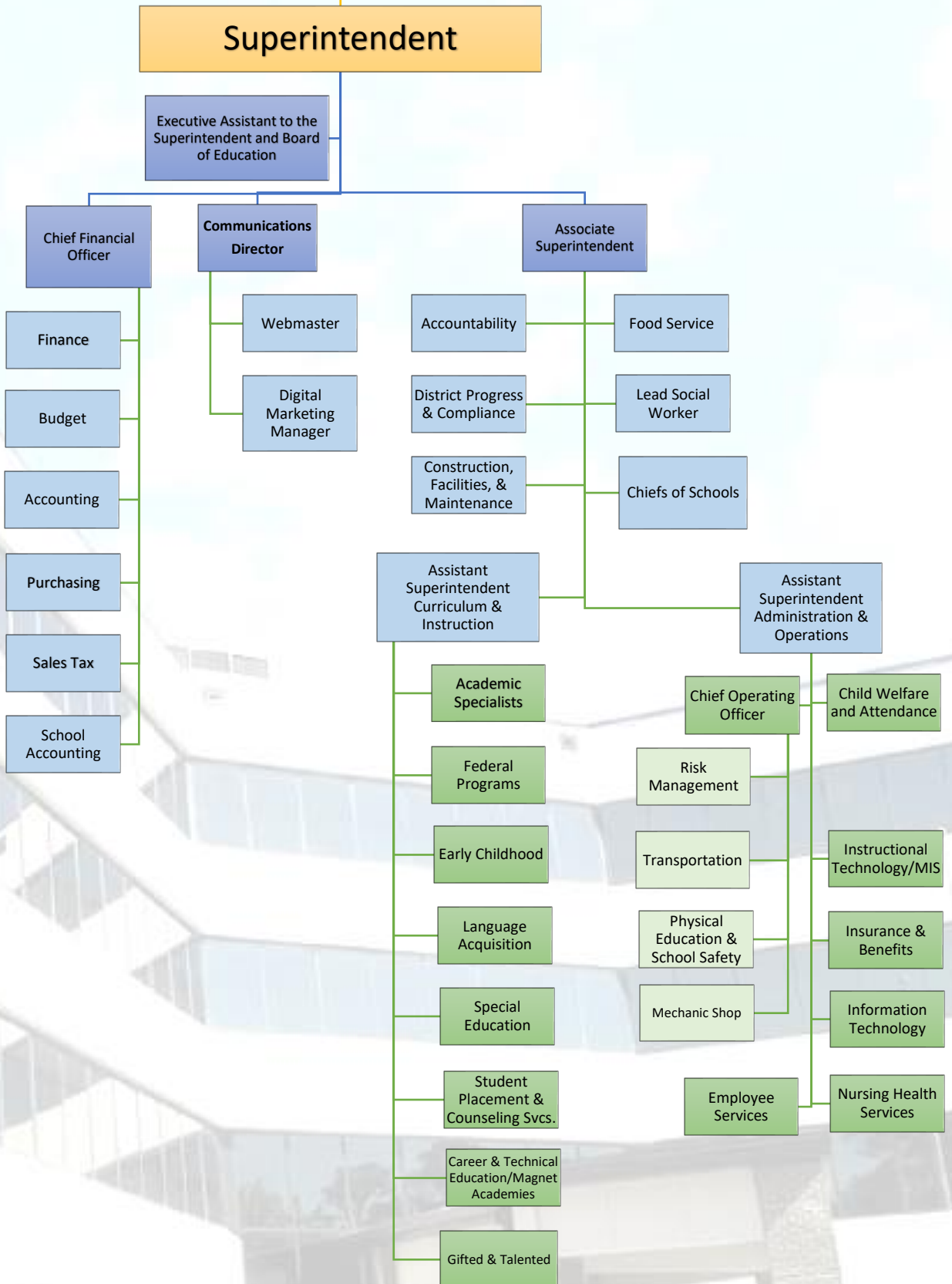
A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

SCHOOL BOARD



PRINCIPAL OFFICIALS



Francis Touchet, Jr.
Superintendent



David LeJeune
District 1



Chad Desormeaux
District 2



Joshua Edmond
District 3



Amy Trahan
District 4



Britt Latiolais
District 5



Roddy Bergeron
District 6



Kate Labue
District 7



Hannah Mason
District 8



Jeremy Hidalgo
District 9



Financial Section

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*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* 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 AUDITOR'S REPORT

Mr. Francis Touchet, Superintendent,
and Members of the Lafayette Parish School Board
Lafayette, Louisiana

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafayette Parish School Board (the School Board), as of and for the year ended June 30, 2025, 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.

Disclaimer of Opinions

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the accompanying financial statements.

Basis for Disclaimer of Opinions

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

During the course of our audit, we encountered circumstances that imposed pervasive limitations on the scope of our audit, including the following:

- We were unable to obtain sufficient appropriate audit evidence regarding significant financial statement balances, transactions, and disclosures.
- Accounting records and supporting documentation necessary to perform audit procedures were incomplete, unavailable, or unreliable.
- We were unable to rely on management representations, including written representations, which are required under auditing standards, due to concerns regarding management integrity.

Because these matters were pervasive to the financial statements as a whole, we were unable to determine whether any adjustments might have been necessary to the financial statements.

We were engaged to conduct 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. However, because of the matters described above, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility was to conduct an audit of the School Board's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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 were unable to apply the required limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America because of the matters described in the Basis for Disclaimer of Opinion section of our report. Accordingly, we do not express an opinion or provide any assurance on the information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's financial statements. The schedule of collections, distributions, and costs of collection, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 to the underlying accounting and other records used to prepare the basic financial statements. We were unable to apply the auditing procedures required by auditing standards generally accepted in the United States of America to the supplementary information because of the matters described in the Basis for Disclaimer of Opinion section of our report. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon.

Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. However, because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we were unable to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or our knowledge obtained during the audit, or whether the other information otherwise appears to be materially misstated. Accordingly, we do not express an opinion or provide any assurance on the other information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2026 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 consideration of internal control and compliance and the results of that consideration and testing and not to provide an opinion on the effectiveness of internal control or on compliance. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report we were unable to perform the work required by Government Auditing Standards with respect to internal control over financial reporting or compliance. Accordingly, we do not express an opinion or provide any assurance on internal control over financial reporting or on compliance.

Kolder, Slaven & Company, LLC

Certified Public Accountants

Lafayette, Louisiana
March 31, 2026



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025

INTRODUCTION

This section contains a narrative overview and analysis of the financial activities of the Lafayette Parish School System (“School System”) for the fiscal year ended June 30, 2025. The intent of Management’s Discussion and Analysis (“MD&A”) is to review the overall financial performance of the School System using an objective, easily readable analysis of the School System’s financial activities. Therefore, we encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our Letter of Transmittal, Basic Financial Statements, and the Notes to the Basic Financial Statements. Please reference the Table of Contents for the exact location of those items.

FINANCIAL HIGHLIGHTS

- The School System’s liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the fiscal year resulting in a deficit net position of \$124,602,089. Of this amount, \$224,334,725 was net investment in capital assets which includes several new schools and many building improvements, \$29,712,073 was restricted for teacher salaries and benefits in accordance with the dedication of a sales tax approved by voters in 2001, and \$65,248,154 was restricted for debt service for the various Sales Tax Bonds and other Bonded Debt. The unrestricted deficit was \$443,897,041 and is further explained under the Other Information heading of this document.
- In the Statement of Activities, expenses of governmental activities were \$539,108,299 which is comprised of employee salaries, educational tools, materials, supplies, equipment purchases and building improvements. \$99,262,866 of those expenses were funded by program revenues from operating grants and contributions and \$370,040 were funded through charges for services, most of which consist of tuition from other school districts or testing fees.
- As of the close of the current fiscal year, the School System’s governmental funds reported a combined ending fund balance of \$ 437,201,736. The General Fund accounted for \$84,540,015 of the total with \$72,548,985 specifically allocated as economic stabilization funds (2.5 months of budgeted expenditures) within the committed classification.
- The General Fund experienced an increase in revenues and other sources over expenditures and other uses by \$916,895. The largest expenditure of \$135,471,216 was for regular instructional programs that facilitated educational learning experiences for students in grades K – 12. Other notably large expenditures were for Special Education services and Plant services; \$34,933,939 and \$39,190,698, respectively. The General Fund transferred out \$47,893,509 to various other funds such as the Self-Funded Construction Fund, Capital Improvement Fund, Special Revenue Fund, Debt Service Funds, USDA Sinking Fund, School Food Service Fund and Group Health Self-Insurance Fund.
- The Self-Funded Construction fund received sales tax collections, interest income, and other revenues in the amount of \$10,005,877. Expenditures totaling \$65,086,052 were primarily expended on facilities, acquisition and construction. A bulk of the expenditures is attributable to the many large and small projects. All remaining fund balances are carried forward to the next school year to continue unfinished projects and fund new projects selected by the school board.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

- The remaining governmental funds received parish, state and federal revenues totaling \$153,108,198. Although this group contains a variety of governmental funds with varying priorities, 21% were spent on facilities acquisitions and constructions, 17% spent on regular programs, 12% were spent on special programs, and 11% were spent on food services.

USING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This discussion and analysis is intended to serve as an introduction to the School System's Basic Financial Statements. The School System's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School System's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is the same basis used by most private-sector enterprises. The accrual basis takes into account all of the School System's current year revenues and expenses regardless of when paid or received.

The statement of net position presents information on all of the School System's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School System is improving or deteriorating. With the inclusion of OPEB liabilities and pension liabilities, the concept of improving or deteriorating can be misleading because of financial elements we cannot control, such as actuarial calculations. However, the School System's objective is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School System.

The statement of activities illustrates each of our major functions/programs and how they are funded. Most functions/programs are funded by operating grants and contributions, while only a couple of our programs actually charge a fee for service. Total revenues and expenses are compiled to calculate an increase or decrease in overall net position for the fiscal year. Any change in net position is added to the total net position within the Statement of Net Position.

Fund Financial Statements

The School System's fund financial statements provide detailed information about the most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School System uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to help it control and manage money for particular purposes. All of the funds of the School System can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Governmental Funds

Most of the School System's basic services are included in governmental funds which focus on how money flows in and out of those funds, the balances that are left at the end of the year, and the amount available for spending in future years. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus and accounting method of Fund Financial Statements is different from that of the Government-wide Financial Statements, a Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position is provided as part of this document.

The School System maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Consolidated Special Revenue Fund, 2025 Bond Construction Fund, and the Self-Funded Construction fund, which are considered as major funds. Data from the other remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these governmental funds is combined into one set of data called nonmajor governmental within this document.

The School System adopts an annual unified budget that includes all significant funds in one document. During the year, this budget is amended to take into consideration changes that have occurred affecting revenue and expenditures. A statement showing the original and final budget compared with actual operating results is provided in the required supplementary information section for the General Fund to demonstrate compliance with this budget.

Proprietary Fund

The School System maintains one proprietary fund to account for activities that involve business-like transactions such as the Self-Funded Group Health Insurance Program. Due to the nature of this program, it is also considered an Internal Service Fund, because it provides health insurance services to employees in various departments on a cost reimbursement basis. Any related balance of this fund is reported on the Proprietary Statement of Net Position, and all related revenues and expenditures of this fund are reported on the Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position.

Notes to the Basic Financial Statements

The notes to the basic financial statements are an integral and essential part of the basic financial statements: Government-Wide Financial Statements and Fund Financial Statements. The notes to the basic financial statements provide descriptions of policies underlying the amounts displayed in the financial statements, and additional detail or explanations concerning amounts displayed in the financial statements. The notes are to provide full disclosure, which is essential to a user's understanding of the financial information presented.

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025

Other Information

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning budget comparisons of the General Fund. Also shown is required supplementary information concerning pensions and other post-employment benefit plans. In addition, the School System has chosen to present supplementary information that is not required but considered by management to be useful to the reader. This information is located behind the divider page titled “Other Supplementary Information (Optional).”

Lafayette Parish School System's Net Position

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 509,720,151	\$ 523,239,076
Capital assets	616,415,465	539,971,430
Total Assets	1,126,135,616	1,063,210,506
Deferred Outflows	214,872,689	256,855,876
Current and other liabilities	66,885,905	66,380,888
Long-term liabilities	1,276,569,983	1,283,533,522
Total Liabilities	1,343,455,888	1,349,914,410
Deferred Inflows	122,154,506	71,319,833
Net Investment in Capital Assets	224,334,725	180,615,144
Restricted: Teacher's Sal & Ben.	29,712,073	28,363,417
Restricted: Debt Service	65,248,154	70,005,112
Unrestricted	(443,897,041)	(380,151,534)
Total Net Position	\$ (124,602,089)	\$ (101,167,861)

Over time, net position may serve as a useful indicator of a government’s financial position. In the case of the School System, liabilities and deferred inflows exceeded assets and deferred outflows of resources by \$124,602,089 at the close of the fiscal year. Of this amount, \$224,334,725 represents the net investment of the capital assets in the School System (e.g., school buildings, land, buses, and equipment). The School System uses these capital assets to provide educational services to the public; therefore, these assets are not available for future spending. It should be noted that the resources needed to pay the debt on these assets must be provided from other sources since the capital assets themselves generally cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Current assets decreased by \$13,518,925, resulting in less receivables year over year. Capital assets increased by \$76,444,035 due to many building improvements, including but not limited to the capitalization of a new school, wing additions, and a plethora of large and small projects. Deferred Outflows decreased by \$41,983,187, which is mostly attributable to a decrease in OPEB liability. Long-term liabilities decreased by \$6,458,522 due to reduction in liabilities that span over 12 months. Details on changes in long-term liabilities can be found in Note 9 Part A of the Notes to the Basic Financial Statements.

The unrestricted deficit in net position is largely due to the reporting requirements of GASB 68 (pensions) and GASB 75 (OPEB). Regarding the OPEB obligation, the School System has historically paid these benefits on a “pay-as-you-go” basis. During the fiscal year ended 2011, an irrevocable trust fund was established for the purpose of accumulating resources to offset the OPEB liability. To date, the balance of assets held in trust for OPEB benefits is \$23,292,684.

In an effort to eventually fund the amount required by the actuarial calculation, it is the intention of the administration to continue to increase this allocation, when possible. In FY 24, OPEB contribution rates increased by roughly 16% in an effort to keep pace with rising OPEB liabilities. The Lafayette Parish School System is one of only a few governments in the state to actually establish and partially fund such a trust. More details of the School System’s OPEB obligation is discussed in the note on Postemployment Benefits Other Than Pensions (OPEB). In terms of the net pension liability, GASB 68 requires the School System to recognize its portion of the net pension liability of the state-defined benefit retirement systems, even though the local school systems are not liable for payment of those benefits, or have any control over the benefits offered, or how the benefits are funded. More information on the calculation of this liability is provided in the Retirement Plans note.

Governmental Activities

Revenues such as Property Taxes and Sales Taxes have increased year over year by roughly \$14 million; however, General Revenues and Grants and Contributions have decreased year over year by over \$41 million. The majority of the decrease in revenues is attributable to the termination of ESSER (federal) funding. Expenditures have significantly increased in the areas of Support Services, which includes providing other educational services to students, and Food Services due to the cost of cafeteria food. In total, governmental activities increased the School System’s net position within Fiscal Year 2025 by \$2,971,861.

Lafayette Parish School Board
Lafayette, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

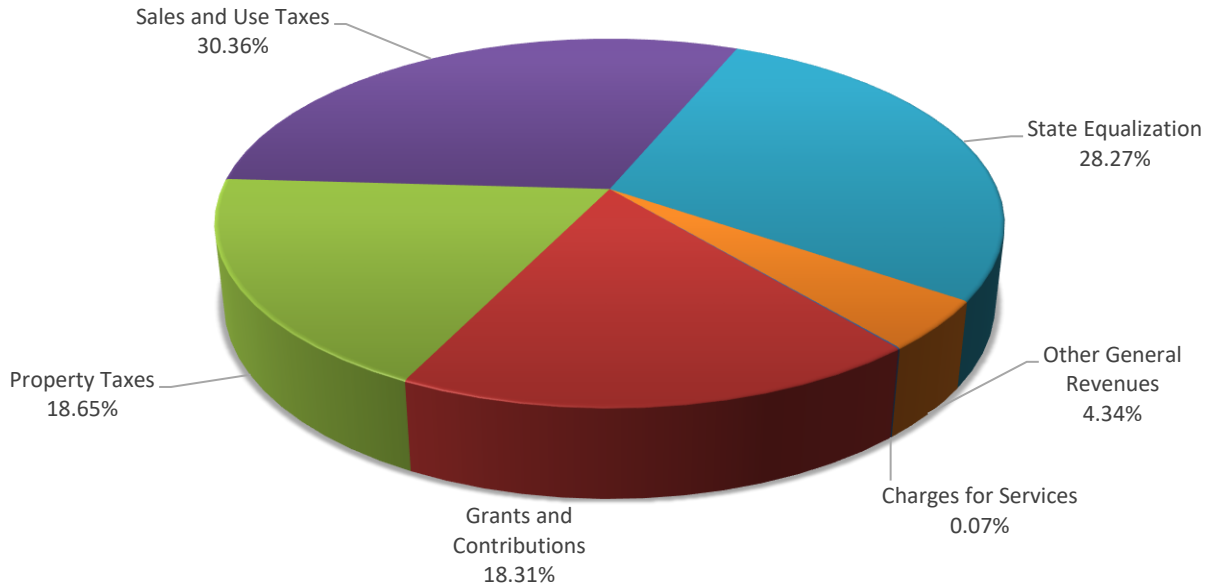
Lafayette Parish School System's Statement of Activities

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues		
Charges for Services	\$ 370,040	\$ 258,584
Grants and Contributions	99,262,866	134,557,358
General Revenues		
Property Taxes	101,088,563	92,659,137
Sales and Use Taxes	164,561,478	158,846,469
State Equalization	153,244,212	152,867,287
Other General Revenues	23,553,001	30,244,277
Total Revenues	<u>542,080,160</u>	<u>569,433,112</u>
Functions/Program Expenses:		
Instruction	316,510,769	318,976,216
Support Services	184,969,835	176,401,590
Food & Community Services	24,405,405	22,324,115
Interest	13,222,290	13,563,123
Total Expenses	<u>539,108,299</u>	<u>531,265,044</u>
Change in Net Position	2,971,861	38,168,068
Net Position, Beg. of Fiscal Year	<u>(127,573,950)</u>	<u>(139,335,929)</u>
Net Position, End of Fiscal Year	<u>\$ (124,602,089)</u>	<u>\$ (101,167,861)</u>

As of July 1, 2024, the beginning Net Position was restated from \$101,167,861 to \$127,573,950.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Sources of Revenue



Data Source: Statement of Activities

Note: This graph represents information on a government-wide basis using accrual basis accounting. Therefore, this graph will differ from the graphical information presented later in this report.

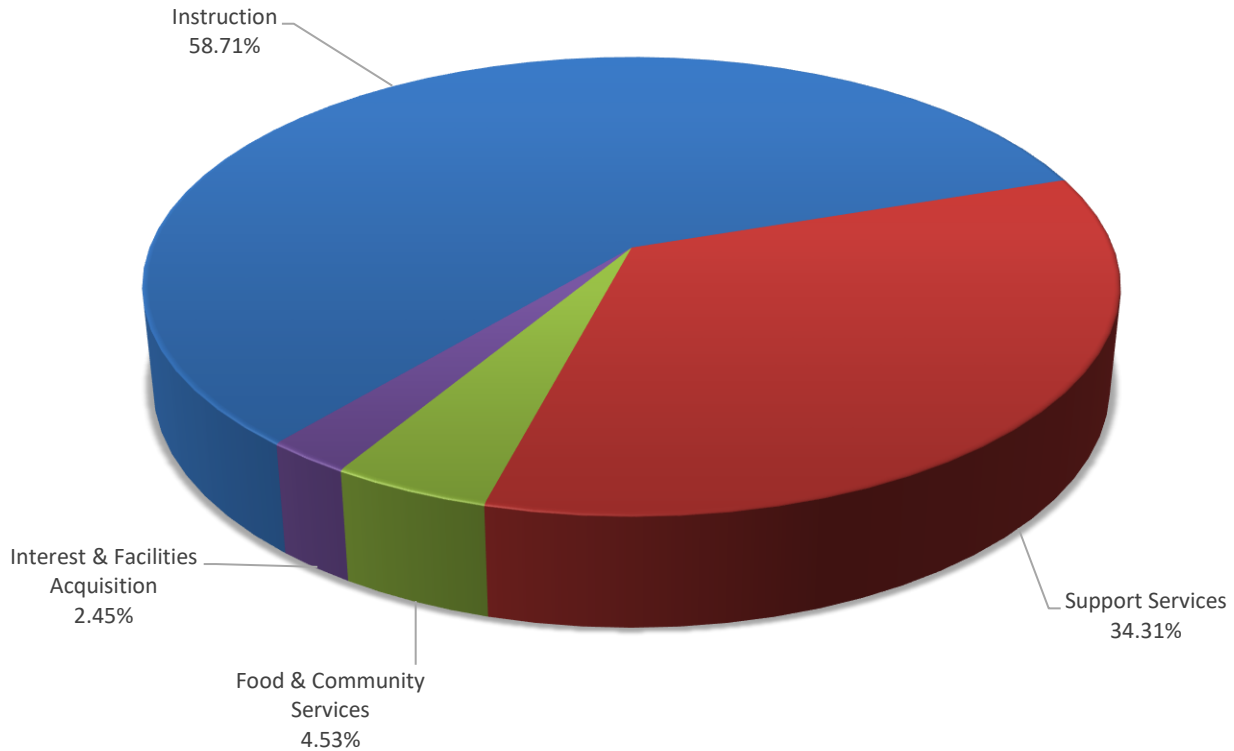
The largest source of revenue, which accounts for \$164,561,478 or 30.36% of total revenue, is generated by local sales and use tax. For decades, sales taxes were primarily generated by a 1965 ½ cent sales tax and a 1988 ½ cent sales tax. In late 2001, the voters of Lafayette Parish passed an additional ½ cent sales tax dedicated to fund teacher salaries and benefits. The increase in revenue can be linked to many factors, including but not limited to inflation, low unemployment, job growth, rising wages and an expanding business environment within the parish.

The second largest source of revenues to the School System is generated by State Equalization or the Minimum Foundation Program (MFP), which accounts for \$153,244,212 or 28.27% of total revenue. The MFP is a complicated formula utilizing many factors, not limited to enrollment data, past financial data and other information to allocate state funding to all school districts of the state in an effort to equalize funding gaps between rich and poor districts. This formula takes into account many aspects of the district including, but not limited to the student population, the district's ability to generate revenue or relative wealth, and the district's effort in generating revenue through local taxation. The Lafayette Parish School System is considered one of the wealthier districts with lower-than-average tax rates. If parish wealth increases, funding from the state decreases. As a result, the School System receives less state funding per student than most of the other districts in Louisiana.

Revenue received from property taxes accounts for \$101,088,563 or 18.65% of total revenue. Revenue collections begin in December of each year and continue for the duration of the fiscal year. As housing developments continue to be built throughout the parish, property tax revenues continue to trend upward.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Functional Expenses



Data Source: Statement of Activities

Note: This graph represents information on a government-wide basis using accrual basis accounting. Therefore, this graph will differ from the graphical information presented later in this report.

The largest category of functional expenses on a government-wide basis is instruction, which makes up 58.71% of the total. These expenses are utilized for the education of students in regular education, special education, vocational education and other educational programs. These costs include classroom teacher and aide salaries and benefits, books, consumables, educational technology licenses, supplies, and equipment used for instruction.

The second largest category of expense is support services at 34.31%. These costs include the salaries and benefits of principals, assistant principals, counselors and instructional supervisors. This category also includes student transportation, business, and computer services along with supplies and equipment. Support services also include plant services such as utilities, repairs and maintenance of buildings.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The School System uses individual Funds to control and measure revenues and expenditures of a particular activity or purpose to ensure and demonstrate compliance with finance-related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available to spend. The information provided in this section is useful in assessing the financing requirements of the School System at the end of the fiscal year.

As of the end of the current fiscal year, the School System's governmental funds reported a combined ending fund balance of \$437,201,736. About 43% or \$187,677,588 of this total constitutes nonspendable and restricted funds that are not available for spending because it has already been expensed or restricted to certain obligations in the future. About \$244,023,353 or 56% of the total fund balance has been committed or assigned by the School System and accounted for within various funds including the General Fund as outlined in the Notes to the Basic Financial Statements.

The following schedule on the next page presents a summary of revenues and expenditures of governmental funds for the current fiscal year and the percentage of increase (decrease) from the prior year.

Total governmental funds' revenue sources decreased in total by 4.84%. Some revenues have increased within the fiscal year while others have decreased. The largest dollar decrease in revenue pertains to federal revenues in the amount of \$40,501,596. A substantial portion of the decrease is attributable to the termination of ESSER (federal) funding. Collectively, property taxes and sales taxes have increased by 12.70% due to economic factors within the local economy.

As illustrated in the charts on the following page, expenditures have incurred increases and decreases in various categories, but experienced an overall 2.44% increase in total expenditures. The largest expenditure increase was associated with debt service. A Qualified School Construction Bond was at the end of term and was finally paid off within the fiscal year. Operations and Maintenance also experienced a large increase based on salaries, building repairs, utilities, lawn care, fleet insurance, retirement and benefits. On the other hand, regular programs incurred an overall reduction in expenses by 5.15% or \$9,357,139 based on streamlining staffing in the classrooms.

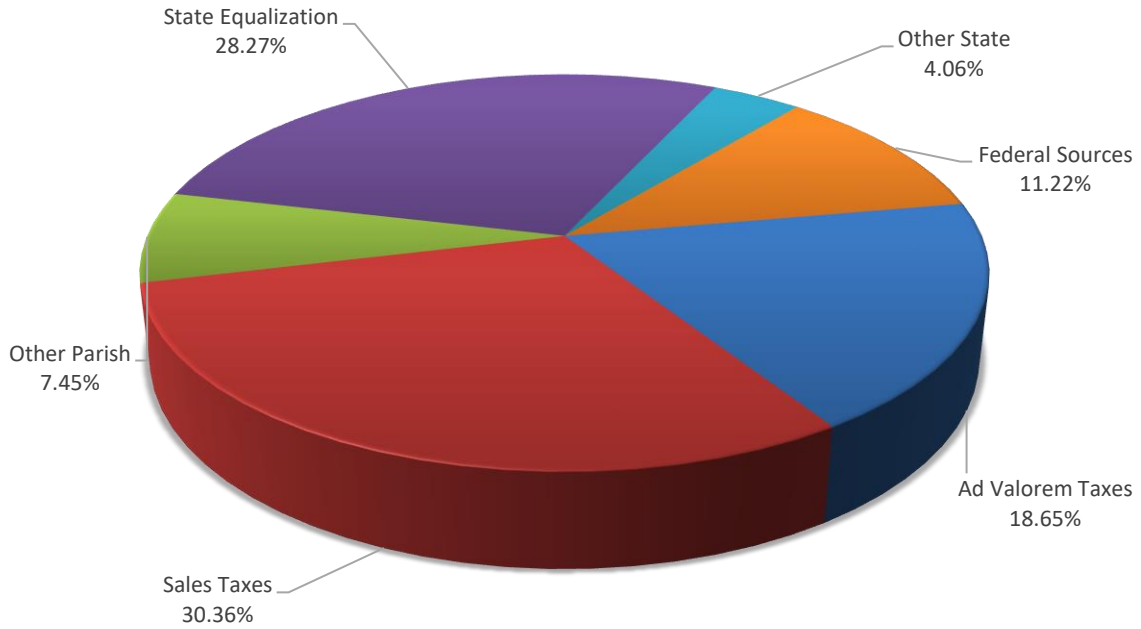
Lafayette Parish School Board
Lafayette, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

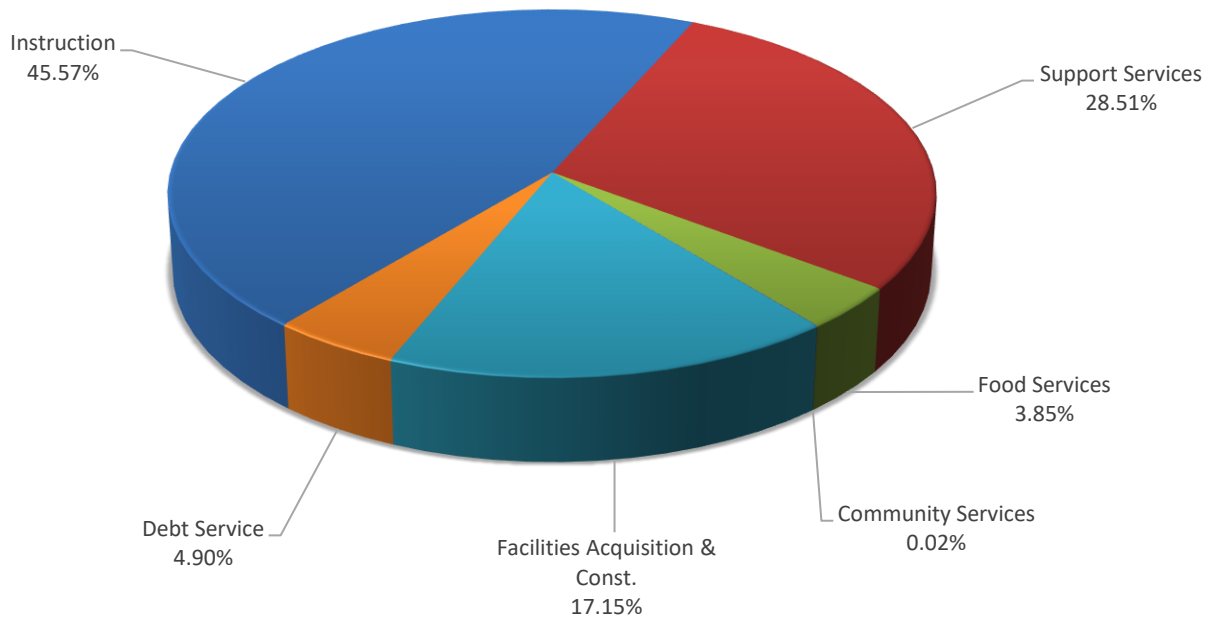
Governmental Funds Revenue Sources	2025 Amount	Percent of Total	Increase (Decrease) From 2024	Percent of Increase (Decrease)	2024 Amount
Parish Sources:					
Ad Valorem Taxes	\$ 101,088,563	18.65%	\$ 8,429,426	9.10%	\$ 92,659,137
Sales Taxes	164,561,478	30.36%	5,715,009	3.60%	158,846,469
Other	40,366,223	7.45%	(1,753,934)	-4.16%	42,120,157
Total Parish Sources	306,016,264	56.45%	12,390,501	4.22%	293,625,763
State Sources:					
Equalization	153,244,212	28.27%	(779,950)	(0.51%)	154,024,162
Other	22,003,028	4.06%	1,311,110	6.34%	20,691,918
Total State Sources	175,247,240	32.33%	531,160	0.30%	174,716,080
Federal Sources	60,816,656	11.22%	(40,501,596)	(39.97%)	101,318,252
Total Revenues	\$ 542,080,160	100.00%	\$ (27,579,935)	(4.84%)	\$ 569,660,095
Governmental Funds Expenditures	2025 Amount	Percent of Total	Increase (Decrease) From 2024	Percent of Increase (Decrease)	2024 Amount
Instruction:					
Regular Programs	\$ 172,167,507	28.05%	\$ (9,357,139)	(5.15%)	\$ 181,524,646
Special Education Programs	45,330,431	7.38%	964,244	2.17%	44,366,187
Special Programs	31,826,697	5.18%	1,085,829	3.53%	30,740,868
Other	30,390,353	4.95%	2,630,178	9.47%	27,760,175
Total Instruction	279,714,988	45.57%	(4,676,888)	(1.64%)	284,391,876
Support Services:					
Pupil Support	32,424,854	5.28%	3,038,075	10.34%	29,386,779
Instructional Staff Support	25,243,323	4.11%	(5,286,300)	(17.32%)	30,529,623
General Administration	8,967,639	1.46%	1,271,566	16.52%	7,696,073
School Administration	26,943,411	4.39%	1,452,102	5.70%	25,491,309
Business Services	4,526,324	0.74%	256,446	6.01%	4,269,878
Operations & Maintenance	44,707,270	7.28%	7,929,150	21.56%	36,778,120
Student Transportation	22,831,481	3.72%	852,162	3.88%	21,979,319
Central Services	9,347,866	1.52%	560,655	6.38%	8,787,211
Total Support Services	174,992,168	28.51%	10,073,856	6.11%	164,918,312
Food Services	23,631,428	3.85%	2,206,040	10.30%	21,425,388
Community Services	129,478	0.02%	-	0.00%	129,478
Facilities Acquisition/Const.	105,279,328	17.15%	(2,489,714)	(2.31%)	107,769,042
Debt Service	30,099,538	4.90%	9,505,268	46.15%	20,594,270
Total Expenditures	\$ 613,846,928	100.00%	\$ 14,618,562	2.44%	\$ 599,228,366

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

**2024-2025 Governmental Funds
Revenues by Category**



**2024-2025 Governmental Funds
Expenditures by Category**

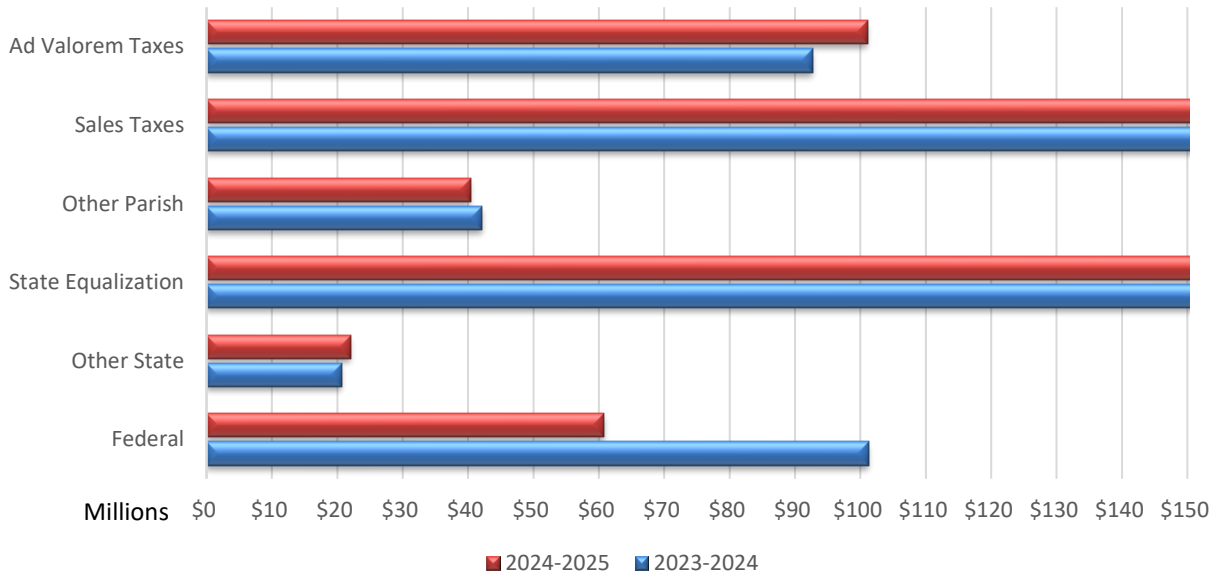


MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025

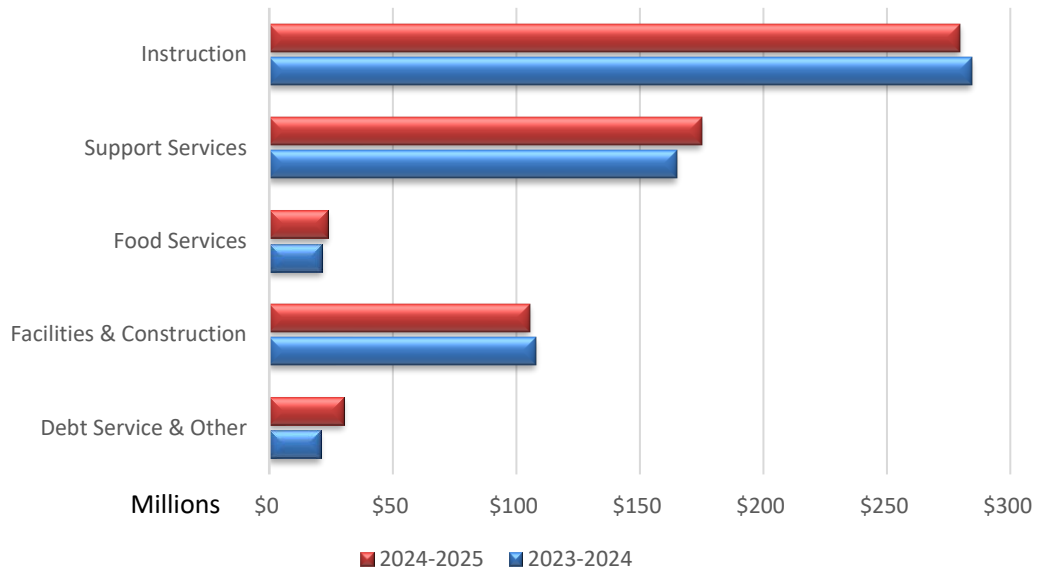
Data Source: Statement of Revenues, Expenditures, and Changes in Fund Balances

Note: The above graphs present information on a fund basis that uses modified accrual accounting. Therefore, these graphs may differ from the graphical information presented earlier in this report.

Revenues by Major Source
Fiscal Comparison- Governmental Funds



Expenditures by Major Category
Fiscal Comparison - Governmental Funds



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

The General Fund is the chief operating fund of the School System. Fund balance in the General Fund is divided into the following classifications: 1) *nonspendable* – not in spendable form such as inventories; 2) *restricted* – externally enforceable limitation on use of funds based on constitutional provisions, legislation, donor or grantor imposed restrictions; 3) *committed* – self-imposed limitations by formal action of government's highest level of decision-making authority (School Board); 4) *assigned* – limitations resulting from intended use as identified by management; and 5) *unassigned* – all spendable amounts not included in any other classification. At the end of the current fiscal year, the fund balance in the General Fund totaled \$84,540,015. This balance included \$73,148,985 of committed fund balance which provided for \$72,548,984.81 of economic stabilization funds (2.5 months of budgeted expenditures to buffer against any future economic downturns). The unassigned fund balance of \$5,522,659 together with the economic stabilization funds represents approximately 24% of total General Fund expenditures. Key factors affecting the General Fund are as follows:

- Total revenues of the School System's General Fund increased by \$11,839,496 or 3% in the current fiscal year when compared to the previous fiscal year. This was fueled by property taxes and sales taxes.
- Sales tax collections in the General Fund experienced an increase of \$4,469,529 or 4% compared to the previous year. Relatively low unemployment, business relocations and expansions within the parish are the primary drivers for this increase.
- General Fund ad valorem tax revenue had an increase of \$8,429,426 or 9% over the previous fiscal year. Additional properties added to the tax rolls and removing a temporary discount on assessments contributed to the increase.
- Total expenditures in the General Fund reflected an increase over last year of \$10,962,741 or 3%. The increase mostly stems from Operation and Maintenance of Plant Services, and Debt Service.

The Self-Funded Construction Fund is a capital projects fund created to account for a small portion of the one-cent sales taxes, which are deposited monthly to fund new construction projects. The funding mechanism allows the School System to avoid issuance of debt and interest costs of such associated debt. During the current fiscal year, \$103,496,726 was spent on current projects, including the construction of the new Lafayette High School. For total capital asset balances, see Note 7 under the Notes to the Basic Financial Statements.

Proprietary Fund – Internal Service Fund

The self-funded group health insurance plan allows employees to choose from three different plans of varying costs and benefits. In addition, a third-party Medicare Advantage plan option is offered to eligible employees and retirees in lieu of maintaining coverage with the School System. The medicare advantage plan offers the same benefits to retirees at a lower cost. The plan meets the current requirements of the Affordable Care Act (ACA) and staff will continue to monitor changes in the ACA to ensure that the plan is in compliance with the law.

From a modified accrual basis of accounting without OPEB actuarial calculations, revenues for the Group Insurance Internal Service Fund, including transfer-ins, exceeded expenses resulting in a total net gain of \$102,121. With OPEB actuarial calculations, the total net loss equals \$22,317,845.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Fiduciary Fund – Other Post Employment Benefits (OPEB)

To assist in addressing the OPEB liability issue, the School System created one of the first irrevocable OPEB trust funds in the state in 2010. During the fiscal year ended 2025, the General Fund and other Governmental Funds contributed \$1,149,997 to the OPEB Trust Fund. On June 30, 2025, the balance of the assets held in trust for OPEB benefits is \$23,292,684 due to contributions, investment earnings and unrealized gains as accounted for in the Statement of Changes in Fiduciary Net Position. Presently, it is the goal of the administration to generate sufficient revenue to cover the expenses of the Group Insurance Internal Service Fund and begin addressing the negative ending net position. The OPEB liability was created over a long period of time and its correction will require a long-term approach. Administration believes that the proactive creation of the OPEB Trust Fund with escalating funding goals is a long-term solution that is feasible in a restricted budgetary environment.

General Fund Budgetary Highlights

The General Fund experienced an increase in several revenue categories during the fiscal year. Since the adopted budget, various budget amendments were passed by the school board. In total, the school system increased its total general fund revenue budget by \$28,758,224 or 8%. The increase in revenue was mainly attributable to sales taxes, property taxes, interest income, and state funding (MFP). Amended sales tax revenues exceeded the original budget by \$8,976,207 or 9%. Amended property taxes exceeded the original budget by \$6,317,945 or 7%. Amended other income exceeded the original budget by \$1,376,066 or 24%. Amended state revenues exceeded the original budget by \$12,106,198 due to a one-time stipend granted by the State Legislature and excess MFP revenues. These and other budgetary comparisons can be found in the Budgetary Comparison Schedule within the required supplementary information section of the ACFR.

The General Fund Budget reflected an expenditure decrease of \$348,684 or less than 1% between the original budget and final amended budget. Actual expenditures came in under budget by \$1,474,164. The budget for transfers-out was increased by \$29,193,559. The large budget adjustment was due to the School Board's decision to transfer additional funds to the Self-Funded Construction Fund, and the Special Revenue Fund to 1) help address future facility and equipment needs on a pay-as-you-go basis and 2) to save for future operational needs. Further analysis can be found in the Budgetary Comparison Schedule within the required supplementary information section of the ACFR.

Capital Assets And Debt Administration

The School System's investment in capital assets as of June 30, 2025, amounts to \$616,415,465 (net of accumulated depreciation). The investment in capital assets includes land, construction in progress, buildings and improvements, and furniture and equipment. The total net increase in capital assets for the current fiscal year is \$76,444,035. The majority of this increase is due to construction in progress of the new Lafayette High School and the capitalization of other building improvements. Construction of the new Lafayette High School is expected to be completed during the FY 25-26 school year. For additional capital balances, see the schedule of capital asset balances in Note 7 within the Notes to the Basic Financial Statements.

Agency Ratings

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

In August 2018, Standard & Poor's Ratings Service notified the School System that its credit rating has been raised from AA- to AA on its general obligation bonds. The rating upgrade was based upon a number of factors, including the amount of reserve funds the School System keeps on hand as well as the soundness of its financial management practices and policies. The AA rating makes the School System equal to or higher than all the other school districts in the state, and Lafayette is one of only two districts in the state to have such a high rating.

In December 2018, Fitch Ratings reaffirmed the bond rating of the School System's debt as AA with a stable outlook. In Fitch's original rationale for issuing the rating of AA, they mentioned that Lafayette Parish's financial position remains strong despite challenges from economically induced sales tax declines and enrollment losses to competing charter schools in the parish. The rating reflects solid assessments for both growth prospects and resilience with manageable debt and pension obligations. The near term growth prospects for the 1% pledged sales tax are soft but should improve with the eventual recovery in oil and gas and the continued diversification and growth of the area economy. Fitch mentions that recent diversification into healthcare and technology is buffering some of the negative economic impacts from a weak oil and gas industry. The rating of AA is the most current rating issued by Fitch Ratings. In order to save issuance costs, the School System chose not to have recent debt issuances rated by Fitch.

In February of 2019, Standard & Poor's Ratings Service raised its long-term rating to AA+ from AA on the School System's outstanding sales tax revenue bonds. The rating increase took into consideration the consistent expansion of the local economy supported by its role as a regional commercial-retail and economic center, moderate to low revenue volatility and the maintenance of an extremely strong debt service coverage. The AA+ rating will ultimately make it easier for the School System to sell sales tax bonds at lower yields, allowing it to further leverage its capacity to make improvements to the School System's infrastructure. Currently, Lafayette is the only school district in the state to earn an AA+ rating on its debt.

In June 2020, Moody's affirmed its rating for limited tax debt of Aa1. Moody's stated that the "Lafayette Parish School System's credit position is very high quality. The Aa1 rating is stronger than the median rating of Aa3 for school districts nationwide". The Aa1 rating is the same as Moody's internal assessment of Lafayette Parish School System's hypothetical general obligation unlimited tax rating. The initial rating was justified on notable credit factors, including a robust financial position and an extensive tax base with a healthy socioeconomic profile and strong financial management. The rating of Aa1 is the most current rating for limited tax debt issued by Moody's. In order to save issuance costs, the School System chose not to have recent debt issuances rated by Moody's.

In October of 2020, the School System issued \$31,925,000 of Sales Tax Revenue Refunding Bonds, Series 2020. The issuance of these bonds allowed the school board to redeem various maturities of outstanding bonds, Sales Tax Revenue Bond Series 2018 and 2018A. The refunding enabled the School Board to recognize savings by taking advantage of lower interest rates. The net present value of the debt service savings was \$2,095,977 over the life of the debt.

In October of 2020, the School System issued \$15,000,000 of Taxable Limited Tax Revenue Refunding Bonds, Series 2020. The issuance of these bonds allowed the school board to redeem various maturities of Taxable Limited Tax Revenue Bond Series 2012A. The refunding enabled the School Board to recognize savings by taking advantage of lower interest rates. The net present value of the debt service savings was \$674,239 over the life of the debt.

On March 29 2021, Moody's affirmed its rating for the Lafayette Parish School Board's general obligation limited tax debt of Aa1. Moody's stated that "the rating reflects a continually growing economy, despite the

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2025

ongoing pandemic, driving expected enrollment growth over the near term and also benefiting from the institutional presence of the University of Louisiana-Lafayette. The district has consistently maintained a healthy financial position that is bolstered by liquidity inside and outside of operating funds.” Moody also acknowledged our prudent management practices and valued the creation and ongoing funding of our OPEB trust fund.

On May 1st, 2025, Standard and Poor issued a rating of AA+ on a new debt issuance of Sales Tax Revenue Bonds in the amount of \$62,140,000. Standard and Poor also affirmed the AA+ ratings on all prior sales tax revenue bond issuances. This was attributed to steady increases in sales tax revenue, an increasing housing market, a growing local economy, and low volatility.

The Lafayette Parish School System’s bonds are rated as follows:

	Moody’s Investors Services	Standard & Poor’s Ratings Service	Fitch Ratings
Sales Tax Revenue Bonds	Not Rated	AA+ (stable)	AA (<i>stable</i>)
Limited Tax Revenue Bonds	Aa1	AA (stable)	Not Rated

In Louisiana, the limitation of the amount of general obligation debt the School System may issue is 35 percent of its total assessed valuation. The current fiscal year debt limitation for the School System is \$1,158,067,457. In 2009, all general obligation debt was paid off. That was the first year since 1928 that the School System did not have outstanding general obligation debt.

The computation of the legal debt margin is disclosed in Table XVI of the statistical section of this document. Additional detailed information on the School System’s long-term liabilities can be found in Note 9 of the Notes to the Basic Financial Statements in this document.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

One of the economic factors that will affect the Lafayette Parish School System and other regional governmental entities is revenues via taxation. On December 5, 2024, Louisiana Governor Jeff Landry signed into law broad tax reforms (H.B.1, H.B.2, H.B.3, H.B.8 and H.B.10). Louisiana’s individual income tax rate was reduced from a graduated scale to a flat 3% tax rate on net income. The Louisiana Corporate Income and Franchise Tax rate was also reduced from a graduated scale down to a flat 3.5% tax rate. Both tax reforms are expected to increase consumer discretionary spending now that a portion of their spending will not be directed to the state government.

The Sales Tax rate for the State of Louisiana increased from 4.45% to 5%. This increase will fuel the state budget of which provides for the Minimum Foundation Program that allocates funding to school systems. On a local level, digital products were added to the Sales and Use tax code. These digital additions included audiovisual works, audio works, books, digital codes, applications and games, periodicals and discussion

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

forums, and any other tangible personal property transferred electronically, whether delivered, streamed, or accessed, and whether purchased singly or by subscription, including maintenance, updates and support. This massive inclusion of digital items may increase our local sales taxes, but reasonable estimates cannot be produced at this time. We anticipate these changes to affect the fiscal year 2025-2026 budget.

In 2026, the state legislature will propose a constitutional amendment that would effectively eliminate three state education trust funds in an effort to finance other educational priorities. These state education trust funds consist of the Education Excellence Fund, the Louisiana Education Quality Trust Fund, and the Louisiana Quality Education Support Fund. If passed by Louisiana voters, the first priority will be to transfer the nearly \$2 billion in funding from the terminated trust funds to the Teachers' Retirement System of Louisiana (TRSL) and pay down the unfunded accrued liability (UAL). The UAL directly affects a UAL-related retirement percentage, which school districts use to determine how much money needs to be sent to TRSL for applicable staff. This legislative financial strategy would reduce the UAL-related percentage substantially while shoring up the stability and funding for TRSL. As a result of having a lower percentage, school districts would remit less retirement funds to TRSL and essentially free up budgeted resources. This process would lay the groundwork for priority #2, which enables school districts to provide for a permanent salary increase to teachers. If passed, our school district would no longer receive funding from the Education Excellence Fund.

The state legislature plans to make an attempt to allow individual parishes to either remove or lower their respective inventory taxes that would affect property tax collections. A proposed constitutional amendment is planned to be presented on a November 2026 ballot. If passed statewide and enacted in Lafayette Parish, property tax collections would be affected substantially. Other measures were enacted in a prior legislature that sunsetted tax credits that were used to offset this particular tax, which may compel legislators to move forward with proposing the constitutional amendment. Conversations, deals and compromises by legislators would be needed to offset the loss in revenue that school districts and other governmental agencies would be faced with.

Five charter schools, as well as online charter schools, are currently operating in Lafayette Parish: Lafayette Renaissance Charter Academy, Acadiana Renaissance Charter Academy, Acadiana Renaissance Charter Academy High School, JCFA Lafayette and Willow Charter Academy. The financial impact for 2024-2025 was a reduction in MFP funding of about \$42.5 million from local taxation and approximately \$21.2 million in state funding. The imposition of state-approved charter schools in Lafayette Parish and the resulting diversion of local funds to those schools pose a significant financial challenge to the School System.

The Government Finance Officers Association (GFOA) recommends that governments maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or expenditures. Due to the potential volatility of sales tax collections, the School Board has created a conservative policy that commits fund balance in excess of the upper range of the GFOA recommendation. We are pleased to have achieved a level of available fund balance that exceeds the GFOA recommendation.

The School System has a policy that has established a stabilization fund equal to at least two and one-half (2.5) months of budgeted General Fund expenditures. This fund balance is committed to protecting against cash flow shortfalls, volatility of sales tax collections and state revenues, economic downturns, natural disasters and other threats to the economic stability of the district. Based on the 2024-2025 budget, the amount committed for this purpose is approximately \$72.5 million. Due to historically positive financial results, the amount committed for economic stabilization is sufficient to comply with School Board policy.

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025

Management will focus on increasing the fund balance to equal three (3) months of budgeted General Fund expenditures.

TAX RATES IN EFFECT FOR FISCAL YEAR 2025-2026

The tax rates that will be effective in the 2025-2026 fiscal year are as follows:

<u>Property Taxes</u>	<u>Rate</u>	<u>Date Approved</u>	<u>Calendar Year</u>	
			<u>Collections Begin</u>	<u>Tax Expires</u>
Constitutional	4.92 mills	Constitutional	Perpetuity	Never
Special School Tax	7.79 mills	11/21/2015	2017	2026
Special School Improvement	5.00 mills	11/3/2020	2022	2031
School Operational	16.70 mills	11/6/2012	2025	2034
Total	34.41 mills			

Sales and Use Taxes

Debt and General Operations – 1965	1.0%
Dedicated to Six Priorities – 1988	.5%
Teacher Salaries and Benefits – 2002	.5%
Total	<u>2.0%</u>

REQUESTS FOR INFORMATION

This document is designed to provide a general overview of the Lafayette Parish School System’s finances to all interested citizens and entities. The staff and administration of the Lafayette Parish School System take pride in the quality and accessibility of the fiscal information it provides and welcome requests for

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

additional information or explanation. Questions concerning any of the information provided in this report or requests for additional information can be obtained as follows:

Written requests:

Anthony C. Mouton, C.P.A.
Chief Financial Officer
Lafayette Parish School Board
P O Box 2158
Lafayette, LA 70502-2158

Email requests:

acmouton01@lpssonline.com

Additional information about the School System and individual schools within the System can be found by accessing our website at www.lpssonline.com. Prior year ACFR reports can be found on our website at <https://www.lpssonline.com/departments/business-services/finance/financial-reports>.



LAFAYETTE

PARISH SCHOOL SYSTEM

Strength. Tradition. Excellence.



Government-Wide Financial Statements

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 163,719,796
Investments	322,348,461
Receivables	5,609,557
Due from other governmental agencies	15,191,594
Prepaid items	58,716
Inventories, at cost	2,792,027
Capital assets:	
Land and construction in progress	153,228,580
Capital assets, net	<u>463,186,885</u>
TOTAL ASSETS	<u>1,126,135,616</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	5,230,122
Deferred outflows of resources - pension	91,792,780
Deferred outflows of resources - OPEB	<u>117,849,787</u>
TOTAL DEFERRED OUTFLOWS	<u>214,872,689</u>
LIABILITIES	
Accounts, salaries and other payables	62,137,413
Unearned revenue	1,928,093
Interest payable	2,820,399
Long-term liabilities:	
Due within one year	38,250,041
Due in more than one year	<u>1,238,319,942</u>
TOTAL LIABILITIES	<u>1,343,455,888</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	3,147,797
Deferred inflows of resources - OPEB	<u>119,006,709</u>
TOTAL DEFERRED INFLOWS	<u>122,154,506</u>
NET POSITION	
Net investment in capital assets	224,334,725
Restricted for:	
Teachers salaries and benefits	29,712,073
Debt service	65,248,154
Unrestricted	<u>(443,897,041)</u>
TOTAL NET POSITION	<u>\$ (124,602,089)</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 201,188,763	\$ -	\$ 22,314,542	\$ (178,874,221)
Special education programs	49,446,127	237,911	5,023,379	(44,184,837)
Vocational education programs	12,047,271	-	2,530,635	(9,516,636)
Other instructional programs	20,033,274	-	5,372,022	(14,661,252)
Special programs	33,030,383	-	22,660,190	(10,370,193)
Adult and continuing education programs	764,951	-	330,411	(434,540)
Support services:				
Pupil support services	34,109,776	-	7,672,516	(26,437,260)
Instructional staff support services	26,552,819	-	9,221,150	(17,331,669)
General administration	9,394,478	-	91,405	(9,303,073)
School administration	28,309,933	-	3,917,809	(24,392,124)
Business services	5,533,182	-	30,798	(5,502,384)
Plant services	45,418,284	-	258,257	(45,160,027)
Student transportation services	26,030,023	-	324,896	(25,705,127)
Central services	9,621,340	-	902,136	(8,719,204)
Non-instructional services:				
Food services	24,275,927	132,129	18,612,720	(5,531,078)
Community service operations	129,478	-	-	(129,478)
Interest on long-term debt	13,222,290	-	-	(13,222,290)
Total governmental activities	<u>\$ 539,108,299</u>	<u>\$ 370,040</u>	<u>\$ 99,262,866</u>	<u>(439,475,393)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				101,088,563
Sales and use taxes, levied for general purposes				149,656,844
Sales and use taxes, levied for debt service				14,904,634
Grants and contributions not restricted to specific programs:				
State source				153,254,744
State revenue sharing				2,253,273
Interest and investment earnings				20,104,240
Miscellaneous				<u>1,184,956</u>
Total general revenues				<u>442,447,254</u>
Change in net position				2,971,861
Net position - July 1, 2024, as restated				<u>(127,573,950)</u>
Net position - June 30, 2025				<u>\$ (124,602,089)</u>

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



Fund Financial Statements

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Balance Sheet - Governmental Funds
June 30, 2025

	Consolidated					Total
	General	Special Revenue	2025 Bond Construction	Self-Funded Construction	Nonmajor Governmental	
ASSETS						
Cash and interest-bearing deposits	\$ 56,278,277	\$ 5,305,054	\$ 65,285,358	\$ 2,730,168	\$ 28,044,253	\$ 157,643,110
Investments	89,852,145	-	-	110,511,161	121,985,155	322,348,461
Receivables -						
Accounts	342,186	-	-	-	9,926	352,112
Accrued interest	4,583	-	-	-	63,395	67,978
Due from other funds	49,407,098	54,475,425	-	15,832,499	41,948	119,756,970
Due from other governmental agencies	761,409	446,880	-	-	13,983,305	15,191,594
Other	392,020	6,428	-	-	109,099	507,547
Prepaid items	28,281	8,571	-	-	21,864	58,716
Inventories, at cost	431,981	-	-	-	2,360,046	2,792,027
Total assets	<u>\$ 197,497,980</u>	<u>\$ 60,242,358</u>	<u>\$ 65,285,358</u>	<u>\$ 129,073,828</u>	<u>\$ 166,618,991</u>	<u>\$ 618,718,515</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,292,826	\$ 335,875	\$ 278,469	\$ 5,247,578	\$ 2,126,220	\$ 11,280,968
Contracts payable	-	-	455,229	7,372,943	297,708	8,125,880
Retainage payable	-	-	1,161	6,021,945	51,181	6,074,287
Accrued salaries payable	36,053,267	-	-	-	-	36,053,267
Claims payable	257,123	-	-	-	-	257,123
Due to other funds	73,181,384	18,636,250	332,498	176,894	25,293,393	117,620,419
Due to other governmental units	-	-	-	-	3,377	3,377
Unearned revenue	-	1,414,180	-	-	513,913	1,928,093
Other payables	144,839	-	-	-	-	144,839
Deposits payable	28,526	-	-	-	-	28,526
Total liabilities	<u>112,957,965</u>	<u>20,386,305</u>	<u>1,067,357</u>	<u>18,819,360</u>	<u>28,285,792</u>	<u>181,516,779</u>
Fund balances-						
Nonspendable	460,262	8,571	-	-	2,381,910	2,850,743
Restricted	37,243	14,050,517	64,218,001	-	106,521,084	184,826,845
Committed	73,148,985	25,796,965	-	24,925,111	608,922	124,479,983
Assigned	5,370,866	-	-	85,329,357	28,843,147	119,543,370
Unassigned	5,522,659	-	-	-	(21,864)	5,500,795
Total fund balances	<u>84,540,015</u>	<u>39,856,053</u>	<u>64,218,001</u>	<u>110,254,468</u>	<u>138,333,199</u>	<u>437,201,736</u>
Total liabilities and fund balances	<u>\$ 197,497,980</u>	<u>\$ 60,242,358</u>	<u>\$ 65,285,358</u>	<u>\$ 129,073,828</u>	<u>\$ 166,618,991</u>	<u>\$ 618,718,515</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds at June 30, 2025		\$ 437,201,736
Cost of capital assets at June 30, 2025	\$ 877,703,084	
Less: Accumulated depreciation as of June 30, 2025:		
Buildings and improvements	(206,224,165)	
Furniture and equipment	<u>(55,063,454)</u>	616,415,465
Deferred loss on refunding		5,230,122
Deferred outflows of resources related to net pension liability		91,792,780
Long-term liabilities at June 30, 2025:		
Bonds and certificates of indebtedness payable	(448,396,053)	
Insurance claims payable	(5,864,138)	
Compensated absences payable	(36,761,714)	
Interest payable	<u>(2,820,399)</u>	(493,842,304)
Net pension liability		(312,883,382)
Deferred inflows of resources related to net pension liability		(3,147,797)
Net position of Group Insurance Internal Service Fund		<u>(465,368,709)</u>
Net position at June 30, 2025		<u>\$ (124,602,089)</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Consolidated					
	General	Special Revenue	2025 Bond Construction	Self-Funded Construction	Nonmajor Governmental	Total
REVENUES						
Parish sources:						
Ad valorem taxes	\$ 101,088,563	\$ -	\$ -	\$ -	\$ -	\$ 101,088,563
Sales taxes	105,205,445	-	-	3,619,188	55,736,845	164,561,478
Interest and investment earnings	6,417,212	-	2,683	6,232,088	7,452,257	20,104,240
Other	<u>1,376,222</u>	<u>6,629,028</u>	<u>-</u>	<u>154,601</u>	<u>12,102,132</u>	<u>20,261,983</u>
Total parish sources	214,087,442	6,629,028	2,683	10,005,877	75,291,234	306,016,264
State sources	164,622,974	9,869,688	-	-	754,578	175,247,240
Federal sources	<u>255,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,560,987</u>	<u>60,816,656</u>
Total revenues	<u>378,966,085</u>	<u>16,498,716</u>	<u>2,683</u>	<u>10,005,877</u>	<u>136,606,799</u>	<u>542,080,160</u>
EXPENDITURES						
Current:						
Instruction -						
Regular programs	135,471,216	4,093,244	-	-	32,603,047	172,167,507
Special education programs	34,933,939	153,151	-	-	10,243,341	45,330,431
Vocational education programs	7,160,578	2,458,844	-	-	1,728,727	11,348,149
Other instructional programs	11,229,686	1,019,521	-	-	6,426,664	18,675,871
Special programs	6,869,551	7,062,308	-	-	17,894,838	31,826,697
Adult and continuing education programs	7,316	-	-	-	359,017	366,333
Support services -						
Pupil support services	21,420,135	5,282,274	-	-	5,722,445	32,424,854
Instructional staff support services	13,777,620	1,757,717	-	-	9,707,986	25,243,323
General administration	8,594,541	65,666	-	33,480	273,952	8,967,639
School administration	22,815,949	558,510	-	-	3,568,952	26,943,411
Business services	4,133,965	32,278	-	81,115	278,966	4,526,324
Operation and maintenance of plant services	39,190,698	2,892	-	3,684,381	1,829,299	44,707,270
Student transportation services	20,170,281	146,050	-	-	2,515,150	22,831,481
Central services	7,745,668	812,519	-	88,675	701,004	9,347,866
Non-instructional services -						
Food services	454,592	-	-	165,317	23,011,519	23,631,428
Community service operations	129,478	-	-	-	-	129,478
Facilities acquisition and construction	3,000	50,000	788,889	61,033,084	43,404,355	105,279,328
Debt service:						
Principal retirement	-	-	-	-	16,301,952	16,301,952
Interest and fiscal charges	-	-	-	-	13,033,153	13,033,153
Debt issuance costs	<u>-</u>	<u>-</u>	<u>764,433</u>	<u>-</u>	<u>-</u>	<u>764,433</u>
Total expenditures	<u>334,108,213</u>	<u>23,494,974</u>	<u>1,553,322</u>	<u>65,086,052</u>	<u>189,604,367</u>	<u>613,846,928</u>
Excess (deficiency) of revenues over expenditures	<u>44,857,872</u>	<u>(6,996,258)</u>	<u>(1,550,639)</u>	<u>(55,080,175)</u>	<u>(52,997,568)</u>	<u>(71,766,768)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	61,465,000	-	335,341	61,800,341
Premium from issuance of debt	-	-	4,303,640	-	-	4,303,640
Transfers in	3,952,532	11,585,653	-	25,604,053	8,636,696	49,778,934
Transfers out	<u>(47,893,509)</u>	<u>(69,749)</u>	<u>-</u>	<u>(88,450)</u>	<u>(8,366,769)</u>	<u>(56,418,477)</u>
Total other financing sources (uses)	<u>(43,940,977)</u>	<u>11,515,904</u>	<u>65,768,640</u>	<u>25,515,603</u>	<u>605,268</u>	<u>59,464,438</u>
Net change in fund balances	916,895	4,519,646	64,218,001	(29,564,572)	(52,392,300)	(12,302,330)
FUND BALANCES, BEGINNING	83,623,120	-	-	139,819,040	226,061,906	449,504,066
Change in financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>35,336,407</u>	<u>-</u>	<u>-</u>	<u>(35,336,407)</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 84,540,015</u>	<u>\$ 39,856,053</u>	<u>\$ 64,218,001</u>	<u>\$ 110,254,468</u>	<u>\$ 138,333,199</u>	<u>\$ 437,201,736</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, 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, 2025

Total net change in fund balances for the year ended June 30, 2025 per
statement of revenues, expenditures and changes in fund balances \$ (12,302,330)

Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Facilities acquisition, construction costs and equipment which are considered as expenditures on statement of revenues, expenditures and changes in fund balances	\$ 103,496,726	
Depreciation expense for year ended June 30, 2025	(21,716,288)	
Loss on disposition of assets for the year ended June 30, 2025	<u>(5,336,403)</u>	76,444,035

Bond proceeds are reported as financing sources in governmental funds
and thus contribute to the change in fund balance. In the statement of
net position, however, issuing debt increases long-term liabilities and does
not affect the statement of activities. Similarly, repayment of principal
and transfer to paying agent are expenditures in the governmental funds
but reduce the liability in the statement of activities.

Issuance of debt	(61,800,341)	
Premium on issuance of debt	(4,303,640)	
Principal payments	<u>16,301,952</u>	(49,802,029)

Governmental funds report the effect of issuance costs, premiums,
discounts, and similar items when debt is first issued, whereas these
amounts are deferred and amortized in the statement of activities.

Amortization of bond premium	826,716	
Amortization of loss on bond refunding	<u>(287,376)</u>	539,340

Add: Excess of compensated absences used over compensated absences earned (5,665,104)

Add: Net change in pension expense 7,031,376

Less: Net loss of the Group Insurance Internal Service Fund (15,678,302)

Less: Excess of insurance claims incurred over claims paid 2,368,919

Add: Difference between interest on long-term debt on modified accrual basis
versus interest on long-term debt on accrual basis 35,956

Total change in net position for the year ended June 30, 2025 per
statement of activities \$ 2,971,861

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Proprietary Fund - Group Insurance Internal Service Fund

Statement of Net Position
June 30, 2025

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 6,076,686
Receivables -	
Due from other funds	3,880,771
Accounts	<u>4,681,920</u>
Total current assets	<u>14,639,377</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - OPEB	<u>117,849,787</u>
---------------------------------------	--------------------

LIABILITIES

Current liabilities:	
Accounts payable	169,147
Claims payable	6,077,820
Due to other funds	<u>6,017,322</u>
Total current liabilities	12,264,289
Long-term liabilities:	
Net OPEB liability	<u>466,586,875</u>
Total liabilities	<u>478,851,164</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - OPEB	<u>119,006,709</u>
--------------------------------------	--------------------

NET POSITION

Net position:	
Unrestricted (deficit)	<u>\$ (465,368,709)</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Proprietary Fund - Group Insurance Internal Service Fund

Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2025

OPERATING REVENUE	
Charges for services	<u>\$ 75,585,269</u>
OPERATING EXPENSES	
Contractual services	4,271,942
Premium payments	3,702,787
Claim payments	74,253,311
OPEB expense	15,780,423
Other operating expenses	<u>331,801</u>
Total operating expenses	<u>98,340,264</u>
Operating loss	(22,754,995)
NONOPERATING REVENUE	
Interest earned on interest-bearing deposits and investments	<u>437,150</u>
Loss before transfers	(22,317,845)
Transfers in	<u>6,639,543</u>
Change in net position	(15,678,302)
NET POSITION, BEGINNING	<u>(449,690,407)</u>
NET POSITION, ENDING	<u>\$ (465,368,709)</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Proprietary Fund - Group Insurance Internal Service Fund

Statement of Cash Flows
For the Year Ended June 30, 2025

Cash flows from operating activities:	
Receipts from interfund services provided	\$ 77,735,188
Claim payments	(76,113,000)
Payments to suppliers	(8,056,300)
Payments to employees	<u>(250,986)</u>
Net cash used by operating activities	(6,685,098)
Cash flows from noncapital financing activities:	
Cash received from other funds	2,518,997
Cash flows from investing activities:	
Interest on interest-bearing deposits and investments	<u>437,150</u>
Net decrease in cash and cash equivalents	(3,728,951)
Cash and cash equivalents, beginning of period	<u>9,805,637</u>
Cash and cash equivalents, end of period	<u><u>\$ 6,076,686</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (22,754,995)
OPEB expense	15,780,423
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in current assets and liabilities:	
Accounts receivable	2,149,919
Accounts payable	(756)
Claims payable	<u>(1,859,689)</u>
Net cash used by operating activities	<u><u>\$ (6,685,098)</u></u>

(continued)

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Proprietary Fund - Group Insurance Internal Service Fund

Statement of Cash Flows (Continued)
For the Year Ended June 30, 2025

Reconciliation of cash and cash equivalents per statement of cash flows
to the balance sheet:

Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits	\$ 9,804,511
Investments	<u>1,126</u>
Total cash and cash equivalents	<u>9,805,637</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits	6,076,686
Investments	<u>-</u>
Total cash and cash equivalents	<u>6,076,686</u>
Net decrease	<u>\$ (3,728,951)</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Statement of Fiduciary Net Position
June 30, 2025

	<u>Custodial Fund</u>	<u>Other Post- Employment Benefits Trust Fund</u>
ASSETS		
Cash and interest-bearing deposits	\$ 17,398,660	\$ -
Investments:		
Money market	-	119,933
U.S. treasury securities	-	7,485,183
Corporate bonds	-	15,457,504
Accrued interest receivable	-	230,064
Total assets	<u>17,398,660</u>	<u>23,292,684</u>
LIABILITIES		
Due to other governmental units	<u>17,398,660</u>	<u>-</u>
NET POSITION		
Net position restricted for OPEB	<u>\$ -</u>	<u>\$ 23,292,684</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	<u>Custodial Fund</u>	<u>Other Post- Employment Benefits Trust Fund</u>
ADDITIONS		
Sales taxes	\$ 362,421,484	\$ -
Hotel/motel tax	<u>5,375,799</u>	<u>-</u>
Total taxes	<u>367,797,283</u>	<u>-</u>
 Employer contributions	 <u>-</u>	 <u>19,334,902</u>
 Net investment income:		
Net increase in fair value of investments	-	759,572
Interest	750,351	680,844
Investment expenses	<u>-</u>	<u>(77,088)</u>
Total net investment income	<u>750,351</u>	<u>1,363,328</u>
 Total additions	 <u>368,547,634</u>	 <u>20,698,230</u>
 DEDUCTIONS		
Collection costs	1,930,139	-
Tax distributions, net of collection costs	366,617,495	-
Benefit payments	<u>-</u>	<u>18,184,905</u>
 Total deductions	 <u>368,547,634</u>	 <u>18,184,905</u>
 Change in net position	 -	 2,513,325
 NET POSITION - BEGINNING	 <u>-</u>	 <u>20,779,359</u>
 NET POSITION - ENDING	 <u>\$ -</u>	 <u>\$ 23,292,684</u>

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lafayette 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 (LRS-R.S.) 17:51 to provide public education for the children within Lafayette Parish. The School Board is authorized by LRS-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 nine members who are elected from nine districts for terms of four years.

The School Board operates 45 schools within the parish with a total enrollment of 29,603 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 includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government. The Other Post-Employment Benefits Trust Fund is considered a component unit of the School Board. The fund is reported as a fiduciary fund in the School Board's financial statements.

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. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the fiduciary fund statements at the fund financial statement level.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

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, and 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, liabilities and deferred inflows, 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, liabilities and deferred inflows, 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 Consolidated Special Revenue Fund accounts for local, state, and federal funds that are used to budgetarily cure operational deficiencies, supplement current educational programs, and initiate future educational programs to facilitate learning in the classroom or enhance academic achievement. These funds can be used to sustain operations or educational programs during budgetary shortfalls to prevent student academic learning loss. These funds can be used for teacher programs and incentives, including professional development opportunities, recruitment and retention, and other stipends.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

The 2025 Bond Construction Fund accounts for the expenditure of \$65,369,117 of bond proceeds issued on June 26, 2025, to finance renovations and improvements at Acadiana High School, Judice Middle School, and L.J. Alleman Middle School. These projects are intended to improve facility standards while reducing the number of temporary buildings on these campuses.

The Self-Funded Construction Capital Projects Fund accounts for the proceeds from a portion of the 1% sales tax deposited on a monthly basis to fund facility additions and/or renovations, and replacement of major facility components that could prevent those projects from being funded with the use of debt.

Additionally, the School Board reports the following fund types:

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds

Debt service funds, 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.

Capital Projects Funds

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities. Separate capital projects funds are maintained to account for a portion of the proceeds of a 1% sales tax, various debt proceeds and other revenue sources.

Proprietary Funds –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The following is the School Board's proprietary fund type:

Internal Service Fund

The Internal Service Fund is used to account for the accumulation of resources for and the payment of benefits by the School Board's group self-insurance program.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from contributions made from the employer and employees. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts; (2) actual claims and estimated claims for claims incurred but not yet reported at year-end, and (3) operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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 funds accounted for in this category by the School Board are the other post-employment benefits trust funds and the custodial fund.

Other Post-Employment Benefits Trust Fund – accounts for the assets held in an irrevocable trust for payment of retirees’ health benefits.

Sales Tax Fund – custodial fund used to account for monies collected on behalf of other taxing authorities within the parish.

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 as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. 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 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.
- b. The proprietary (internal service) fund, the Other Post-Employment Benefits Trust Fund and the custodial funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The effect of interfund borrowings and transfers has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

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 reported using the current financial resources measurement focus and 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for bond principal and interest which are reported when due. Revenues are classified by source and expenditures are classified by function and character. The governmental funds use the following practices in recording revenues and expenditures:

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received from the Lafayette Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month collected by the School Board. Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The proprietary and fiduciary funds utilize 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.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Unearned Revenues

Unearned revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. For purposes of the Statement of Cash Flows, highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Investments

Under state law the School Board may deposit funds with a fiscal agent 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 invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Investments are reported at fair value, generally based on quoted market prices, except LAMP. The fair value for LAMP investments are determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP is subject to regulatory oversight by the State Treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and federal and state grants. Receivables are expected to be collected within one year.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025 are recorded as prepaid items. The School Board utilizes the consumption method to account for prepaid items.

Inventories

The cost of inventories is recorded as expenses when consumed on the government-wide financial statements and some inventories are reported as expenditures when purchased on the fund financial statements. The nonspendable fund balance at the governmental fund level is equal to the amount of inventories at year end to indicate the portion of the governmental fund balance that is nonspendable.

Inventory of the General Fund consists of school supplies purchased which are valued at cost (first-in, first-out). Inventory of the School Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Food and Consumer Service through the Louisiana Department of Agriculture. All inventory items purchased are valued at cost (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their acquisition value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20 - 55 years
Furniture and equipment	5 - 20 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In the fund financial statements, capital assets used in governmental fund operations are accounted for as expenditures of the governmental fund upon acquisition.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2001 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has three items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred outflow of resources attributable to its pension plans. The third item is the deferred outflow of resources attributable to its OPEB Plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School Board has two items that qualify for reporting in this category. They are the deferred inflows of resources attributable to its pension plans and OPEB plan.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Compensated Absences

Teachers and other nine-month employees accrue ten days sick leave per year, which may be accumulated. Upon retirement, unused accumulated sick leave of up to twenty-five days is paid to employees at the employee's current rate of pay and accumulated sick leave in excess of twenty-five days is used in the retirement benefit computation as earned service.

All twelve-month employees earn from 12 to 18 days of both annual and sick leave each year depending on length of service with the School Board. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to employees at the employee's current rate of pay and accumulated sick leave in excess of 25 days is used in the retirement benefit computation as earned service. Annual leave is credited at the end of each fiscal year and may be carried over, not to exceed a total of 10 days.

Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Due to its restrictive nature, sabbatical leave is accounted for as expenditure in the period taken and no liability is recorded in advance of the sabbatical.

Compensated absences are measured using the employees' pay rates in effect at the financial statement date. In the government-wide financial statements, compensated absences are reported as a long-term liability. The portion expected to be paid within one year is reported as a current liability. In the governmental fund financial statements, compensated absences are reported to the extent they are due and payable at year-end; the remaining amounts are reported in the government-wide statements.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements. All of the School Board's long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds and sales tax bonds. For government-wide and fund reporting, the costs associated with the issuance of bonds are recognized as expenditure in the year of issuance.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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.

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 net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At June 30, 2025, the School Board reported \$94,960,227 of restricted net position, all of which were restricted by enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. 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.
- b. 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.
- c. 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 resolutions approved by Board members.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

- d. 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. The School Board has by resolution authorized the Superintendent, Executive Director and Assistant Superintendent of Business Services or the Director of Finance to assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts. Positive amounts are reported only in the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be offset by restricted, committed or assigned fund balance amounts.

Proprietary fund equity is classified the same as in the government-wide statements.

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.

The School Board adopted a resolution authorizing the establishment of a stabilization policy to protect against cash flow shortfalls, volatile revenue sources, economic downturns and natural disasters. Under this policy, an amount approximately equal to 21 percent of the total General Fund budgeted operating expenditures is committed for economic stabilization. The policy states that a two-thirds vote of the School Board is required for the stabilization funds to be utilized or to decrease the amount committed. At June 30, 2025, \$72,548,985 of the fund balance for the General Fund was reported as committed for economic stabilization. Additionally, the School Board has committed \$600,000 to fund workers' compensation claims.

E. Budget Practices

State statute requires budgets to be adopted for the general fund and all special revenue funds no later than September fifteenth of each year. In June the Superintendent submits to the Board proposed annual budgets for the general fund, special revenue funds, debt service funds, and capital projects funds. Public hearings are conducted, prior to the Board's approval, to obtain public comments. The budget includes proposed expenditures and the means of financing them.

The budgets for the general fund, special revenue funds and debt service funds are prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP). The capital projects funds budgets are prepared on a project basis and, therefore, are not presented.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized for the General Fund, special revenue funds, and capital projects funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbered appropriations lapse at the close of the fiscal year but are appropriately provided for in the subsequent year's budget. Any encumbrance not included in restricted or committed fund balance is included in assigned fund balance. At June 30, 2025, certain amounts which were previously restricted, committed or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Committed Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ 3,530,040
Consolidated Special Revenue	513,305	-
Other Governmental Funds	67,886	-
	\$ 581,191	\$ 3,530,040

G. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions on Use
Ad valorem taxes	See Note 4
Sales and use taxes	See Note 13

The School Board uses unrestricted resources only when restricted resources are fully depleted.

H. Use of Estimates

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(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 invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2025, the School Board had cash and interest-bearing deposits (book balances) totaling \$181,118,456 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 163,099,796	\$ 17,398,660	\$ 180,498,456
Time and savings deposits	620,000	-	620,000
Total	\$ 163,719,796	\$ 17,398,660	\$ 181,118,456

Custodial credit risk 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 the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the School Board or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2025, are secured as follows:

Bank balances	\$ 188,364,219
Federal deposit insurance	1,833,349
Pledged securities	186,530,870
Total federal insurance and pledged securities	\$ 188,364,219

Deposits in the amount of \$186,530,870 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the School Board's name. The School Board does not have a policy for custodial credit risk.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Investments

At June 30, 2025, the School Board's investments were as follows:

Description	
Governmental Activities:	
Louisiana Asset Management Pool (LAMP)	\$ 308,841,085
Money market	1,103,080
U.S. agency securities	2,471,633
U.S. treasury securities	<u>9,932,663</u>
Total governmental activities	<u>322,348,461</u>
Fiduciary Funds:	
Money market	119,933
U.S. treasury securities	7,485,183
Corporate bonds	<u>15,457,504</u>
Total fiduciary funds	<u>23,062,620</u>
Total investments	<u>\$ 345,411,081</u>

The School Board participates in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The financial statements for LAMP may be accessed on their website (<https://www.lamppool.com>). The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

The investment in LAMP is not exposed to custodial credit risk. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. LAMP is rated AAAM by Standard & Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

The School Board’s other investments consist of investments set aside in the other postemployment benefits trust fund for the payment of retiree health insurance, investments in agency funds and investments in governmental funds some of which are set aside for the payment of QSCB Bond’s accounted for in a debt service fund. The School Board has reported their other investments at fair value at June 30, 2025. Fair value was determined by obtaining “quoted” year-end market prices.

A. Governmental Activities:

Interest rate risk: State law does not address specific policies for managing interest rate risk. The School Board does not have a policy for interest rate risk. The following provides information about interest rate risk associated with the governmental activities investments:

Maturity	Fair Value	Type of Investment			
		Money market	U.S. agency securities	U.S. treasury securities	LAMP
Less than 1 year	\$312,215,878	\$1,103,080	\$2,271,713	\$ -	\$ 308,841,085
1 - 3 years	9,932,663	-	-	9,932,663	-
3 - 5 years	-	-	-	-	-
5 - 7 years	-	-	-	-	-
7 - 10 years	199,920	-	199,920	-	-
Greater than 10 years	-	-	-	-	-
	<u>\$322,348,461</u>	<u>\$1,103,080</u>	<u>\$2,471,633</u>	<u>\$ 9,932,663</u>	<u>\$ 308,841,085</u>

Credit rate risk: The credit rate risk of governmental activities investments is managed by restricting investments to those authorized by R.S. 33:5162. The School Board does not have a policy for credit rate risk.

Concentration of credit risk: R.S. 33:5162 provides that all fixed income investments be appropriately diversified by maturity, security, sector, and credit quality. At June 30, 2025, no more than 5 percent of the governmental activity’s total investments were investments in any single issue.

Foreign currency risk: The School Board does not have a policy for foreign currency risk.

B. Fiduciary Funds:

The School Board follows the state law regarding investments in fiduciary funds by political subdivisions, R.S. 33:5161 and R.S. 33:5162.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Interest rate risk: The state law does not address specific policies for managing interest rate risk. The School Board does not have a policy for interest rate risk. The following provides information about interest rate risk associated with fiduciary funds:

Maturity	Fair Value	Type of Investment			
		Money market	U.S. treasury securities	Corporate bonds	LAMP
Less than 1 year	\$ 3,255,216	\$ 119,933	\$ 1,343,649	\$ 1,791,634	\$ -
1 - 3 years	6,141,912	-	2,846,186	3,295,726	-
3 - 5 years	6,910,244	-	1,623,805	5,286,439	-
5 - 7 years	2,080,753	-	919,827	1,160,926	-
7 - 10 years	4,674,495	-	751,716	3,922,779	-
	<u>\$ 23,062,620</u>	<u>\$ 119,933</u>	<u>\$ 7,485,183</u>	<u>\$ 15,457,504</u>	<u>\$ -</u>

Credit rate risk: The credit rate risk of the fiduciary funds is managed by restricting investments to those authorized by R.S. 33:5162. The School Board does not have a policy for credit rate risk. The corporate bonds are rated as follows:

Description of Investment	Fair Value	Rating by Standard & Poor's			
		AA	A	BBB	Not rated
Corporate bonds	<u>\$ 15,457,504</u>	<u>\$ 1,004,325</u>	<u>\$ 9,151,366</u>	<u>\$ 5,301,813</u>	<u>\$ -</u>

Concentration of credit risk: R.S. 33:5162 provides that all fixed income investments be appropriately diversified by maturity, security, sector, and credit quality. At June 30, 2025, no more than 5 percent of the fiduciary fund's total investments were investments in any single issue.

Foreign currency risk: The School Board does not have a policy for foreign currency risk.

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2025, taxes were levied by the School Board on September 18, 2024 and were billed to taxpayers by the Assessor in November 2024. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

For the year ended June 30, 2025, taxes were levied on property with net assessed valuations totaling \$2,850,785,960 and were dedicated as follows:

Constitutional school tax	4.92 mills
Special schools maintenance and operational tax	7.79 mills
Special schools improvement tax	5.00 mills
School operations tax (1985)	<u>17.88 mills</u>
Total assessment	<u>35.59 mills</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Gross taxes levied for the current fiscal year totaled \$101,459,735. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$97,006,792.

(5) Receivables

At June 30, 2025, receivables consisted of the following:

Accounts	\$ 5,034,032
Accrued interest	67,978
Other	<u>507,547</u>
	<u>\$ 5,609,557</u>

(6) Due from Other Governmental Agencies

At June 30, 2025, due from other governmental agencies consisted of the following:

State of Louisiana, for various appropriations and reimbursements	\$ 14,430,185
Other municipalities and agencies for taxes and various other reimbursements	<u>761,409</u>
	<u>\$ 15,191,594</u>

(7) Capital Assets

Capital assets balances and activity for the year ended June 30, 2025 is as follows:

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Capital assets not being depreciated:				
Land	\$ 17,316,512	\$ 712,977	\$ -	\$ 18,029,489
Construction in progress	130,675,085	94,890,359	90,366,353	135,199,091
Other capital assets:				
Buildings and improvements	557,897,777	93,789,828	16,057,491	635,630,114
Furniture and equipment	<u>89,288,175</u>	<u>4,469,915</u>	<u>4,913,700</u>	<u>88,844,390</u>
Total	<u>795,177,549</u>	<u>193,863,079</u>	<u>111,337,544</u>	<u>877,703,084</u>
Less accumulated depreciation:				
Buildings and improvements	202,295,317	15,882,217	11,953,369	206,224,165
Furniture and equipment	<u>52,910,802</u>	<u>5,834,071</u>	<u>3,681,419</u>	<u>55,063,454</u>
Total	<u>255,206,119</u>	<u>21,716,288</u>	<u>15,634,788</u>	<u>261,287,619</u>
Capital assets, net	<u>\$ 539,971,430</u>	<u>\$ 172,146,791</u>	<u>\$ 95,702,756</u>	<u>\$ 616,415,465</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 14,862,113
Special education programs	1,779,240
Vocational education programs	216,480
Other instructional programs	534,378
Adult and continuing education programs	376,282
General administration	301,190
School administration	202,580
Business services	808,813
Student transportation services	2,516,518
Central services	3,313
Food services	115,381
Total depreciation expense	\$ 21,716,288

(8) Accounts, Salaries, and Other Payables

At June 30, 2025, accounts, salaries, and other payables consisted of the following:

Accounts	\$ 11,707,237
Contracts	8,125,880
Retainages	6,074,287
Accrued salaries and benefits	36,053,267
Due to other governmental agencies	3,377
Other liabilities	173,365
	\$ 62,137,413

(9) Long-Term Liabilities

The School Board issues general obligation bonds, secured by ad valorem taxes, and sales tax revenue bonds, secured by sales tax collections, to provide for the acquisition and construction of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the School Board and are generally issued as 20 or 30-year serial bonds. The School Board also issues certificates of indebtedness, qualified school construction bonds (QSCB), and limited tax bonds, secured by General Fund revenues. This debt is used to finance the purchase of specific equipment, make improvements to existing schools, and construct new schools.

During the fiscal year ended June 30, 2017, the School Board issued \$78,000,000 of limited tax revenue bonds from the United States Department of Agriculture (USDA) to finance the construction of Southside High School. As of June 30, 2025, the School Board has fully drawn down the loan proceeds. Beginning January 2019, the School Board began making monthly principal and interest payments based upon a 40-year amortization schedule.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

All the School Board's long-term debt is associated with governmental activities. Workmen's compensation claims are generally liquidated by the General and School Food Service Special Revenue Funds. Claims and judgments (included in insurance claims), compensated absences and pension/OPEB are generally liquidated by the General Fund and arbitrage is generally liquidated by the capital projects funds. There are no assets pledged as collateral or subjective acceleration clauses. There are no termination or significant events of default with finance-related consequences.

Long-term debt currently outstanding is as follows:

Sales tax bonds:

Issued Amount	Issue Date	Final Maturity Date	Interest Rates	Balance Outstanding
\$ 65,000,000	02/27/18	04/01/48	3.00% - 5.00%	\$ 39,900,000
27,765,000	07/31/18	04/01/48	3.00% - 5.00%	16,895,000
25,000,000	04/18/19	04/01/49	3.00% - 5.00%	23,050,000
31,925,000	10/15/20	04/01/48	.28% - 2.83%	30,790,000
162,985,000	04/01/23	04/01/53	3.875%-5%	162,985,000
61,465,000	06/26/25	04/01/55	5%-5.75%	61,465,000
<u>\$ 374,140,000</u>				<u>\$ 335,085,000</u>

QSCB, certificates of indebtedness and limited tax bonds payable:

Issued Amount	Issue Date	Final Maturity Date	Interest Rates	Balance Outstanding
\$ 15,000,000	10/15/20	03/01/32	.28% - 1.83%	\$ 10,855,000
30,000,000	01/04/13	03/01/32	2% - 5%	2,725,000
<u>45,000,000</u>				<u>13,580,000</u>

Direct placement -

10,000,000	03/01/11	10/01/25	0.00%	10,000,000
1,460,775	03/01/13	03/01/27	0.00%	1,460,775
78,000,000	12/21/16	06/21/58	2.38%	69,064,235
<u>89,460,775</u>				<u>80,525,010</u>
<u>\$ 134,460,775</u>				<u>\$ 94,105,010</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

A. Changes in General Long-Term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities transactions and balances:

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
2012 Limited Tax Bonds	\$ 2,725,000	\$ -	\$ -	\$ 2,725,000	\$ 1,740,000
2020 Limited Tax Refunding Bonds	12,685,000	-	1,830,000	10,855,000	100,000
Sales Tax Revenue Bonds	276,625,000	61,465,000	3,005,000	335,085,000	6,970,000
Direct Placement -					
2009 QSCB	10,000,000	-	10,000,000	-	-
2011 QSCB	10,000,000	-	-	10,000,000	10,000,000
2012 QSCB	1,460,775	-	-	1,460,775	-
2016 Limited Tax Bonds	70,195,846	335,341	1,466,952	69,064,235	1,397,408
Insurance Claims Compensated	16,170,567	47,392,819	51,621,427	11,941,959	10,978,585
Absences	31,096,610	13,007,618	7,342,514	36,761,714	7,064,048
Net pension liability	324,143,798	-	11,260,416	312,883,382	-
Net OPEB liability	539,107,896	46,420,909	118,895,789	466,633,016	-
	<u>\$ 1,294,210,492</u>	<u>\$ 168,621,687</u>	<u>\$ 205,422,098</u>	1,257,410,081	<u>\$ 38,250,041</u>
Unamortized bond related items:					
Add: unamortized premium				<u>19,206,043</u>	
				<u>\$ 1,276,616,124</u>	

B. Annual debt service requirements to maturity for the limited tax bonds, sales tax bonds, certificates of indebtedness, and QSCB are as follows:

Year Ending June 30	Limited Tax Bonds		
	Principal	Interest	Total
2026	\$ 1,840,000	\$ 232,802	\$ 2,072,802
2027	1,885,000	192,636	2,077,636
2028	1,905,000	169,904	2,074,904
2029	945,000	142,948	1,087,948
2030	1,975,000	103,910	2,078,910
2031-2032	5,030,000	109,046	5,139,046
	<u>\$ 13,580,000</u>	<u>\$ 951,246</u>	<u>\$ 14,531,246</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Year Ending	Sales Tax Bonds		
2026	\$ 6,970,000	\$ 13,565,543	\$ 20,535,543
2027	6,485,000	14,046,910	20,531,910
2028	7,540,000	13,756,940	21,296,940
2029	7,895,000	13,401,190	21,296,190
2030	8,260,000	13,034,572	21,294,572
2031-2035	46,330,000	59,633,138	105,963,138
2036-2040	58,570,000	48,513,184	107,083,184
2041-2045	71,905,000	35,355,878	107,260,878
2046-2050	74,650,000	19,792,836	94,442,836
2051-2055	46,480,000	5,605,938	52,085,938
	\$335,085,000	\$236,706,129	\$571,791,129

Year Ending	Direct Placement QSCB		
June 30	Principal	Interest	Total
2026	\$ 10,000,000	\$ -	\$ 10,000,000
2027	1,460,775	-	1,460,775
	\$ 11,460,775	\$ -	\$ 11,460,775

Year Ending	Direct Placement Limited Tax Bonds		
June 30	Principal	Interest	Total
2026	\$ 1,397,408	\$ 1,625,129	\$ 3,022,537
2027	1,430,960	1,591,577	3,022,537
2028	1,465,317	1,557,220	3,022,537
2029	1,500,500	1,522,037	3,022,537
2030	1,536,527	1,486,010	3,022,537
2031-2035	8,254,061	6,858,624	15,112,685
2036-2040	9,293,712	5,818,974	15,112,686
2041-2045	10,464,312	4,648,373	15,112,685
2046-2050	11,782,358	3,330,328	15,112,686
2051-2055	13,266,419	1,846,267	15,112,686
2056-2059	8,672,661	318,596	8,991,257
	\$ 69,064,235	\$ 30,603,135	\$ 99,667,370

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(10) Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

Plan administration: The Lafayette Parish School Board Retiree Benefits Funding Trust administers the Employer Health and Welfare Benefit Plan (Plan). The plan is a single-employer defined benefit health care plan that is used to provide continuing health care and life insurance benefits for its retired employees.

Management of the plan is vested in the Board of Trustees, which consists of five members – the Superintendent of Schools for the School Board, the President of the School Board, the Executive Director and Assistant Superintendent of Business Services of the School Board, the Director of Finance for the School Board, and the Director of Insurance and Risk Management for the School Board.

Plan membership: At June 30, 2025, the plan membership consisted of the following:

Inactive members or beneficiaries currently receiving benefit payments	2,595
Active plan members	<u>3,037</u>
	<u><u>5,632</u></u>

Benefits provided: The plan provides continuing health care and life insurance benefits for its retired employees. The School Board has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Contributions: The School Board has the authority to establish and amend the contribution requirements of the School Board and plan members. The monthly premiums of these benefits for retirees are paid jointly by the employee (approximately 30 percent) and the School Board (approximately 70 percent).

Investments

Investment policy: The plan’s policy regarding the allocation of invested assets is established and may be amended by the Board of Trustees. The Board’s management meets with the Trust’s investment advisor on an annual basis to review the asset allocation and make any changes deemed necessary. It is the policy of the Board of Trustees to invest trust funds in accordance with the provisions of Louisiana Revised Statutes 33:5162A. The following was the asset allocation policy as of June 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>
Corporate bonds	67.20%
Agency bonds	30.00%
UST bonds	2.30%
Reserves	0.50%

Concentrations: The Trust has over 5% invested in the following: Federal National Mortgage Association (5.5%); Federal Home Loan Bank (7.57%); and Federal Farm Credit Bank (14.86%).

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Rate of return: For the year ended June 30, 2025, the annual money-weighted rate of return of investments, net of investment expense, was 6.39 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the School Board

The components of the net OPEB liability of the School Board at June 30, 2025, were as follows:

Total OPEB liability	\$ 489,879,559
Plan fiduciary net position	<u>23,292,684</u>
Net OPEB liability	<u>\$ 466,586,875</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 <u>4.75%</u>

The School Board's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% annually
Salary increases	4%, including inflation
Discount rate	3.93% annually (Beginning of Year to Determine ADC) 5.20% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually for ten yers, then 4.5% thereafter
Mortality	SOA RP-2014 Table

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2008 to June 30, 2024.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Corporate bonds	3.00%
Agency bonds	2.20%
Cash	0.50%

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Discount rate: Although this plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75, the funded ratio is only 4.75% and the total actual and deemed employer contributions are well below the actuarially determined contribution. We have therefore used a discount rate which would be applicable had the requirements of paragraph 4 not been met. That discount rate is 5.2%, which is the value of the Bond Buyers' 20-year General Obligation municipal bond index as of June 30, 2025, the end of the applicable measurement period.

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at June 30, 2024	<u>\$ 559,887,255</u>	<u>\$ 20,779,359</u>	<u>\$ 539,107,896</u>
Service cost	9,679,098	-	9,679,098
Interest cost at 3.93%	21,646,236	-	21,646,236
Difference between expected and actual experience	15,018,487	-	15,018,487
Employer contributions to trust	-	19,334,902	(19,334,902)
Net investment income	-	1,440,416	(1,440,416)
Changes of assumptions	(98,166,612)	-	(98,166,612)
Benefit payments	(18,184,905)	(18,184,905)	-
Administrative expense	-	(77,088)	77,088
Net changes	<u>(70,007,696)</u>	<u>2,513,325</u>	<u>(72,521,021)</u>
Balances at June 30, 2025	<u>\$ 489,879,559</u>	<u>\$ 23,292,684</u>	<u>\$ 466,586,875</u>

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current discount rate:

	<u>1% Decrease 4.20%</u>	<u>Discount Rate 5.20%</u>	<u>1% Increase 6.20%</u>
Net OPEB liability	\$ 553,109,301	\$ 466,586,875	\$ 394,372,635

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

	<u>1% Decrease 4.50%</u>	<u>Current Trend Rate 5.50%</u>	<u>1% Increase 6.50%</u>
Net OPEB liability	\$ 392,674,132	\$ 466,586,875	\$ 554,698,960

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

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

For the year ended June 30, 2025, the School Board recognized an OPEB expense of \$15,827,289. At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 547,997	\$ 637,268
Net difference between projected and actual earnings on OPEB plan investments	117,301,790	-
Changes of assumptions	-	118,369,441
Total	\$ 117,849,787	\$ 119,006,709

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

Fiscal Year Ended	Total
6/30/2026	\$ 13,017,393
6/30/2027	1,927,632
6/30/2028	648,231
6/30/2029	(16,750,178)
	\$ (1,156,922)

Payable to the OPEB Plan

At June 30, 2025, the School Board reported a payable of \$2,258,795 for the outstanding amount of contributions to the OPEB Plan required for the year ended June 30, 2025.

(11) Risk Management

A. Commercial Insurance Coverage

The School Board purchases commercial insurance for property coverage, general liability, and automobile liability. The deductibles per occurrence for these coverages are \$1,000,000, \$250,000 and \$500,000, respectively. A fund balance assignment of \$1,000,000 has been set up in the General Fund to provide funding for any claims that may arise up to the deductibles. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. There have been no significant reductions in the insurance coverage since the prior year.

B. Reconciliation of Claims Liabilities – General Liability

Year Ended	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
2023-2024	\$ 2,796,644	\$2,337,751	\$2,065,814	\$ 3,068,581
2024-2025	3,068,581	687,644	2,053,046	1,703,179

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

C. Workers' Compensation

The School Board has established a limited risk management program for workers' compensation. The School Board hired F.A. Richard and Associates (FARA) as administrator for this program. During the fiscal years ended 2025 and 2024, \$4,827,449 and \$4,039,377, respectively, were incurred in benefits and administrative costs. The School Board purchases commercial insurance for individual claims in excess of \$1,000,000. Settled claims resulting from this risk have not exceeded commercial coverage in any of the past three fiscal years.

The liabilities for unpaid workers' compensation claims are represented by the outstanding claim reserves. These reserves are estimates of the ultimate potential payments to be made on each claim, considering the medical is in litigation; and, considering all expenses which may be required in the handling of the file such as cost of independent medical exams, legal fees and the like.

Workers' compensation claims are paid according to established payment schedules set by the Louisiana legislature and the Department of Labor. Wage benefits are calculated according to a set formula based on a fee schedule. In some cases, FARA utilizes a different calculation. In those cases, claim reserves reflect the discounted costs.

The School Board has no claims for which annuity contracts have been purchased.

D. Reconciliation of Claims Liabilities – Workers' Compensation

Year Ended	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
2023-2024	\$ 4,806,677	\$ 4,397,176	\$ 4,039,377	\$ 5,164,476
2024-2025	5,164,476	3,823,933	4,827,449	4,160,960

E. Group Self-Insurance

The School Board also established a limited risk management program for group hospitalization insurance. This plan provides employee health benefits with no lifetime maximum. The School Board purchases commercial insurance for individual claims in excess of \$525,000. A fund balance assignment of \$1,000,000 has been set up in the General Fund to provide funding for any claims. Settled claims resulting from this risk have not exceeded commercial coverage in any of the past three fiscal years.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

The General and Special Revenue Funds of the School Board participate in the program and make payments to the Group Insurance Fund based on amounts needed to pay prior and current year claims. The claims liability of \$6,077,820 reported in the Group Insurance Fund at June 30, 2025, is based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated. The provision for claims incurred but not reported was calculated utilizing historical information adjusted for current trends. The School Board currently does not discount its claims liabilities.

F. Reconciliation of Claims Liabilities – Group Hospitalization

Changes in the claims liability amount for the group hospitalization risk management program are as follows:

Year Ended	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
2023-2024	\$ 6,757,690	\$42,076,909	\$40,897,089	\$ 7,937,510
2024-2025	7,937,510	42,881,242	44,740,932	6,077,820

Claims payable for group hospitalization at June 30, 2025 was determined as follows:

1. Claims incurred prior to June 30, 2025
and paid subsequently:

Paid as of	Amount	
July 31, 2025	\$4,428,222	
August 31, 2025	778,464	
September 30, 2025	308,580	\$5,515,266
2. Provision for claims incurred but not reported		562,554
Total claims payable		<u>\$6,077,820</u>

(12) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2025, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board. As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board. The number of claims and lawsuits which have been classified as "reasonably possible" individually range from \$559,500 to \$860,500. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

B. Grant Audits

The School Board receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency.

C. Arbitrage Rebate

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax-exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax-exempt rates and investing the proceeds in higher yielding taxable securities. Based upon arbitrage rebate calculations made as of June 30, 2025 it was determined that no liability existed at June 30, 2025.

D. Construction Commitments

At June 30, 2025, the School Board had several uncompleted construction contracts. The remaining commitment on these construction contracts was \$31,451,683.

(13) Sales and Use Taxes

In accordance with a proposition approved by the voters of Lafayette Parish on September 18, 1965, the School Board collects a one percent sales and use tax on all taxable sales within the Parish. The tax was issued in perpetuity. One half of tax proceeds must be used for teachers' salaries and for expenses of operating the schools. The remainder may be used for capital improvements or operational purposes, as the School Board determines, or for the payment of bonded indebtedness. Upon receipt one half of each month's collections are deposited directly into the operating accounts of the General Fund. The remaining one half of each month's collections are used (1) to make required monthly deposits into the sinking fund for Sales Tax Revenue Bonds and (2) to purchase capital improvements or pay school operating expenses.

At June 30, 2025, various Public School Bonds with outstanding principal balances totaling \$335,085,000 were secured by a pledge and dedication of proceeds of the one percent sales and use tax described in the preceding paragraphs.

In accordance with a proposition approved by the voters on November 21, 1987, the School Board collects a one-half percent sales and use tax on all taxable sales within the Parish. The tax was issued in perpetuity. Upon receipt from the Sales Tax Collector, each month's collections are deposited directly into a separate account within the General Fund. These tax proceeds must be used for the priorities set forth in the sales tax election.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

During the current fiscal year, these proceeds were expended as follows:

	Current Year Expenditures
First, the restoration of a five percent salary reduction for school employees.	\$ 8,932,656
Second, the restoration of the reduction in funding for material of instruction and for certain educational programs.	894,694
Third, to provide up to \$250,000 per year for the removal of asbestos from school buildings until completion of project.	250,000
Fourth, funding to pay on behalf of active and retired employees one half of the total premium for employee only coverage of a board approved health plan.	21,090,778
Fifth, to provide funding for establishment of certain enhancement programs.	5,604,032
Sixth, if proceeds of tax exceed the amounts necessary to fund the above, the excess will be used exclusively for pay increases of school employees or establishment of instructional programs.	-
Total expenditures	\$ 36,772,160

The following is a reconciliation of unexpended one-half cent sales tax that is reserved in the General Fund:

Sales tax collected (net)	\$ 36,772,160
Balance restricted at June 30, 2024	-
Amount available to be expended	36,772,160
Less: Expenditures	(36,772,160)
Unexpended balance restricted in the General Fund at June 30, 2025	\$ -

In accordance with a proposition approved by the voters on November 17, 2001, the School Board collects an additional one-half cent sales and use tax on all taxable sales and services within the Parish dedicated to paying the costs of salaries and related benefits of classroom teachers and the establishment of a teachers' salary reserve fund. The tax was issued in perpetuity.

The following is a reconciliation of unexpended one-half cent sales tax that is reserved in the 2002 Sales Tax Fund and restricted for teachers' salaries and benefits on the Statement of Net Position:

Sales tax collected	\$ 37,094,207
Balance restricted at June 30, 2024	28,363,417
Amount available to be expended	65,457,624
Add: Interest reserve	1,758,716
Less: Expenditures	(37,504,267)
Unexpended balance restricted in the 2002 Sales Tax Fund at June 30, 2025	\$ 29,712,073

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year June 30, 2025.

Taxing Bodies	Total Collections	Collection Cost	Interest	Net Distribution
Lafayette Parish 1972 Tax	\$ 7,535,334	\$ 39,081	\$ 15,392	\$ 7,511,645
Law Enforcement District 2003 Tax	7,593,993	39,436	15,509	7,570,066
City of Lafayette 1961 Tax	60,094,975	313,272	122,728	59,904,431
City of Lafayette 1985 Tax	48,818,693	255,003	99,716	48,663,406
City of Lafayette EDD-103 Tax	1,764,494	9,251	3,569	1,758,812
City of Lafayette EDD-103 Sub District #1 Tax	2,306	14	10	2,302
Lafayette EDD - Downtown	711,975	3,648	1,414	709,741
Lafayette EDD - University Gateway	433,349	2,282	892	431,959
Lafayette EDD - Northway	381,099	2,017	780	379,862
Lafayette EDD - Holy Rosary	33,121	191	75	33,005
Lafayette EDD - Trappey	6,562	-	-	6,562
University of Louisiana EDD	33,346	137	74	33,283
City of Broussard 1975 Tax	8,587,742	44,910	17,546	8,560,378
City of Broussard 1992 Tax	8,587,742	44,910	17,546	8,560,378
City of Broussard 2012 Tax	4,293,532	22,414	8,760	4,279,878
City of Carencro 1967 Tax	4,105,955	21,447	8,362	4,092,870
City of Carencro 1993 Tax	4,105,955	21,447	8,362	4,092,870
City of Carencro 2016 Tax	4,109,980	21,447	8,362	4,096,895
City of Carencro I-49 EDD Tax	2,661,767	13,892	5,395	2,653,270
Town of Duson 1969 Tax	542,937	2,823	1,099	541,213
Town of Duson 1983 Tax	542,937	2,823	1,099	541,213
Town of Duson 2018 Tax	545,551	2,836	1,104	543,819
City of Scott 1968 Tax	4,113,638	21,298	8,585	4,100,925
City of Scott 1984 Tax	4,113,638	21,298	8,585	4,100,925
City of Scott 2024 Tax	3,731,387	17,437	7,619	3,721,569
City of Scott Apollo EDD Tax	1,391,250	6,901	3,078	1,387,427
City of Scott DP EDD Tax	432,015	2,309	877	430,583
City of Youngsville 1968 Tax	5,061,186	26,403	10,382	5,045,165
City of Youngsville 1981 Tax	5,061,186	26,403	10,382	5,045,165
City of Youngsville 1999 Tax	2,530,593	13,201	5,191	2,522,583
City of Youngsville 2012 Tax	5,096,229	26,409	10,385	5,080,205
Airport 2015 Tax	65,519	273	160	65,406
	<u>\$ 197,089,986</u>	<u>\$ 1,025,213</u>	<u>\$ 403,038</u>	<u>\$ 196,467,811</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(14) Retirement Plans

Substantially all employees of the School Board participate in one of three cost-sharing, multiple-employer defined benefit pension plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend the benefit provisions of these plans to the State Legislature. Pertinent information relative to each plan follows:

Plan Descriptions

Teachers' Retirement System of Louisiana (TRSL) provides retirement, deferred retirement option (DROP), disability, and survivor's benefits to eligible teachers, employees and their beneficiaries as defined in LRS 11:700-11:999. The School Board participates in the Regular Plan and Plan B.

Louisiana School Employees' Retirement System (LSERS) provides retirement, disability and survivor benefits to all eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children, as defined in LRS 11:1141 – 11:1153.

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability and survivor benefits to all eligible employees and their beneficiaries as defined in LRS 11:401.

The system's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

A brief summary of eligibility and benefits of the plans in which the School Board participates are provided in the following table:

	TRSL	LSERS	LASERS
	Highest 36 months or 60 months ¹	Highest 36 months or 60 months ²	Highest 36 months or 60 months ³
Final average salary			
Years of service required	30 years of any age	30 years of any age	30 years of any age
and/or age eligible for	25 years age 55	25 years age 55	20 years of any age ⁴
benefits	20 years of any age ⁴ 5 years age 60	20 years of any age ⁴ 5 - 10 years age 60	25 years age 55 5 - 10 years age 60
Benefit percent per years of service	2% - 2.5%	2.5% - 3.33%	2.5% - 3.5%

¹ Membership commencing January 1, 2011

² Members employed between July 1, 2006 and June 30, 2010

³ Membership commencing July 1, 2006

⁴ With reduced benefits

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirements Systems’ Actuarial Committee. Contribution percentages of employees and employers and the amount of the School Board’s contributions to each defined benefit pension plan in which the School Board is a participating employer for the year ended June 30, 2025 were as follows:

Plan	Contributions		School Board Contributions
	Employee	Employer	
TRSL			
K-12 Regular Plan	8.0%	21.5%	\$ 42,450,621
Plan B	5.0%	21.5%	1,233,481
LSERS	7.5% - 8.0%	25.8%	4,450,052
LASERS	7.5% - 8.0%	34.7%	76,412

Net Pension Liability

The School Board’s net pension liability at June 30, 2025 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which it is a participating employer. The School Board’s net pension liability for each plan was measured as of the plan’s measurement date (June 30, 2024 for all plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board’s proportionate share of the net pension liability for each of the plans in which it participates was based on its required contributions in proportion to the total required contributions for all employers.

As of the most recent measurement date, the School Board’s proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Net Pension Liability	Increase/Decrease from Prior Measurement Date
TRSL	\$ 290,048,875	3.35951%	0.061190%
LSERS	22,383,624	4.41361%	0.174010%
LASERS	450,883	0.00829%	0.003110%
Total	\$ 312,883,382		

Since the measurement date of the net pension was June 30, 2024, the net pension liability is based upon fiduciary net position for each of the plans as of that date.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Detailed information about each pension plan’s assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the School Board’s net pension liability is available in the separately issued plan financial report for that fiscal year. The financial report for each plan may be accessed on their website as follows:

TRSL -www.trsl.org LSERS -www.lasers.net LASERS -www.lasersonline.org

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the School Board is a participating employer:

	TRSL	LSERS	LASERS
Valuation date	June 30, 2024	June 30, 2024	June 30, 2024
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Expected remaining service lives	5 years	3 years	2 years
Investment rate of return	7.25% per annum	6.8% per annum	7.25% per annum
Inflation rate	2.4% per annum	2.5% per annum	2.4% per annum
Projected salary increases	2.41% - 4.85%	3.75%	3.3% to 14%
Date of experience study	2018-2022	2018-2022	2019-2023

Cost-of-living adjustments	None	Cost-of-living raises may be granted from the Permanent Benefit Increase Funding Account provided the balance is sufficient to fully fund the PBI and the plan has met the granting criteria and eligibility requirements outlined by ACT 184 of 2023.	The present value of future retirement benefits is based on benefits currently being paid by the System and included previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
----------------------------	------	--	--

Source of mortality assumptions	(1), (2) and (3)	(4), (5) and (6)	(7) and (8)
---------------------------------	------------------	------------------	-------------

(1) Pub2010T Below Median Employee Tables for males and females, adjusted by 0.965 for males and by 0.942 for females
(2) Pub2010T Below Median Retiree Tables for males and females, adjusted by 1.173 for males and by 1.258 for females
(3) Pub2010T Disability Tables for males and females, adjusted by factors of 1.043 for males and by 1.092 for females
(4) Pub-2010 Median Health Retiree Tables
(5) Pub-2010 General Below Median Sex Distinct Employee Table
(6) Pub-2010 Non-Safety Disabled Retiree Sex Distinct Table
(7) PubG-2010 Healthy Retiree on fully generational basis by Mortality Improvement Scale MP-2021
(8) RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Long-term Rate of Return

For TRSL and LASERS, the long-term expected rate of return for each plan 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. For LSERS, the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	TRSL		LSERS		LASERS
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
		of Return		of Return	of Return
Domestic equity	22.5%	4.45%	39%	2.66%	4.29%
International equity	11.5%	4.29%	-	-	5.22%
Domestic fixed income	8%	2.79%	26%	0.97%	2.04%
International fixed income	6%	1.66%	-	-	5.24%
Private equity	37%	8.24%	-	-	-
Alternative investments	15%	4.51%	23%	1.81%	8.19%
Risk parity	-	-	-	-	-
Real assets	-	-	12%	0.60%	-
Total	<u>100%</u>		<u>100%</u>		

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2025, the School Board recognized \$41,296,758 a net pension expense related to the defined benefit plans in which it participates (TRSL \$39,966,776, LSERS \$1,085,097 and LASERS \$244,885).

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to its pension plans from the following sources:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Changes of assumptions	\$ 337,075	\$ -	\$ 3,152	\$ 340,227
Net difference between projected and actual earnings on pension plan investments	22,034,529	-	-	22,034,529
Changes in proportion and differences between actual employer contributions and proportionate share of contributions	3,448,834	745,933	6,105	4,200,872
Differences between expected and actual experiences	16,462,685	543,901	-	17,006,586
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	<u>43,684,102</u>	<u>4,450,052</u>	<u>76,412</u>	<u>48,210,566</u>
Total	<u>\$ 85,967,225</u>	<u>\$ 5,739,886</u>	<u>\$ 85,669</u>	<u>\$ 91,792,780</u>

	<u>Deferred Inflows of Resources</u>			
	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experiences	\$ -	\$ -	\$ 1,994	\$ 1,994
Changes of assumptions	-	956,538	-	956,538
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>2,135,507</u>	<u>53,758</u>	<u>2,189,265</u>
Total	<u>\$ -</u>	<u>\$ 3,092,045</u>	<u>\$ 55,752</u>	<u>\$ 3,147,797</u>

Deferred outflows of resources of \$48,210,566 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the subsequent year.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Fiscal Year Ended</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
6/30/2026	\$ (160,567)	\$ (2,028,917)	\$ (26,222)	\$ (2,215,706)
6/30/2027	35,969,379	1,129,074	13,890	37,112,343
6/30/2028	4,072,821	(498,566)	(20,719)	3,553,536
6/30/2029	<u>2,401,490</u>	<u>(403,802)</u>	<u>(13,444)</u>	<u>1,984,244</u>
	<u>\$42,283,123</u>	<u>\$ (1,802,211)</u>	<u>\$ (46,495)</u>	<u>\$40,434,417</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions 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 total pension liability.

The current discount rate for each plan and the change in discount rate from the prior measurement date are as follows:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>Increase/Decrease from Prior Measurement Date</u>
TRSL	7.25%	0.00%
LSERS	6.80%	0.00%
LASERS	7.25%	0.00%

Sensitivity of the School Board's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate

The following presents the School Board's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the School Board's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>Net Pension Liability</u>		
		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
TRSL	7.25%	\$ 420,345,425	\$ 290,048,875	\$ 180,503,036
LSERS	6.80%	34,067,930	22,383,624	12,368,661
LASERS	7.25%	622,657	450,883	304,914
Total		<u>\$ 455,036,012</u>	<u>\$ 312,883,382</u>	<u>\$ 193,176,611</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Payables to the Pension Plans

The School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2025 attributable to the payroll accrual at the end of the fiscal year. Amounts payable to TRSL, LSERS, and LASERS were \$7,753,876, \$385,030, and \$10,176, respectively, and are included in accounts, salaries and other payables in the statement of net position.

(15) Fund Balance

As of June 30, 2025, fund balances are composed of the following:

	General	Consolidated Special Revenue	2025 Bond Construction	Self-Funded Construction	Nonmajor Governmental Funds	Total
Nonspendable -						
Inventory	\$ 431,981	\$ -	\$ -	\$ -	\$ 2,360,046	\$ 2,792,027
Prepays	28,281	8,571	-	-	21,864	58,716
Restricted -						
Sales taxes	-	-	-	-	29,712,073	29,712,073
Debt service	-	-	-	-	68,068,553	68,068,553
Capital expenditures	-	-	64,218,001	-	-	64,218,001
Grant agreements	-	-	-	-	1,999,609	1,999,609
Specific purposes	37,243	14,050,517	-	-	6,740,849	20,828,609
Committed -						
Economic stabilization	72,548,985	-	-	-	-	72,548,985
Workers' compensation	600,000	-	-	-	-	600,000
Contracts	-	-	-	24,925,111	608,922	25,534,033
Specific purposes	-	25,796,965	-	-	-	25,796,965
Assigned -						
Capital expenditures	-	-	-	85,329,357	28,843,147	114,172,504
Loss contingency	1,000,000	-	-	-	-	1,000,000
L.D. consortium	707,019	-	-	-	-	707,019
NP equitable service	133,807	-	-	-	-	133,807
Subsequent years' expenditures	3,530,040	-	-	-	-	3,530,040
Unassigned	5,522,659	-	-	-	(21,864)	5,500,795
Total	<u>\$84,540,015</u>	<u>\$39,856,053</u>	<u>\$64,218,001</u>	<u>\$110,254,468</u>	<u>\$138,333,199</u>	<u>\$437,201,736</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(16) On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the Lafayette Parish Tax Collector in the amount of \$2,506,124 to the Teacher's Retirement System of Louisiana for employee retirement benefits.

(17) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2025 are as follows:

	Interfund Receivables	Interfund Payables
Major funds:		
General Fund	\$ 49,407,098	\$ 73,181,384
Consolidated Special Revenue	54,475,425	18,636,250
2025 Bond Construction	-	332,498
Self-Funded Construction	15,832,499	176,894
Total major funds	119,715,022	92,327,026
Nonmajor funds:		
2002 Sales Tax Fund	-	7,089,537
Consolidated Other (ESSA)	-	1,299,878
Consolidated Special Education	2,228	2,872,116
Consolidated Adult Education	2	229,824
Federal Title I (ESSA)	-	8,113,737
Consolidated Other Federal Programs	38,940	242,045
Consolidated Other State	-	141,781
Child Development Program	778	65,737
School Food Service	-	5,128,574
On Track By 5	-	106,376
Capital Improvements Program	-	3,788
Total nonmajor funds	41,948	25,293,393
Internal service fund:		
Group Self Insurance Fund	3,880,771	6,017,322
Total	\$ 123,637,741	\$ 123,637,741

The amounts due to the General Fund from various other funds are mostly for payroll related reimbursements as payroll is solely processed through the General Fund. The other interfund balances are short-term loans as other funds may not have the financial resources to process certain vendor payments throughout the fiscal year. All interfund balances are scheduled to be repaid within one year.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

B. Transfers consisted of the following at June 30, 2025:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 3,952,532	\$ 47,893,509
Consolidated Special Revenue	11,585,653	69,749
Self-Funded Construction	<u>25,604,053</u>	<u>88,450</u>
Total major funds	<u>41,142,238</u>	<u>48,051,708</u>
Nonmajor funds:		
Consolidated Other (ESSA)	-	195,671
Consolidated Special Education	-	526,103
Federal Title I (ESSA)	-	1,087,424
Consolidated Other Federal Programs	-	1,348,257
Child Development Program	-	25,388
School Food Service	1,187,614	-
Other Debt Service	3,547,135	-
USDA Sinking Fund Southside High	3,126,240	-
Southside High School Construction	-	20,036
Capital Improvements Program	<u>775,707</u>	<u>5,163,890</u>
Total nonmajor funds	<u>8,636,696</u>	<u>8,366,769</u>
Internal service fund:		
Group Self Insurance Fund	<u>6,639,543</u>	-
Total	<u>\$ 56,418,477</u>	<u>\$ 56,418,477</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the fiscal year ended June 30, 2025, the School Board transferred funds to meet board commitments, reimburse funds that initially paid for construction, and pay debt payments.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(18) Investments Valuation and Fair Value Hierarchy

The School Board has the following recurring fair value measurements as of June 30, 2025:

	Total	Fair Value Hierarchy		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate securities	\$ 15,457,504	\$ -	\$ 15,457,504	\$ -
U.S. treasury securities	17,417,846	-	17,417,846	-
U.S. agency securities	<u>2,471,633</u>	<u>2,471,633</u>	<u>-</u>	<u>-</u>
Total investments at fair value level	<u>35,346,983</u>	<u>\$ 2,471,633</u>	<u>\$ 32,875,350</u>	<u>\$ -</u>
Investments measured at the net asset value:				
LAMP	308,841,085			
Money markets	<u>1,223,013</u>			
	<u>310,064,098</u>			
Total investments	<u>\$ 345,411,081</u>			

U.S. treasury and U.S. agency securities classified in Level 1 of the fair value hierarchy are valued using prices in quoted active markets for those securities.

Corporate securities and U.S. treasury securities classified in Level 2 of the fair value hierarchy use inputs that include pricing algorithms and matrix pricing to determine the value of these securities, which are traded regularly, but do not have daily quotes.

(19) Deficit Net Position

The Group Insurance Internal Service Fund reported a deficit net position of \$465,368,709 at June 30, 2025. This deficit is the result of recording the School Board's net OPEB liability and related deferred outflows and inflows of resources. The OPEB liability was created over a long period of time and its correction will require a long-term approach. To assist in addressing this issue, the School Board created an irrevocable trust fund, which is reported as a fiduciary fund in these financial statements. During the fiscal year ended June 30, 2025, the Group Insurance Internal Service Fund made a deposit of \$19,334,902 to the OPEB Trust Fund. At June 30, 2025, the balance of the assets held in trust for OPEB benefits is \$23,292,684. The goal of the School Board is to generate sufficient revenue to cover the expenses of the Group Insurance Internal Service Fund and begin addressing the negative ending net position. The School Board has been promoting the Humana Medicare Advantage plan to employees. This plan reduces overall costs to the School Board. The School Board believes that the proactive creation of the OPEB Trust Fund, plan changes and escalating funding goals is a long-term solution that is feasible in a restricted budgetary environment.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(20) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2025 follows:

	Amount
Bergeron, Roddy	\$ 9,600
Desormeaux, Chad	9,600
Edmond, Joshua	9,600
Hidalgo, Jeremy	9,600
Labue, Kate	9,600
Latiolais, Britt, President (2024 & 2025)	10,800
Lejeune, David	9,600
Mason, Hannah	9,600
Trahan, Amy	9,600
	\$ 87,600

(21) Schedule of Compensation, Benefits and Other Payments to Agency Head

The schedule of compensation, benefits and other payments to the agency head as of June 30, 2025 follows:

Purpose	Francis Touchet, Jr.
Salary	\$ 253,560
Benefits - insurance	14
Benefits - retirement	39,688
Benefits - other	4,036
Car allowance	24,795
Conference travel	18,986

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(22) Tax Abatement

The School Board is subject to tax abatements granted by the Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the Parish and the State. Under the program, companies commit to expand or maintain facilities or employment in the Parish, establish a new business in the Parish, or relocate an existing business to the Parish. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment date. The School Board's ad valorem tax revenues were reduced by \$1,053,341 as a result of the tax abatement.

(23) Excess of Expenditures over Appropriations

For the year ended June 30, 2025, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
School Activity:			
School administration	\$ 3,128,088	\$ 3,136,013	\$ (7,925)
Sales Tax Revenue Bonds:			
Business services	-	759	(759)
Debt service	14,088,096	14,103,948	(15,852)
Other Debt Service:			
Debt service	12,096,416	12,104,917	(8,501)

(24) Subsequent Event

On November 21, 2025, the School Board issued \$45,570,000 of Sales Tax Revenue Bonds, Series 2025A. The debt service will be funded using sales tax proceeds. The bonds were issued with a 5% interest rate and will be paid over a 30-year period. The proceeds will be used to construct a new K-8 school. This new school will eventually consolidate the students that are currently enrolled at J.W. Faulk Elementary, Baranco Elementary, and Paul Breaux Middle.

The Director of Facilities and Maintenance, Robert Gautreaux was arrested on August 26, 2025, for injuring public records and filing false public records. On January 21, 2026, the grand jury indicted him on seven felony counts for filing false public records, two counts of first-degree injuring public records, and two counts of obstruction of justice.

On March 12, 2026, the School Board approved a plan to close one of its nine high schools in response to declining student enrollment, which management attributes in part to increased competition from charter schools. The decision to close the high school has generated significant public interest and opposition. Subsequent to this decision, a lawsuit has been filed seeking to prevent the closure. The outcome of this legal matter cannot presently be determined, and no provision for any potential liability that may result has been recorded in the accompanying financial statements.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(25) Accounting Change

During the current fiscal year, the Consolidated Special Revenue Fund was reclassified from a nonmajor fund to a major fund due to exceeding the 10% threshold for total liabilities. The effect of this reclassification on beginning fund balance is as follows:

	<u>Nonmajor Governmental</u>	<u>Nonmajor Special Revenue Funds</u>
July 1, 2024, as reported	\$ 226,061,906	\$ 77,330,679
Prior period adjustment:		
Change within the Financial Reporting Entity	<u>(35,336,407)</u>	<u>(35,336,407)</u>
July 1, 2024, as restated	<u>\$ 190,725,499</u>	<u>\$ 41,994,272</u>

During the fiscal year ended June 30, 2025, the School Board implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. GASB 101 establishes new guidance for recognizing and measuring liabilities related to compensated absences and replaces previous guidance in GASB Statement No. 16.

The implementation of GASB 101 required the School Board to revise its accounting for compensated absences to recognize liabilities for leave that are attributable to past service and for which it is probable that employees will be paid through either cash settlement or use of leave. Under the new standard, certain types of compensated absences that were previously not recorded, or were recorded using different measurement criteria, are now required to be recognized as liabilities.

As a result of applying GASB 101, the School Board identified an understatement of compensated absence liabilities as of July 1, 2024. Accordingly, beginning net position has been restated to reflect the cumulative effect of this change in accounting principle.

The impact of the restatement on the School Board's net position as of July 1, 2024 is as follows:

	<u>Governmental Activities</u>
July 1, 2024, as reported	<u>\$ (101,167,861)</u>
Prior period adjustment:	
Increase in compensated absence liability	<u>(26,406,089)</u>
July 1, 2024, as restated	<u>\$ (127,573,950)</u>



Required Supplementary Information



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Parish sources:				
Ad valorem taxes	\$ 94,097,597	\$ 100,415,542	\$ 101,088,563	\$ 673,021
Sales taxes	96,289,019	105,265,226	105,205,445	(59,781)
Other	5,668,097	7,044,163	7,793,434	749,271
Total parish sources	196,054,713	212,724,931	214,087,442	1,362,511
State sources	150,146,559	162,252,757	164,622,974	2,370,217
Federal sources	113,334	95,142	255,669	160,527
Total revenues	<u>346,314,606</u>	<u>375,072,830</u>	<u>378,966,085</u>	<u>3,893,255</u>
EXPENDITURES				
Current:				
Instruction -				
Regular programs	136,210,329	143,924,770	135,471,216	8,453,554
Special education programs	35,124,534	32,836,866	34,933,939	(2,097,073)
Vocational education programs	7,199,645	6,838,027	7,160,578	(322,551)
Other instructional programs	11,290,954	10,599,594	11,229,686	(630,092)
Special programs	6,907,030	6,574,358	6,869,551	(295,193)
Adult and continuing education programs	7,356	-	7,316	(7,316)
Support services -				
Pupil support services	21,537,000	21,003,179	21,420,135	(416,956)
Instructional staff support services	13,852,789	13,177,429	13,777,620	(600,191)
General administration	8,641,432	8,498,553	8,594,541	(95,988)
School administration	22,940,430	22,426,120	22,815,949	(389,829)
Business services	4,156,519	3,893,692	4,133,965	(240,273)
Operation and maintenance of plant services	39,404,517	37,974,485	39,190,698	(1,216,213)
Student transportation services	20,280,327	19,887,313	20,170,281	(282,968)
Central services	7,787,927	7,708,695	7,745,668	(36,973)
Non-instructional services -				
Food services	457,072	109,818	454,592	(344,774)
Community service operations	130,184	129,478	129,478	-
Facilities acquisition and construction	3,016	-	3,000	(3,000)
Total expenditures	<u>335,931,061</u>	<u>335,582,377</u>	<u>334,108,213</u>	<u>1,474,164</u>
Excess of revenues over expenditures	<u>10,383,545</u>	<u>39,490,453</u>	<u>44,857,872</u>	<u>5,367,419</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,446,151	9,248,113	3,952,532	(5,295,581)
Transfers out	(18,729,696)	(47,923,255)	(47,893,509)	29,746
Total other financing sources (uses)	<u>(10,283,545)</u>	<u>(38,675,142)</u>	<u>(43,940,977)</u>	<u>(5,265,835)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ 100,000</u>	<u>\$ 815,311</u>	916,895	<u>\$ 101,584</u>
FUND BALANCE, BEGINNING			<u>83,623,120</u>	
FUND BALANCE, ENDING			<u>\$ 84,540,015</u>	

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Consolidated Special Revenue

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Parish sources	\$ 4,497,584	\$ 18,753,165	\$ 6,629,028	\$ (12,124,137)
State sources	-	5,721,492	9,869,688	4,148,196
Total revenues	<u>4,497,584</u>	<u>24,474,657</u>	<u>16,498,716</u>	<u>(7,975,941)</u>
EXPENDITURES				
Current:				
Instruction -				
Regular programs	783,562	4,093,244	4,093,244	-
Special education programs	29,317	153,151	153,151	-
Vocational education programs	470,690	2,458,844	2,458,844	-
Other instructional programs	195,164	1,019,521	1,019,521	-
Special programs	1,351,920	7,062,308	7,062,308	-
Support services -				
Pupil support services	1,011,172	5,157,229	5,282,274	(125,045)
Instructional staff support services	336,475	1,757,717	1,757,717	-
General administration	12,570	65,666	65,666	-
School administration	106,914	558,510	558,510	-
Business services	6,179	32,278	32,278	-
Operation and maintenance of plant services	554	2,892	2,892	-
Student transportation services	27,958	146,050	146,050	-
Central services	155,538	812,519	812,519	-
Facilities acquisition and construction	9,571	50,000	50,000	-
Total expenditures	<u>4,497,584</u>	<u>23,369,929</u>	<u>23,494,974</u>	<u>(125,045)</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>1,104,728</u>	<u>(6,996,258)</u>	<u>(8,100,986)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	154,100	11,585,653	11,431,553
Transfers out	-	-	(69,749)	(69,749)
Total other financing sources (uses)	<u>-</u>	<u>154,100</u>	<u>11,515,904</u>	<u>11,361,804</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 1,258,828</u>	4,519,646	<u>\$ 3,260,818</u>
FUND BALANCE, BEGINNING			<u>35,336,407</u>	
FUND BALANCE, ENDING			<u>\$39,856,053</u>	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2025*

Plan	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
TRSL	2025	3.35951%	\$290,048,875	\$205,679,473	141.0%	76.00%
	2024	3.29832%	298,148,003	191,407,782	155.8%	74.30%
	2023	3.20204%	305,707,130	169,330,401	180.5%	72.40%
	2022	3.35479%	179,104,623	171,715,764	104.3%	83.90%
	2021	3.27829%	364,662,337	161,223,523	226.2%	65.60%
	2020	3.11930%	309,580,001	153,334,211	201.9%	68.60%
	2019	3.21753%	316,219,097	152,375,435	207.5%	68.20%
	2018	3.21405%	329,500,150	150,069,574	219.6%	65.60%
	2017	3.25709%	382,284,342	151,097,368	253.0%	59.90%
	2016	3.32959%	358,006,535	152,598,746	234.6%	62.50%
LSERS	2025	4.41361%	22,383,624	16,546,152	135.3%	82.06%
	2024	4.23960%	25,649,003	14,535,279	176.5%	78.48%
	2023	4.22045%	28,065,863	13,602,589	206.3%	76.31%
	2022	4.74631%	22,560,013	14,584,948	154.7%	82.51%
	2021	4.65488%	37,399,935	13,915,571	268.8%	74.14%
	2020	4.47527%	31,329,619	13,027,368	240.5%	73.49%
	2019	4.39704%	29,378,233	12,683,399	231.6%	74.44%
	2018	4.29321%	27,473,429	12,290,029	223.5%	75.03%
	2017	4.20913%	31,751,426	11,955,305	265.6%	70.09%
	2016	4.32419%	27,420,863	12,112,009	226.4%	74.49%
LASERS	2025	0.00829%	450,883	169,000	266.8%	74.60%
	2024	0.00518%	346,792	134,475	257.9%	68.40%
	2023	0.00518%	391,595	162,899	240.4%	63.70%
	2022	0.00764%	420,449	157,289	267.3%	72.80%
	2021	0.00774%	640,315	170,194	376.2%	58.00%
	2020	0.00792%	573,580	157,475	364.2%	62.90%
	2019	0.02442%	1,665,085	229,377	725.9%	64.30%
	2018	0.01464%	1,030,696	244,119	422.2%	62.50%
	2017	0.01438%	1,129,275	276,720	408.1%	57.70%
	2016	0.01070%	914,395	268,335	340.8%	62.70%

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2025

Plan	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
TRSL	2025	\$ 43,684,102	\$ 43,684,102	-	203,181,870	21.50%
	2024	49,568,753	49,568,753	-	205,679,473	24.10%
	2023	47,469,130	47,469,130	-	191,407,782	24.80%
	2022	42,671,261	42,671,261	-	169,330,401	25.20%
	2021	44,302,667	44,302,667	-	171,715,764	25.80%
	2020	41,918,116	41,918,116	-	161,223,523	26.00%
	2019	40,930,332	40,930,332	-	153,334,211	26.69%
	2018	40,523,681	40,523,681	-	152,375,435	26.59%
	2017	38,359,512	38,359,512	-	150,069,574	25.56%
	2016	39,824,251	39,824,251	-	151,097,368	26.36%
LSERS	2025	4,450,052	4,450,052	-	17,248,264	25.80%
	2024	4,566,738	4,566,738	-	16,546,152	27.60%
	2023	4,011,737	4,011,737	-	14,535,279	27.60%
	2022	3,903,943	3,903,943	-	13,602,589	28.70%
	2021	4,185,880	4,185,880	-	14,584,948	28.70%
	2020	4,091,178	4,091,178	-	13,915,571	29.40%
	2019	3,647,663	3,647,663	-	13,027,368	28.00%
	2018	3,500,618	3,500,618	-	12,683,399	27.60%
	2017	3,355,178	3,355,178	-	12,290,029	27.30%
	2016	3,610,502	3,610,502	-	11,955,305	30.20%
LASERS	2025	76,412	76,412	-	220,207	34.70%
	2024	69,797	69,797	-	169,000	41.30%
	2023	54,328	54,328	-	134,475	40.40%
	2022	64,345	64,345	-	162,899	39.50%
	2021	63,073	63,073	-	157,289	40.10%
	2020	69,269	69,269	-	170,194	40.70%
	2019	59,683	59,683	-	157,475	37.90%
	2018	86,934	86,934	-	229,377	37.90%
	2017	87,392	87,392	-	244,119	35.80%
	2016	102,940	102,940	-	276,720	37.20%

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB liability				
Service cost	\$ 9,679,098	\$ 9,339,523	\$ 8,488,356	\$ 11,138,899
Interest	21,646,236	16,566,002	15,511,685	8,181,966
Difference between expected and actual experience	15,018,487	111,665,394	13,532,563	164,373,733
Changes of assumptions	(98,166,612)	(24,414,906)	(7,759,658)	(110,416,715)
Benefit payments	<u>(18,184,905)</u>	<u>(14,263,730)</u>	<u>(13,922,320)</u>	<u>(13,856,393)</u>
Net change in total OPEB liability	(70,007,696)	98,892,283	15,850,626	59,421,490
Total OPEB liability - beginning	<u>559,887,255</u>	<u>460,994,972</u>	<u>445,144,346</u>	<u>385,722,856</u>
Total OPEB liability - ending	<u>489,879,559</u>	<u>559,887,255</u>	<u>460,994,972</u>	<u>445,144,346</u>
Plan fiduciary net position				
Contributions - employer	\$ 19,334,902	\$ 15,305,544	\$ 14,932,759	\$ 14,776,477
Net investment income	1,440,416	964,019	107,873	(1,029,392)
Benefit payments	(18,184,905)	(14,263,730)	(13,922,320)	(13,856,393)
Administrative expense	<u>(77,088)</u>	<u>(69,400)</u>	<u>(64,239)</u>	<u>(64,462)</u>
Net change in plan fiduciary net position	2,513,325	1,936,433	1,054,073	(173,770)
Plan fiduciary net position - beginning	<u>20,779,359</u>	<u>18,842,926</u>	<u>17,788,853</u>	<u>17,962,623</u>
Plan fiduciary net position - ending	<u>23,292,684</u>	<u>20,779,359</u>	<u>18,842,926</u>	<u>17,788,853</u>
Net OPEB liability - ending	<u>\$ 466,586,875</u>	<u>\$ 539,107,896</u>	<u>\$ 442,152,046</u>	<u>\$ 427,355,493</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>4.75%</u>	<u>3.71%</u>	<u>4.09%</u>	<u>4.00%</u>
Covered-employee payroll	<u>\$ 145,236,099</u>	<u>\$ 145,236,099</u>	<u>\$ 136,115,583</u>	<u>\$ 130,880,368</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>321.26%</u>	<u>371.19%</u>	<u>324.84%</u>	<u>326.52%</u>

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

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 7,906,470	\$ 7,541,870	\$ 7,729,770	\$ 7,943,222	\$ 6,897,367
9,241,412	15,981,642	16,415,136	16,721,504	17,193,017
(51,409,432)	(73,516,559)	(21,080,433)	6,525,164	(27,652,486)
8,722,229	69,233,696	-	(9,710,465)	-
<u>(13,802,547)</u>	<u>(14,276,513)</u>	<u>(14,255,206)</u>	<u>(16,451,420)</u>	<u>-</u>
(39,341,868)	4,964,136	(11,190,733)	5,028,005	(3,562,102)
<u>425,064,724</u>	<u>420,100,588</u>	<u>431,291,321</u>	<u>426,263,316</u>	<u>429,825,418</u>
<u>385,722,856</u>	<u>425,064,724</u>	<u>420,100,588</u>	<u>431,291,321</u>	<u>426,263,316</u>
\$ 14,823,005	\$ 15,676,513	\$ 15,155,206	\$ 16,851,420	\$ 15,907,705
92,681	574,175	638,508	(28,262)	45,156
(13,802,547)	(14,276,513)	(14,255,206)	(16,451,420)	(14,757,705)
<u>(59,996)</u>	<u>(57,049)</u>	<u>(51,887)</u>	<u>-</u>	<u>-</u>
1,053,143	1,917,126	1,486,621	371,738	1,195,156
<u>16,909,480</u>	<u>14,992,354</u>	<u>13,505,733</u>	<u>13,133,995</u>	<u>11,938,839</u>
<u>17,962,623</u>	<u>16,909,480</u>	<u>14,992,354</u>	<u>13,505,733</u>	<u>13,133,995</u>
<u>\$ 367,760,233</u>	<u>\$ 408,155,244</u>	<u>\$ 405,108,234</u>	<u>\$ 417,785,588</u>	<u>\$ 413,129,321</u>
<u>4.66%</u>	<u>3.98%</u>	<u>3.57%</u>	<u>3.13%</u>	<u>3.08%</u>
<u>\$ 136,032,101</u>	<u>\$ 130,800,097</u>	<u>\$ 130,836,454</u>	<u>\$ 125,804,283</u>	<u>\$ 113,454,114</u>
<u>270.35%</u>	<u>312.05%</u>	<u>309.63%</u>	<u>332.09%</u>	<u>364.14%</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Net OPEB Liability
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB Liability	\$ 489,879,559	\$ 559,887,255	\$ 460,994,972	\$ 445,144,346
Fiduciary Net Position	<u>23,292,684</u>	<u>20,779,359</u>	<u>18,842,926</u>	<u>17,788,853</u>
Net OPEB liability	<u>\$ 466,586,875</u>	<u>\$ 539,107,896</u>	<u>\$ 442,152,046</u>	<u>\$ 427,355,493</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>4.75%</u>	<u>3.71%</u>	<u>4.09%</u>	<u>4.00%</u>
Covered-employee payroll	<u>\$ 145,236,099</u>	<u>\$ 145,236,099</u>	<u>\$ 136,115,583</u>	<u>\$ 130,880,368</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>321.26%</u>	<u>371.19%</u>	<u>324.84%</u>	<u>326.52%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 385,722,856	\$ 425,064,724	\$ 420,100,588	\$ 431,291,321	\$ 426,263,316
<u>17,962,623</u>	<u>16,909,480</u>	<u>14,992,354</u>	<u>13,505,733</u>	<u>13,133,995</u>
<u>\$ 367,760,233</u>	<u>\$ 408,155,244</u>	<u>\$ 405,108,234</u>	<u>\$ 417,785,588</u>	<u>\$ 413,129,321</u>
<u>4.66%</u>	<u>3.98%</u>	<u>3.57%</u>	<u>3.13%</u>	<u>3.08%</u>
<u>\$ 136,032,101</u>	<u>\$ 130,800,097</u>	<u>\$ 130,836,454</u>	<u>\$ 125,804,283</u>	<u>\$ 113,454,114</u>
<u>270.35%</u>	<u>312.05%</u>	<u>309.63%</u>	<u>332.09%</u>	<u>364.14%</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 40,591,327	\$ 33,833,834	\$ 31,840,837	\$ 27,922,816
Contributions in relation to the actuarially determined contribution	<u>19,334,902</u>	<u>15,305,544</u>	<u>14,932,759</u>	<u>14,776,477</u>
Contribution deficiency	<u>\$ 21,256,425</u>	<u>\$ 18,528,290</u>	<u>\$ 16,908,078</u>	<u>\$ 13,146,339</u>
Covered-employee payroll	<u>\$ 145,236,099</u>	<u>\$ 145,236,099</u>	<u>\$ 136,115,583</u>	<u>\$ 130,880,368</u>
Contributions as a percentage of covered-employee payroll	<u>13.31%</u>	<u>10.54%</u>	<u>10.97%</u>	<u>11.29%</u>

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

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 26,660,993	\$ 30,600,945	\$ 31,510,450	\$ 31,834,532	\$ 31,063,789
<u>14,823,005</u>	<u>15,676,513</u>	<u>15,155,206</u>	<u>16,851,420</u>	<u>15,907,705</u>
<u>\$ 11,837,988</u>	<u>\$ 14,924,432</u>	<u>\$ 16,355,244</u>	<u>\$ 14,983,112</u>	<u>\$ 15,156,084</u>
<u>\$ 136,032,101</u>	<u>\$ 130,800,097</u>	<u>\$ 130,836,454</u>	<u>\$ 125,804,283</u>	<u>\$ 113,454,114</u>
<u>10.90%</u>	<u>11.99%</u>	<u>11.58%</u>	<u>13.39%</u>	<u>14.02%</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Investment Returns
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	6.39%	4.62%	0.23%	-5.94%	0.20%	3.44%	4.23%	-0.15%	0.29%	2.90%

Lafayette Parish School Board
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

(1) Retirement Systems

A. Teachers' Retirement System of Louisiana

Changes of benefit terms –

There were no changes of benefit terms.

Changes of Assumptions –

*			Investment			Expected	<u>Projected Salary Increase</u>	
Year ended	Discount	Rate	Rate	Inflation	Remaining	Lower	Upper	
June 30,	Rate	of Return	Rate	Rate	Service Lives	Range	Range	
2025	7.25%	7.25%	7.25%	2.40%	5	2.41%	4.85%	
2024	7.25%	7.25%	7.25%	2.40%	5	2.41%	4.85%	
2023	7.25%	7.25%	7.25%	2.30%	5	3.10%	4.60%	
2022	7.40%	7.40%	7.40%	2.30%	5	3.10%	4.60%	
2021	7.45%	7.45%	7.45%	2.30%	5	3.10%	4.60%	
2020	7.55%	7.55%	7.55%	2.50%	5	3.30%	4.80%	
2019	7.65%	7.65%	7.65%	2.50%	5	3.30%	4.80%	
2018	7.70%	7.70%	7.70%	2.50%	5	3.50%	10.00%	
2017	7.75%	7.75%	7.75%	2.50%	5	3.50%	10.00%	
2016	7.75%	7.75%	7.75%	2.50%	5	3.50%	10.00%	

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

B. Louisiana School Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms.

Changes of Assumptions –

*			Investment			Expected	<u>Projected Salary Increase</u>	
Year ended	Discount	Rate	Rate	Inflation	Remaining	Lower	Upper	
June 30,	Rate	of Return	Rate	Rate	Service Lives	Range	Range	
2025	6.80%	6.80%	6.80%	2.50%	3	3.75%	3.75%	
2024	6.80%	6.80%	6.80%	2.50%	2	3.75%	3.75%	
2023	6.90%	6.80%	6.80%	2.50%	3	3.25%	3.25%	
2022	6.90%	6.90%	6.90%	2.50%	3	3.25%	3.25%	
2021	7.00%	7.00%	7.00%	2.50%	3	3.25%	3.25%	
2020	7.00%	7.00%	7.00%	2.50%	3	3.25%	3.25%	
2019	7.06%	7.06%	7.06%	2.50%	3	3.08%	5.38%	
2018	7.13%	7.13%	7.13%	2.63%	3	3.08%	5.38%	
2017	7.13%	7.13%	7.13%	2.63%	3	3.08%	5.38%	
2016	7.00%	7.00%	7.00%	2.75%	3	3.20%	5.50%	

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

Lafayette Parish School Board
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

C. Louisiana State Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms.

Changes of Assumptions –

*					Projected Salary Increase	
Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Lower Range	Upper Range
2025	7.25%	7.25%	2.40%	2	3.30%	14.00%
2024	7.25%	7.25%	2.30%	2	3.00%	12.80%
2023	7.40%	7.25%	2.30%	2	3.00%	12.80%
2022	7.40%	7.40%	2.30%	2	2.60%	13.80%
2021	7.55%	7.55%	2.50%	2	2.60%	13.80%
2020	7.60%	7.60%	2.50%	2	2.80%	14.00%
2019	7.65%	7.65%	2.75%	3	2.80%	14.30%
2018	7.70%	7.70%	2.75%	3	2.80%	14.30%
2017	7.75%	7.75%	3.00%	3	3.00%	14.50%
2016	7.75%	7.75%	3.00%	3	3.00%	14.50%

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

(2) Postemployment Benefits Other Than Pensions (OPEB)

A. Schedule of Changes in the Net OPEB Liability and Related Ratios

1) Changes of benefit terms – There were no changes of benefit terms.

2) Changes of Assumptions –

*			Projected
Year ended June 30,	Discount Rate	Inflation Rate	Salary Increase
2025	5.20%	2.50%	4.00%
2024	3.93%	2.50%	4.00%
2023	3.65%	2.50%	4.00%
2022	3.54%	2.50%	4.00%
2021	2.16%	2.50%	4.00%
2020	2.21%	2.50%	4.00%
2019	3.87%	2.50%	4.00%
2018	3.87%	2.50%	4.00%

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

Lafayette Parish School Board
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

B. Schedule of Employer Contributions

Valuation date	7/1/2024 - Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Fair value
Inflation	2.5% annually
Healthcare trend	5.5% annually for ten years, 4.5% thereafter
Salary increases	4.0% annually
Discount rate	3.93% annually (Beginning of year to determine ADC) 5.2% annually (As of end of year measurement date)
Retirement age	5 years after the later of attainment of 30 years of service at any age; or, attainment of age 55 and 25 years of service; or, attainment of age 60 and 5 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.
Mortality	RP-2014 without projection
Turnover	Age specific table with an average of 6.5% when applied to the active census.

(3) Budgets

The proposed budget for 2025 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2025 budget on May 10, 2023. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year 2025 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. With the exception of the multi-year projects in the capital project funds, appropriations lapse at the end of each fiscal year.

Lafayette Parish School Board
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

The level of control over the budget is exercised at the function or program level. 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.

(4) Excess of Expenditures over Appropriations

For the year ended June 30, 2025, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Special education programs	\$32,836,866	\$34,933,939	\$(2,097,073)
Vocational education programs	6,838,027	7,160,578	(322,551)
Other instructional programs	10,599,594	11,229,686	(630,092)
Special programs	6,574,358	6,869,551	(295,193)
Adult and continuing education programs	-	7,316	(7,316)
Pupil support services	21,003,179	21,420,135	(416,956)
Instructional staff support services	13,177,429	13,777,620	(600,191)
General administration	8,498,553	8,594,541	(95,988)
School administration	22,426,120	22,815,949	(389,829)
Business services	3,893,692	4,133,965	(240,273)
Operation and maintenance of plant services	37,974,485	39,190,698	(1,216,213)
Student transportation services	19,887,313	20,170,281	(282,968)
Central services	7,708,695	7,745,668	(36,973)
Food services	109,818	454,592	(344,774)
Facilities acquisition and construction	-	3,000	(3,000)
Consolidated Special Revenue:			
Pupil support services	5,157,229	5,282,274	(125,045)



Other Supplementary Information (Optional)

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Collections, Distributions, and Costs of Collection
June 30, 2025

Collections	
a. Sales and Use Tax	\$ 358,580,975
b. All Other Taxes	5,349,243
c. Interest	2,129,339
d. Penalties	925,328
e. Fees	791,595
Total Collections Received	<u>367,776,480</u>
f. Less Collections Received and Held in Escrow	-
Total Collections Available for Disbursement	<u>367,776,480</u>
 Amounts Disbursed To Each Local Taxing Authority (Net of Collections Costs)	
Lafayette Parish School Board 1965 Tax (1%)	89,489,516
Lafayette Parish School Board 1988 Tax (.5%)	36,935,285
Lafayette Parish School Board 2002 Tax (.5%)	36,935,285
Lafayette Parish 1972 Tax (1%)	7,431,869
Law Enforcement District 2003 Tax (1%)	7,497,808
City of Lafayette 1961 Tax (1%)	59,574,204
City of Lafayette 1985 Tax (1%)	48,387,863
City of Lafayette 103 EDD Tax (1%)	1,755,346
City of Lafayette 103 Sub District #1 EDD Tax (1%)	115
City of Lafayette Downtown EDD Tax (1%)	718,066
City of Lafayette Downtown Hotel EDD Tax (1%)	812
City of Lafayette University Gateway EDD Tax (1%)	424,750
City of Lafayette University Gateway Hotel EDD Tax (2%)	70,372
City of Lafayette Northway EDD Tax (1%)	380,126
City of Lafayette Holy Rosary EDD Tax (1%)	33,264
City of Lafayette Trappey EDD Tax (2%)	6,698
City of Lafayette UL EDD Tax (1%)	16,077
City of Lafayette UL Hotel EDD Tax (2%)	9,301
City of Broussard 1975 Tax (1%)	8,558,703
City of Broussard 1992 Tax (1%)	8,558,703
City of Broussard 2012 Tax (.5%)	4,279,063
City of Carencro 1967 Tax (1%)	4,065,235
City of Carencro 1993 Tax (1%)	4,065,235
City of Carencro 2016 Tax (1%)	4,069,260
City of Carencro I49 EDD Tax (1%)	2,643,277
City of Carencro Hotel Tax (4%)	5,590
Town of Duson 1969 Tax (1%)	536,328
Town of Duson 1983 Tax (1%)	536,328
Town of Duson 2018 Tax (1%)	539,320

(continued)

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Collections, Distributions, and Costs of Collection (Continued)
June 30, 2025

Town of Duson Hotel Tax (4%)	13,809
City of Scott 1968 Tax (1%)	4,115,889
City of Scott 1984 Tax (1%)	4,115,889
City of Scott 2024 Tax (1%)	3,718,117
City of Scott Apollo EDD Tax (1%)	1,402,746
City of Scott DP EDD Tax (1%)	427,404
City of Scott Hotel Tax (5%)	259,350
City of Youngsville 1968 Tax (1%)	5,020,814
City of Youngsville 1981 Tax (1%)	5,020,814
City of Youngsville 1999 Tax (.5%)	2,510,407
City of Youngsville 2012 Tax (1%)	5,055,854
City of Youngsville Hotel Tax (4%)	3,264
Occupancy Tax (4%)	4,141,862
Occupancy TBID Assessment (2%)	630,271
Airport 2015 Tax (1%)	65,298
Tax Free	-
Total Amounts Disbursed to Local Taxing Authorities	<u>364,025,587</u>
 Total Amount Retained by Collector	 3,750,893
 Amounts Disbursed for Costs of Collection	
a. Collector Employee Salaries	1,115,240
b. Collector Employee Benefits	331,783
c. Contracted Collector Services	332,299
d. All Other Costs of Collection	<u>251,124</u>
Total Amounts Disbursed for Costs of Collection	<u>2,030,446</u>
 Balance in Excess (Deficiency) of Costs of Collection	 <u>\$ 1,720,447</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet - By Fund Type
June 30, 2025

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ 17,960,142	\$ 7,698,982	\$ 2,385,129	\$ 28,044,253
Investments	33,690,740	60,312,932	27,981,483	121,985,155
Receivables:				
Accounts	9,926	-	-	9,926
Accrued interest	-	63,395	-	63,395
Due from other funds	41,948	-	-	41,948
Due from other governmental agencies	13,983,305	-	-	13,983,305
Other	109,099	-	-	109,099
Prepaid items	21,864	-	-	21,864
Inventory, at cost	<u>2,360,046</u>	<u>-</u>	<u>-</u>	<u>2,360,046</u>
TOTAL ASSETS	<u>\$ 68,177,070</u>	<u>\$ 68,075,309</u>	<u>\$ 30,366,612</u>	<u>\$ 166,618,991</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,557,598	\$ 6,756	\$ 561,866	\$ 2,126,220
Contracts payable	-	-	297,708	297,708
Retainage payable	-	-	51,181	51,181
Due to other funds	25,289,605	-	3,788	25,293,393
Due to other governmental units	3,377	-	-	3,377
Unearned revenue	<u>513,913</u>	<u>-</u>	<u>-</u>	<u>513,913</u>
Total liabilities	<u>27,364,493</u>	<u>6,756</u>	<u>914,543</u>	<u>28,285,792</u>
Fund balances:				
Nonspendable	2,381,910	-	-	2,381,910
Restricted	38,452,531	68,068,553	-	106,521,084
Committed	-	-	608,922	608,922
Assigned	-	-	28,843,147	28,843,147
Unassigned	<u>(21,864)</u>	<u>-</u>	<u>-</u>	<u>(21,864)</u>
Total fund balances	<u>40,812,577</u>	<u>68,068,553</u>	<u>29,452,069</u>	<u>138,333,199</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 68,177,070</u>	<u>\$ 68,075,309</u>	<u>\$ 30,366,612</u>	<u>\$ 166,618,991</u>

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2025

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Parish sources -				
Sales taxes	\$ 37,213,023	\$ 14,904,634	\$ 3,619,188	\$ 55,736,845
Interest and investment earnings	2,190,849	2,989,481	2,271,927	7,452,257
Other	12,102,132	-	-	12,102,132
State sources	754,578	-	-	754,578
Federal sources	60,554,399	-	6,588	60,560,987
Total revenues	<u>112,814,981</u>	<u>17,894,115</u>	<u>5,897,703</u>	<u>136,606,799</u>
EXPENDITURES				
Current:				
Instruction -				
Regular programs	32,603,047	-	-	32,603,047
Special education programs	10,243,341	-	-	10,243,341
Vocational education programs	1,728,727	-	-	1,728,727
Other instructional programs	6,395,980	-	30,684	6,426,664
Special programs	17,894,838	-	-	17,894,838
Adult and continuing education programs	359,017	-	-	359,017
Support services -				
Pupil support services	5,722,445	-	-	5,722,445
Instructional staff support services	9,707,986	-	-	9,707,986
General administration	232,912	24,540	16,500	273,952
School administration	3,568,952	-	-	3,568,952
Business services	178	759	278,029	278,966
Operation and maintenance of plant services	269,185	-	1,560,114	1,829,299
Student transportation services	196,232	-	2,318,918	2,515,150
Central services	137,893	-	563,111	701,004
Non-instructional services -				
Food services	22,940,714	-	70,805	23,011,519
Facilities acquisition and construction	-	-	43,404,355	43,404,355
Debt service:				
Principal retirement	-	16,301,952	-	16,301,952
Interest and fiscal charges	-	13,033,153	-	13,033,153
Total expenditures	<u>112,001,447</u>	<u>29,360,404</u>	<u>48,242,516</u>	<u>189,604,367</u>
Excess (deficiency) of revenues over expenditures	<u>813,534</u>	<u>(11,466,289)</u>	<u>(42,344,813)</u>	<u>(52,997,568)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	335,341	335,341
Transfers in	1,187,614	6,673,375	775,707	8,636,696
Transfers out	<u>(3,182,843)</u>	<u>-</u>	<u>(5,183,926)</u>	<u>(8,366,769)</u>
Total other financing sources (uses)	<u>(1,995,229)</u>	<u>6,673,375</u>	<u>(4,072,878)</u>	<u>605,268</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(1,181,695)</u>	<u>(4,792,914)</u>	<u>(46,417,691)</u>	<u>(52,392,300)</u>
FUND BALANCES, BEGINNING	77,330,679	72,861,467	75,869,760	226,061,906
Change within financial reporting entity (nonmajor to major fund)	<u>(35,336,407)</u>	<u>-</u>	<u>-</u>	<u>(35,336,407)</u>
FUND BALANCES, ENDING	<u>\$ 40,812,577</u>	<u>\$ 68,068,553</u>	<u>\$ 29,452,069</u>	<u>\$ 138,333,199</u>



Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

2002 Sales Tax

The purpose of this fund is to account for the collection of a one-half cent sales tax dedicated to paying the costs of salaries and related benefits of classroom teachers.

Consolidated Other (ESSA)

The purpose of this fund is to account for federal funds received under Title II, III, III-Immigrant, and Title IV of the Every Student Succeeds Act. These funds are used for various purposes including, but not limited to, staff development, drug education, innovative educational programs, and the purchase of computers for classrooms. Some of the funds are also used to support non-public schools.

Consolidated Special Education

The purpose of this fund is to account for several federal and state programs restricted to exceptional children with disabilities.

Consolidated Adult Education

The purpose of this fund is to account for federal programs to provide instruction in vocational education to children and to provide continuing education courses.

Federal Title I (ESSA)

The purpose of this fund is to account for Title 1 of the Every Student Succeeds Act (ESSA) that provides financial assistance to schools with high numbers of children from low-income families to help ensure that all children meet student academic achievement standards, as well as the support of educational programs for migratory children (Title I, Part C) to help reduce the educational disruptions that result from repeated moves and ensure that migratory children receive appropriate opportunities to meet the same academic achievement standards that all children are expected to meet.

Consolidated Other Federal Programs

The purpose of this fund is to account for federal funds used to break the cycle of poverty and illiteracy by integrating early childhood education, parenting education, and parent and child interactive activities to ensure that high-risk children have equal opportunities. This fund also accounts for funds in response to the COVID-19 pandemic.

Consolidated Other State

The purpose of the fund is to account for State Programs that provide adult education, remediation, summer programs, and educational programs for high-risk students.

Child Development Program

The purpose of this fund is to account for federal funds used in the LA-4, and childcare programs. LA-4 funds provide a quality pre-school education for every four-year-old child qualifying at 200% of the federal poverty level.

School Food Service

The purpose of this fund is to account for the provision of meals to school children, including the breakfast and lunch programs. All activities necessary to provide such meals are accounted for in this fund including, but not limited to, administration, operations, and maintenance.

School Activity

The purpose of this fund is to account for individual school funds on deposit in various bank accounts.

On Track by 5

Funding reported within this fund supports targeted programs and services that promote kindergarten readiness, early literacy initiatives, and access to quality early learning environments. These resources are restricted for use in advancing the agency's mission and are expended in accordance with grantor requirements and local policy guidelines.



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
June 30, 2025

	2002 Sales Tax	Consolidated Other (ESSA)	Consolidated Special Education	Consolidated Adult Education
ASSETS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and interest-bearing deposits	\$ 4,742,554	\$ 13,326	\$ -	\$ -
Investments	32,059,056	-	-	-
Receivables:				
Accounts	-	-	-	-
Due from other funds	-	-	2,228	2
Due from other governmental agencies	-	1,286,867	2,904,103	229,878
Other	-	8,910	-	-
Prepaid items	-	7,778	-	-
Inventory, at cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$36,801,610</u>	 <u>\$ 1,316,881</u>	 <u>\$ 2,906,331</u>	 <u>\$ 229,880</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 16,985	\$ 34,161	\$ -
Due to other funds	7,089,537	1,299,878	2,872,116	229,824
Due to other governmental units	-	18	54	56
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,089,537</u>	<u>1,316,881</u>	<u>2,906,331</u>	<u>229,880</u>
 Fund balances:				
Nonspendable	-	7,778	-	-
Restricted	29,712,073	-	-	-
Unassigned	<u>-</u>	<u>(7,778)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>29,712,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$36,801,610</u>	 <u>\$ 1,316,881</u>	 <u>\$ 2,906,331</u>	 <u>\$ 229,880</u>

<u>Federal Title I (ESSA)</u>	<u>Consolidated Other Federal Programs</u>	<u>Consolidated Other State</u>	<u>Child Development Program</u>	<u>School Food Service</u>	<u>School Activity</u>	<u>On Track By 5</u>	<u>Total</u>
\$ 7,499	\$ 4	\$ -	\$ -	\$ 6,411,465	\$ 6,213,349	\$ 571,945	\$ 17,960,142
-	-	-	-	1,120,034	511,650	-	33,690,740
-	-	-	-	9,926	-	-	9,926
-	38,940	-	778	-	-	-	41,948
8,524,389	237,493	144,764	68,136	587,675	-	-	13,983,305
10,363	840	-	-	88,986	-	-	109,099
13,634	185	267	-	-	-	-	21,864
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,046</u>	<u>-</u>	<u>-</u>	<u>2,360,046</u>
<u>\$8,555,885</u>	<u>\$ 277,462</u>	<u>\$ 145,031</u>	<u>\$ 68,914</u>	<u>\$10,578,132</u>	<u>\$ 6,724,999</u>	<u>\$ 571,945</u>	<u>\$ 68,177,070</u>
\$ 442,148	\$ 32,168	\$ 3,250	\$ 3,177	\$ 1,024,904	\$ -	\$ 805	\$ 1,557,598
8,113,737	242,045	141,781	65,737	5,128,574	-	106,376	25,289,605
-	3,249	-	-	-	-	-	3,377
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,999</u>	<u>-</u>	<u>448,914</u>	<u>513,913</u>
<u>8,555,885</u>	<u>277,462</u>	<u>145,031</u>	<u>68,914</u>	<u>6,218,477</u>	<u>-</u>	<u>556,095</u>	<u>27,364,493</u>
13,634	185	267	-	2,360,046	-	-	2,381,910
-	-	-	-	1,999,609	6,724,999	15,850	38,452,531
<u>(13,634)</u>	<u>(185)</u>	<u>(267)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,864)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,359,655</u>	<u>6,724,999</u>	<u>15,850</u>	<u>40,812,577</u>
<u>\$8,555,885</u>	<u>\$ 277,462</u>	<u>\$ 145,031</u>	<u>\$ 68,914</u>	<u>\$10,578,132</u>	<u>\$ 6,724,999</u>	<u>\$ 571,945</u>	<u>\$ 68,177,070</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	2002 Sales Tax	Consolidated Other (ESSA)	Consolidated Special Education	Consolidated Adult Education	Consolidated Special Revenue
REVENUES					
Parish sources	\$ 39,047,764	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	3,606,478	8,812,259	535,966	-
Total revenues	<u>39,047,764</u>	<u>3,606,478</u>	<u>8,812,259</u>	<u>535,966</u>	<u>-</u>
EXPENDITURES					
Current:					
Instruction -					
Regular programs	23,347,012	-	-	-	-
Special education programs	5,104,297	-	4,981,689	-	-
Vocational education programs	1,521,514	-	-	207,213	-
Other instructional programs	1,756,007	-	-	-	-
Special programs	1,084,344	2,929,475	-	-	-
Adult and continuing education programs	10,925	-	-	-	-
Support services -					
Pupil support services	2,921,624	-	1,275,397	-	-
Instructional staff support services	1,751,103	481,332	1,895,028	328,753	-
General administration	202,282	-	13,120	-	-
School administration	-	-	20,511	-	-
Business services	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-
Student transportation services	-	-	100,411	-	-
Central services	-	-	-	-	-
Non-instructional services -					
Food services	-	-	-	-	-
Total expenditures	<u>37,699,108</u>	<u>3,410,807</u>	<u>8,286,156</u>	<u>535,966</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,348,656</u>	<u>195,671</u>	<u>526,103</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(195,671)	(526,103)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(195,671)</u>	<u>(526,103)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	1,348,656	-	-	-	-
FUND BALANCES, BEGINNING	28,363,417	-	-	-	35,336,407
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,336,407)</u>
FUND BALANCES, ENDING	<u>\$ 29,712,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Federal Title I (ESSA)	Consolidated Other Federal Programs	Consolidated Other State	Child Development Program	School Food Service	School Activity	On Track By 5	Total
\$ -	\$ -	\$ -	\$ -	\$ 385,558	\$ 11,912,783	\$ 159,899	\$ 51,506,004
-	-	484,072	-	213,386	-	57,120	754,578
<u>18,609,106</u>	<u>9,983,180</u>	<u>-</u>	<u>424,106</u>	<u>18,583,304</u>	<u>-</u>	<u>-</u>	<u>60,554,399</u>
<u>18,609,106</u>	<u>9,983,180</u>	<u>484,072</u>	<u>424,106</u>	<u>19,182,248</u>	<u>11,912,783</u>	<u>217,019</u>	<u>112,814,981</u>
-	4,956,447	-	-	-	4,299,588	-	32,603,047
-	157,355	-	-	-	-	-	10,243,341
-	-	-	-	-	-	-	1,728,727
-	98,653	57,809	-	-	4,483,511	-	6,395,980
13,126,277	373,220	271,673	109,849	-	-	-	17,894,838
348,092	-	-	-	-	-	-	359,017
1,369,363	1,471	154,590	-	-	-	-	5,722,445
1,738,331	3,023,401	-	288,869	-	-	201,169	9,707,986
17,500	10	-	-	-	-	-	232,912
410,470	1,958	-	-	-	3,136,013	-	3,568,952
-	168	-	-	10	-	-	178
269,185	-	-	-	-	-	-	269,185
95,821	-	-	-	-	-	-	196,232
116,513	21,380	-	-	-	-	-	137,893
<u>30,130</u>	<u>860</u>	<u>-</u>	<u>-</u>	<u>22,909,724</u>	<u>-</u>	<u>-</u>	<u>22,940,714</u>
<u>17,521,682</u>	<u>8,634,923</u>	<u>484,072</u>	<u>398,718</u>	<u>22,909,734</u>	<u>11,919,112</u>	<u>201,169</u>	<u>112,001,447</u>
<u>1,087,424</u>	<u>1,348,257</u>	<u>-</u>	<u>25,388</u>	<u>(3,727,486)</u>	<u>(6,329)</u>	<u>15,850</u>	<u>813,534</u>
-	-	-	-	1,187,614	-	-	1,187,614
<u>(1,087,424)</u>	<u>(1,348,257)</u>	<u>-</u>	<u>(25,388)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,182,843)</u>
<u>(1,087,424)</u>	<u>(1,348,257)</u>	<u>-</u>	<u>(25,388)</u>	<u>1,187,614</u>	<u>-</u>	<u>-</u>	<u>(1,995,229)</u>
-	-	-	-	(2,539,872)	(6,329)	15,850	(1,181,695)
-	-	-	-	6,899,527	6,731,328	-	77,330,679
-	-	-	-	-	-	-	(35,336,407)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,359,655</u>	<u>\$ 6,724,999</u>	<u>\$ 15,850</u>	<u>\$ 40,812,577</u>

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Special Revenue Fund

2002 Sales Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Parish sources	\$ 39,047,764	\$ 39,047,764	\$ -
EXPENDITURES			
Current:			
Instruction -			
Regular programs	23,347,012	23,347,012	-
Special education programs	5,104,297	5,104,297	-
Vocational education programs	1,521,514	1,521,514	-
Other instructional programs	1,756,007	1,756,007	-
Special programs	1,084,344	1,084,344	-
Adult and continuing education programs	10,925	10,925	-
Support services -			
Pupil support services	2,921,624	2,921,624	-
Instructional staff support services	1,751,103	1,751,103	-
General administration	202,282	202,282	-
Total expenditures	<u>37,699,108</u>	<u>37,699,108</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 1,348,656</u>	1,348,656	<u>\$ -</u>
FUND BALANCE, BEGINNING		<u>28,363,417</u>	
FUND BALANCE, ENDING		<u>\$ 29,712,073</u>	

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Special Revenue Fund
Consolidated Other (ESSA)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance
REVENUES			
Federal sources	\$ 3,606,478	\$ 3,606,478	\$ -
EXPENDITURES			
Current:			
Instruction -			
Special programs	2,929,475	2,929,475	-
Support services -			
Instructional staff support services	481,332	481,332	-
Total expenditures	3,410,807	3,410,807	-
Excess of revenues over expenditures	195,671	195,671	-
OTHER FINANCING USES			
Transfers out	(195,671)	(195,671)	-
Excess of revenues over expenditures and other uses	\$ -	-	\$ -
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		\$ -	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Special Revenue Fund

Consolidated Special Education

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Federal sources	\$ 8,812,259	\$ 8,812,259	\$ -
EXPENDITURES			
Current:			
Instruction -			
Special education programs	4,981,689	4,981,689	-
Support services -			
Pupil support services	1,275,397	1,275,397	-
Instructional staff support services	1,895,028	1,895,028	-
General administration	13,120	13,120	-
School administration	20,511	20,511	-
Student transportation services	100,411	100,411	-
Total expenditures	<u>8,286,156</u>	<u>8,286,156</u>	<u>-</u>
Excess of revenues over expenditures	526,103	526,103	-
OTHER FINANCING USES			
Transfers out	<u>(526,103)</u>	<u>(526,103)</u>	<u>-</u>
Excess of revenues over expenditures and other uses	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING		<u>-</u>	
FUND BALANCE, ENDING		<u>\$ -</u>	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Special Revenue Fund

Consolidated Adult Education

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Federal sources	<u>\$ 535,966</u>	<u>\$ 535,966</u>	<u>\$ -</u>
EXPENDITURES			
Current:			
Instruction -			
Vocational education programs	207,213	207,213	-
Support services -			
Instructional staff support services	<u>328,753</u>	<u>328,753</u>	<u>-</u>
Total expenditures	<u>535,966</u>	<u>535,966</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING		<u>-</u>	
FUND BALANCE, ENDING		<u>\$ -</u>	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Special Revenue Fund

Federal Title I (ESSA)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Federal sources	\$ 18,609,106	\$ 18,609,106	\$ -
EXPENDITURES			
Current:			
Instruction -			
Special programs	13,126,277	13,126,277	-
Adult and continuing education programs	348,092	348,092	-
Support services -			
Pupil support services	1,369,363	1,369,363	-
Instructional staff support services	1,738,331	1,738,331	-
General administration	17,500	17,500	-
School administration	410,470	410,470	-
Operation and maintenance of plant services	269,185	269,185	-
Student transportation services	95,821	95,821	-
Central services	116,513	116,513	-
Non-instructional services -			
Food services	30,130	30,130	-
Total expenditures	<u>17,521,682</u>	<u>17,521,682</u>	<u>-</u>
Excess of revenues over expenditures	1,087,424	1,087,424	-
OTHER FINANCING USES			
Transfers out	<u>(1,087,424)</u>	<u>(1,087,424)</u>	<u>-</u>
Excess of revenues over expenditures and other uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING		<u>-</u>	
FUND BALANCE, ENDING		<u><u>\$ -</u></u>	

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Special Revenue Fund
Consolidated Other Federal Programs Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance
REVENUES			
Federal sources	\$ 9,983,180	\$ 9,983,180	\$ -
EXPENDITURES			
Current:			
Instruction -			
Regular programs	4,956,447	4,956,447	-
Special education programs	157,355	157,355	-
Other instructional programs	98,653	98,653	-
Special programs	373,220	373,220	-
Support services -			
Pupil support services	1,471	1,471	-
Instructional staff support services	3,023,401	3,023,401	-
General administration	10	10	-
School administration	1,958	1,958	-
Business services	168	168	-
Central services	21,380	21,380	-
Non-instructional services -			
Food services	860	860	-
Total expenditures	8,634,923	8,634,923	-
Excess of revenues over expenditures	1,348,257	1,348,257	-
OTHER FINANCING USES			
Transfers out	(1,348,257)	(1,348,257)	-
Excess of revenues over expenditures and other uses	\$ -	-	\$ -
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		\$ -	

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Special Revenue Fund
Consolidated Other State

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance
REVENUES			
State sources	\$ 484,072	\$ 484,072	\$ -
EXPENDITURES			
Current:			
Instruction -			
Other instructional programs	57,809	57,809	-
Special programs	271,673	271,673	-
Support services -			
Pupil support services	154,590	154,590	-
Total expenditures	484,072	484,072	-
Excess of revenues over expenditures	\$ -	-	\$ -
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		\$ -	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Special Revenue Fund

Child Development Program

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Federal sources	\$ 424,106	\$ 424,106	\$ -
EXPENDITURES			
Current:			
Instruction -			
Special programs	109,849	109,849	-
Support services -			
Instructional staff support services	<u>288,869</u>	<u>288,869</u>	<u>-</u>
Total expenditures	<u>398,718</u>	<u>398,718</u>	<u>-</u>
Excess of revenues over expenditures	25,388	25,388	-
OTHER FINANCING USES			
Transfers out	<u>(25,388)</u>	<u>(25,388)</u>	<u>-</u>
Excess of revenues over expenditures and other uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING		<u>-</u>	
FUND BALANCE, ENDING		<u>\$ -</u>	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Special Revenue Fund

School Food Service

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Parish sources	\$ 385,558	\$ 385,558	\$ -
State sources	108,503	213,386	104,883
Federal sources	<u>18,474,801</u>	<u>18,583,304</u>	<u>108,503</u>
Total revenues	<u>18,968,862</u>	<u>19,182,248</u>	<u>213,386</u>
EXPENDITURES			
Current:			
Support services -			
Business services	10	10	-
Non-instructional services -			
Food services	<u>22,991,959</u>	<u>22,909,724</u>	<u>82,235</u>
Total expenditures	<u>22,991,969</u>	<u>22,909,734</u>	<u>82,235</u>
Deficiency of revenues over expenditures	(4,023,107)	(3,727,486)	295,621
OTHER FINANCING SOURCES			
Transfers in	<u>1,401,000</u>	<u>1,187,614</u>	<u>(213,386)</u>
Deficiency of revenues over expenditures and other uses	<u>\$ (2,622,107)</u>	(2,539,872)	<u>\$ 82,235</u>
FUND BALANCE, BEGINNING		<u>6,899,527</u>	
FUND BALANCE, ENDING		<u>\$4,359,655</u>	

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Special Revenue Fund
School Activity

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance
REVENUES			
Parish sources	\$ 11,911,187	\$ 11,912,783	\$ 1,596
EXPENDITURES			
Current:			
Instruction -			
Regular programs	4,299,588	4,299,588	-
Other instructional programs	4,483,511	4,483,511	-
Support services -			
School administration	3,128,088	3,136,013	(7,925)
Total expenditures	11,911,187	11,919,112	(7,925)
Excess of revenues over expenditures	\$ -	(6,329)	\$ (6,329)
FUND BALANCE, BEGINNING		6,731,328	
FUND BALANCE, ENDING		\$ 6,724,999	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Special Revenue Fund

On Track By 5

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Parish sources	\$ 189,760	\$ 159,899	\$ (29,861)
State sources	<u>93,120</u>	<u>57,120</u>	<u>(36,000)</u>
Total revenues	<u>282,880</u>	<u>217,019</u>	<u>(65,861)</u>
EXPENDITURES			
Current:			
Support services -			
Instructional staff support services	<u>201,169</u>	<u>201,169</u>	<u>-</u>
Total expenditures	<u>201,169</u>	<u>201,169</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 81,711</u>	15,850	<u>\$ (65,861)</u>
FUND BALANCE, BEGINNING		<u>-</u>	
FUND BALANCE, ENDING		<u>\$ 15,850</u>	



Nonmajor Debt Service Funds

Nonmajor Debt Service Funds

Debt Service funds are used to account for the accumulation of resources for the payment of bonded debt principal, interest, and related costs.

Consolidated School District #1

The purpose of this fund is to accumulate funds for the payment of debt financed by a special property tax on property within the territorial limits of the Consolidated School District No. 1 (Lafayette Parish). In the fiscal year ended June 30, 2009 all outstanding debt service obligations of this district were fulfilled and the special property tax is no longer being assessed. Activity in this fund for the current fiscal year represents interest income on the remaining minor cash balance in the fund. This fund will continue to be maintained to preserve proper segregation of the remaining assets pending any potential new debt approved by the voters to be issued within this district.

Sales Tax Revenue Bonds

The purpose of this fund is to accumulate funds for payment of three remaining bond issues. The bonds were issued by the School Board for the purpose of constructing and acquiring capital improvements, including the acquisition of land for building sites and playgrounds, purchasing, erecting and improving school buildings and related facilities, acquiring necessary equipment and furnishings, and refunding previous bond issues to take advantage of a better interest rate market.

Other Debt Service

The purpose of this fund is to account for debt service expenditures that are not directly related to bond issues. Such debt includes certificates of indebtedness, limited tax bonds and qualified school construction bonds (QSCB). This debt usually has shorter terms and does not require a reserve fund or specific identification of resources used to pay the debt.

USDA Sinking Fund – Southside High

The purpose of this fund is to accumulate funds for the payment of bonds used for the construction of Southside High School. This financing was done through the USDA with an extremely favorable 40 year term at a below market interest rate of 2.375%.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Debt Service Fund

Combining Balance Sheet
June 30, 2025

	Consolidated School District #1	Sales Tax Revenue Bonds	Other Debt Service	USDA Sinking Fund Southside High	Total
ASSETS					
Cash and interest-bearing deposits	\$ 97	\$ 5,639,979	\$ 1,714,833	\$ 344,073	\$ 7,698,982
Investments	26,321	20,742,457	39,544,154	-	60,312,932
Receivables					
Accrued interest	-	-	63,395	-	63,395
TOTAL ASSETS	\$ 26,418	\$ 26,382,436	\$ 41,322,382	\$ 344,073	\$ 68,075,309
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 6,756	\$ -	\$ -	\$ 6,756
Fund balances:					
Restricted for debt retirement	26,418	26,375,680	41,322,382	344,073	68,068,553
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,418	\$ 26,382,436	\$ 41,322,382	\$ 344,073	\$ 68,075,309

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Consolidated School District #1	Sales Tax Revenue Bonds	Other Debt Service	USDA Sinking Fund Southside High	Total
REVENUES					
Parish sources -					
Sales taxes	\$ -	\$ 14,904,634	\$ -	\$ -	\$ 14,904,634
Interest and investment earnings	<u>1,219</u>	<u>1,168,275</u>	<u>1,728,555</u>	<u>91,432</u>	<u>2,989,481</u>
Total revenues	<u>1,219</u>	<u>16,072,909</u>	<u>1,728,555</u>	<u>91,432</u>	<u>17,894,115</u>
EXPENDITURES					
Current:					
Support services -					
General administration	-	24,540	-	-	24,540
Business services	-	759	-	-	759
Debt service:					
Principal retirement	-	3,005,000	11,830,000	1,466,952	16,301,952
Interest and fiscal charges	<u>-</u>	<u>11,098,948</u>	<u>274,917</u>	<u>1,659,288</u>	<u>13,033,153</u>
Total expenditures	<u>-</u>	<u>14,129,247</u>	<u>12,104,917</u>	<u>3,126,240</u>	<u>29,360,404</u>
Excess (deficiency) of revenues over expenditures	1,219	1,943,662	(10,376,362)	(3,034,808)	(11,466,289)
OTHER FINANCING SOURCES					
Transfers in	<u>-</u>	<u>-</u>	<u>3,547,135</u>	<u>3,126,240</u>	<u>6,673,375</u>
Excess (deficiency) of revenues and other sources over expenditures	1,219	1,943,662	(6,829,227)	91,432	(4,792,914)
FUND BALANCES, BEGINNING	<u>25,199</u>	<u>24,432,018</u>	<u>48,151,609</u>	<u>252,641</u>	<u>72,861,467</u>
FUND BALANCES, ENDING	<u>\$ 26,418</u>	<u>\$ 26,375,680</u>	<u>\$ 41,322,382</u>	<u>\$ 344,073</u>	<u>\$ 68,068,553</u>

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Debt Service Fund

Consolidated School District #1

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Parish sources -			
Interest and investment earnings	\$ 1,219	\$ 1,219	\$ -
EXPENDITURES			
Current:			
Support services -			
General administration	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 1,219</u>	1,219	<u>\$ -</u>
FUND BALANCE, BEGINNING		<u>25,199</u>	
FUND BALANCE, ENDING		<u>\$ 26,418</u>	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Debt Service Fund

Sales Tax Revenue Bonds

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Parish sources -			
Sales tax	\$ 14,904,634	\$ 14,904,634	\$ -
Interest	<u>1,168,275</u>	<u>1,168,275</u>	<u>-</u>
Total revenues	<u>16,072,909</u>	<u>16,072,909</u>	<u>-</u>
EXPENDITURES			
Current:			
Support services -			
General administration	41,151	24,540	16,611
Business services	-	759	(759)
Debt service:			
Principal retirement	3,005,000	3,005,000	-
Interest and fiscal charges	<u>11,083,096</u>	<u>11,098,948</u>	<u>(15,852)</u>
Total expenditures	<u>14,129,247</u>	<u>14,129,247</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 1,943,662</u>	1,943,662	<u>\$ -</u>
FUND BALANCE, BEGINNING		<u>24,432,018</u>	
FUND BALANCE, ENDING		<u>\$ 26,375,680</u>	

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Debt Service Fund

Other Debt Service

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Parish sources -			
Interest	\$ 1,728,555	\$ 1,728,555	\$ -
EXPENDITURES			
Debt service:			
Principal retirement	11,830,000	11,830,000	-
Interest and fiscal charges	<u>266,416</u>	<u>274,917</u>	<u>(8,501)</u>
Total expenditures	<u>12,096,416</u>	<u>12,104,917</u>	<u>(8,501)</u>
Deficiency of revenues over expenditures	(10,367,861)	(10,376,362)	(8,501)
OTHER FINANCING SOURCES			
Transfers in	<u>3,547,135</u>	<u>3,547,135</u>	-
Deficiency of revenues and other sources over expenditures	<u>\$(6,820,726)</u>	(6,829,227)	<u>\$ (8,501)</u>
FUND BALANCE, BEGINNING		<u>48,151,609</u>	
FUND BALANCE, ENDING		<u>\$41,322,382</u>	

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Debt Service Fund
USDA Sinking Fund - Southside High

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2025

	Budget	Actual	Variance
REVENUES			
Parish sources -			
Interest	\$ 91,432	\$ 91,432	\$ -
EXPENDITURES			
Debt service:			
Principal retirement	1,466,952	1,466,952	-
Interest and fiscal charges	1,659,288	1,659,288	-
Total expenditures	3,126,240	3,126,240	-
Deficiency of revenues over expenditures	(3,034,808)	(3,034,808)	-
OTHER FINANCING SOURCES			
Transfers in	3,126,240	3,126,240	-
Excess of revenues and other sources over expenditures	\$ 91,432	91,432	\$ -
FUND BALANCE, BEGINNING		252,641	
FUND BALANCE, ENDING		\$ 344,073	



Nonmajor Capital Projects Funds

Nonmajor Capital Projects Funds

Capital projects funds are used to account for capital asset acquisition, construction, and improvements of public school facilities.

Southside High School Construction

To account for expenditures related to the construction of Southside High School with financing provided by the USDA.

Truman Pre-K Construction (ESSER)

The purpose of this fund is to account for all construction expenditures related to the new Truman Early Childhood Education Center. The Louisiana Department of Education (LDOE) provided a certain allotment of ESSER funds to the Lafayette Parish School System (LPSS). Within this allotment, LDOE approved a budget that allowed LPSS to proceed with the construction of this new facility that fits within the parameters of federal guidelines. LDOE attorneys and Federal authorities both affirm the execution of this special project.

Capital Improvements Program

To account for the portion of the proceeds of the 1% sales tax deposited on a monthly basis and dedicated to the purchase of capital improvements and equipment purchases.

2023 Construction Fund

To account for the expenditure of \$162,985,000 (PAR Amount of Bonds) issued on February 15, 2023 to replace 3 schools; Prairie Elementary, Carencro Heights “Carencro Bob Lilly” and Lafayette High.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana
Nonmajor Capital Projects Funds

Combining Balance Sheet
June 30, 2025

	Southside High School Construction	Truman Pre-K Construction (ESSER)	2023 Construction	Capital Improvements Program	Total
ASSETS					
Cash and interest-bearing deposits	\$ -	\$ -	\$ -	\$ 2,385,129	\$ 2,385,129
Investments	-	-	-	27,981,483	27,981,483
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 30,366,612	\$ 30,366,612
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 561,866	\$ 561,866
Contracts payable	-	-	-	297,708	297,708
Retainage payable	-	-	-	51,181	51,181
Due to other funds	-	-	-	3,788	3,788
Total liabilities	-	-	-	914,543	914,543
Fund balances:					
Committed for incomplete contracts	-	-	-	608,922	608,922
Assigned for capital expenditures	-	-	-	28,843,147	28,843,147
Total fund balances	-	-	-	29,452,069	29,452,069
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 30,366,612	\$ 30,366,612

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2025

	Southside High School Construction	Truman Pre-K Construction (ESSER)	2023 Construction	Capital Improvements Program	Total
REVENUES					
Parish sources	\$ 1,203	\$ -	\$ 762,167	\$ 5,127,745	\$ 5,891,115
Federal sources	-	6,588	-	-	6,588
Total revenues	<u>1,203</u>	<u>6,588</u>	<u>762,167</u>	<u>5,127,745</u>	<u>5,897,703</u>
EXPENDITURES					
Current:					
Instruction -					
Other instructional programs	-	-	-	30,684	30,684
Support services -					
General administration	-	-	-	16,500	16,500
Business services	-	-	-	278,029	278,029
Operation and maintenance of plant service	-	-	-	1,560,114	1,560,114
Student transportation services	-	-	-	2,318,918	2,318,918
Central services	-	-	-	563,111	563,111
Non-instructional services -					
Food services	-	-	-	70,805	70,805
Facilities acquisition and construction -					
Furniture and equipment	-	-	-	50,301	50,301
Building acqu. and improv.	335,341	6,588	39,062,338	3,680,645	43,084,912
Land improvements	-	-	-	269,142	269,142
Total expenditures	<u>335,341</u>	<u>6,588</u>	<u>39,062,338</u>	<u>8,838,249</u>	<u>48,242,516</u>
Deficiency of revenues over expenditures	<u>(334,138)</u>	<u>-</u>	<u>(38,300,171)</u>	<u>(3,710,504)</u>	<u>(42,344,813)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	335,341	-	-	-	335,341
Transfers in	-	-	-	775,707	775,707
Transfers out	(20,036)	-	-	(5,163,890)	(5,183,926)
Total other financing sources (uses)	<u>315,305</u>	<u>-</u>	<u>-</u>	<u>(4,388,183)</u>	<u>(4,072,878)</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(18,833)</u>	<u>-</u>	<u>(38,300,171)</u>	<u>(8,098,687)</u>	<u>(46,417,691)</u>
FUND BALANCES, BEGINNING	<u>18,833</u>	<u>-</u>	<u>38,300,171</u>	<u>37,550,756</u>	<u>75,869,760</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,452,069</u>	<u>\$ 29,452,069</u>



Statistical Section

STATISTICAL SECTION

(Unaudited)

This part of the School System's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School System's overall financial health.

Contents

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the School System's financial performance and well-being have changed over time.	126-139
Revenue Capacity	
These schedules contain information to help the reader assess the School System's most significant local revenue source; sales and property tax.	140-147
Debt Capacity	
These schedules present information to help the reader assess the affordability of the School System's current levels of outstanding debt and the School System's ability to issue additional debt in the future.	148-156
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School System's financial activities take place.	157-163
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and activities it performs.	164

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

NET POSITION BY COMPONENT**LAST TEN FISCAL YEARS**

(accrual basis of accounting)

(Unaudited)

Fiscal Year Ended June 30,	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2025	224,334,725	94,960,227	(443,897,041)	(124,602,089)
2024	180,615,144	98,368,529	(380,151,534)	(101,167,861)
2023	40,516,619	92,136,492	(271,989,040)	(139,335,929)
2022	114,993,869	74,823,482	(432,382,817)	(242,565,466)
2021 (1)	106,462,786	59,144,655	(505,754,880)	(340,147,439)
2020 (2)	107,578,058	53,384,099	(537,019,003)	(376,056,846)
2019 (3)	98,696,206	52,995,633	(568,716,305)	(417,024,466)
2018 (4)	91,858,967	49,487,863	(606,656,830)	(465,310,000)
2017	88,242,806	52,287,298	(631,584,347)	(491,054,243)
2016	84,360,597	52,067,565	(500,585,432)	(364,157,270)

Note (1) Net Position restated in 2021 for a prior year correction.

Note (2) Net Position restated to move School Activity Funds to special revenue funds per GASB 84.

Note (3) Net Position restated in 2019 to move Private Purpose Trust Funds to the General Fund.

Note (4) Net Position restated in 2018 per GASB 75.

Source: ACFR - Statement of Net Position



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(Unaudited)

	Fiscal Year Ended June 30			
	2025	2024	2023	2022
Governmental Activities:				
Expenses -				
Instruction:				
Regular programs	\$ 201,188,763	\$ 207,197,862	\$ 174,899,519	\$ 144,537,031
Special education programs	49,446,127	49,071,076	41,679,406	34,190,568
Vocational education programs	12,047,271	9,830,865	8,749,852	7,121,361
Other instructional programs	20,033,274	20,110,862	16,214,130	15,214,517
Special programs	33,030,383	32,157,204	27,033,829	23,124,959
Adult and continuing education programs	764,951	608,347	1,389,082	2,315,991
Support services:				
Pupil support services	34,109,776	31,646,376	26,644,159	23,126,365
Instructional staff support services	26,552,819	32,922,420	19,321,871	17,006,919
General administration	9,394,478	8,130,412	6,906,368	7,090,721
School administration	28,309,933	27,327,659	23,982,040	21,248,648
Business services	5,533,182	4,688,250	3,964,177	2,976,145
Plant services	45,418,284	37,690,330	33,155,760	29,866,538
Student transportation services	26,030,023	24,844,918	20,135,298	20,253,127
Central services	9,621,340	9,151,225	7,876,245	6,255,093
Non-Instructional:				
Food services	24,275,927	22,194,637	18,350,424	22,309,099
Community service programs	129,478	129,478	129,478	129,478
Interest on long-term debt	13,222,290	13,563,123	9,827,584	6,481,261
Total Expenses	<u>\$ 539,108,299</u>	<u>\$ 531,265,044</u>	<u>\$ 440,259,222</u>	<u>\$ 383,247,821</u>
Governmental Activities:				
Program Revenues -				
Charges for services:				
Instruction	237,911	188,604	107,553,599	121,002
Food services	132,129	69,980	18,158,001	30,332
Operating grants and contributions	99,262,866	134,557,358		93,658,302
Total Revenues	<u>99,632,906</u>	<u>134,815,942</u>	<u>125,711,600</u>	<u>93,809,636</u>
Net (Expenses)/Revenues	<u>\$ (439,475,393)</u>	<u>\$ (396,449,102)</u>	<u>\$ (314,547,622)</u>	<u>\$ (289,438,185)</u>

Source: ACFR - Statement of Activities

Table II

Fiscal Year Ended June 30

	2021	2020	2019	2018	2017	2016
\$	144,964,280	\$ 132,755,157	\$ 120,443,604	\$ 134,121,788	\$ 125,741,225	\$ 117,225,875
	38,460,669	37,341,257	35,599,531	36,269,992	38,980,360	35,814,566
	7,664,258	7,010,889	6,493,516	6,146,238	5,289,936	5,075,955
	13,649,562	4,751,405	6,863,498	7,884,458	7,871,177	9,322,538
	20,534,416	23,485,497	27,226,239	22,303,764	24,819,128	20,589,321
	6,168,368	618,545	9,034	344,990	935,930	945,008
	25,251,698	24,140,116	23,333,037	24,422,098	25,068,655	23,886,673
	29,560,870	18,950,158	15,759,778	12,756,368	16,741,749	15,764,043
	8,225,113	6,845,705	6,382,301	5,522,452	6,042,969	6,034,947
	22,630,319	20,286,240	18,189,259	20,283,909	17,746,270	16,633,384
	3,108,599	3,134,118	2,956,677	3,259,827	3,214,879	3,223,774
	29,223,574	28,997,646	28,283,165	23,373,342	22,417,744	20,853,396
	19,011,783	18,363,417	17,797,155	17,850,833	20,328,519	21,423,856
	6,461,517	5,064,651	6,347,139	7,254,001	4,741,629	5,719,901
	15,600,488	14,792,671	15,530,235	15,280,631	14,717,492	14,691,619
	129,478	129,478	104,478	97,445	97,873	72,719
	7,192,730	7,250,850	6,504,187	3,621,420	3,011,494	2,358,321
\$	<u>397,837,722</u>	<u>\$ 353,917,800</u>	<u>\$ 337,822,833</u>	<u>\$ 340,793,556</u>	<u>\$ 337,767,029</u>	<u>\$ 319,635,896</u>
	125,729	114,844	171,420	159,182	176,776	154,163
	27,762	488,705	604,551	538,523	707,901	1,298,945
	73,814,181	48,688,163	44,944,728	42,081,007	44,013,881	39,153,834
	<u>73,967,672</u>	<u>49,291,712</u>	<u>45,720,699</u>	<u>42,778,712</u>	<u>44,898,558</u>	<u>40,606,942</u>
\$	<u>(323,870,050)</u>	<u>\$ (304,626,088)</u>	<u>\$ (292,102,134)</u>	<u>\$ (298,014,844)</u>	<u>\$ (292,868,471)</u>	<u>\$ (279,028,954)</u>

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION,
LAST TEN YEARS**

(accrual basis of accounting)

(Unaudited)

	Fiscal Year Ended June 30			
	2025	2024	2023	2022
Total government net expense	\$ (439,475,393)	\$ (396,449,102)	\$ (314,547,622)	\$ (289,438,185)
Governmental activities:				
General revenues -				
Taxes:				
Property taxes levied for general purposes	101,088,563	92,659,137	85,325,377	79,358,823
Sales and use taxes levied for general purposes	149,656,844	144,155,547	147,002,346	144,176,384
Sales and use taxes levied for debt service	14,904,634	14,690,922	9,633,675	6,688,692
State revenue sharing	2,253,273	2,233,988	2,217,497	2,214,474
Unrestricted grants and contributions:				
State Sources	153,254,744	152,867,287	158,189,836	149,511,434
Gain on sale of assets	-	1,331,797	-	-
Earnings on investments	20,104,240	25,737,490	14,416,406	(243,017)
Miscellaneous	1,184,956	941,002	992,022	5,313,368
Total General Revenues	442,447,254	434,617,170	417,777,159	387,020,158
 Change in Net Position	 \$ 2,971,861	 \$ 38,168,068	 \$ 103,229,537	 \$ 97,581,973

Source: ACFR - Statement of Activities

Table III

Fiscal Year Ended June 30					
2021	2020	2019	2018	2017	2016
\$ (323,870,050)	\$ (304,626,088)	\$ (292,102,134)	\$ (298,014,844)	\$ (298,014,844)	\$ (292,868,471)
78,673,171	77,525,870	75,951,013	74,871,671	74,486,230	69,171,189
125,931,216	108,680,770	110,215,243	105,935,402	104,569,954	103,854,345
7,237,545	6,633,121	7,577,523	7,482,321	7,478,596	7,494,138
2,202,315	2,141,175	2,212,725	2,199,519	2,177,314	2,040,885
141,912,463	140,058,630	127,568,088	127,029,558	118,492,384	114,422,936
-	-	-	-	-	-
1,282,406	5,350,110	7,552,023	3,110,066	1,388,943	1,141,802
1,137,295	928,031	9,311,053	3,220,101	5,378,077	3,869,000
<u>358,376,411</u>	<u>341,317,707</u>	<u>340,387,668</u>	<u>323,848,638</u>	<u>313,971,498</u>	<u>301,994,295</u>
<u>\$ 34,506,361</u>	<u>\$ 36,691,619</u>	<u>\$ 48,285,534</u>	<u>\$ 25,833,794</u>	<u>\$ 15,956,654</u>	<u>\$ 9,125,824</u>

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year Ended June 30			
	2025	2024	2023	2022
General Fund:				
Nonspendable	460,262	537,355	727,751	752,644
Restricted	37,243	35,529	33,685	32,424
Committed	73,148,985	69,948,985	65,948,985	63,544,913
Assigned	5,370,866	4,476,319	5,640,166	5,648,353
Unassigned	5,522,659	8,624,932	4,106,714	2,096,081
Total General Fund	\$ 84,540,015	\$ 83,623,120	\$ 76,457,301	\$ 72,074,415
All Other Governmental Funds:				
Nonspendable	2,390,481	2,792,263	3,018,844	1,792,368
Restricted	184,789,602	164,664,410	209,100,651	100,455,256
Committed	51,330,998	28,820,679	16,630,787	44,404,430
Assigned	114,172,504	169,611,474	180,444,994	113,019,607
Unassigned	(21,864)	(7,880)	-	-
Total all other governmental funds	\$ 352,661,721	\$ 365,880,946	\$ 409,195,276	\$ 259,671,661

Note (1) 2020 Net Position restated to move School Activity Funds to special revenue funds per GASB 84.

Note (2) 2021 Net Position restated for a prior year correction.

Source: ACFR - Balance Sheet-Governmental Funds

Table IV

Fiscal Year Ended June 30					
2021	2020	2019	2018	2017	2016
2,239,830	1,825,849	1,600,187	1,528,629	1,577,552	1,548,934
32,349	35,152	34,598	-	-	-
60,302,774	58,549,248	56,825,272	64,519,304	77,632,615	71,808,771
3,952,628	3,883,140	4,637,598	2,511,464	3,077,702	6,071,839
1,600,080	2,154,762	1,343,629	477,728	9,209,484	9,493,230
<u>\$ 68,127,661</u>	<u>\$ 66,448,151</u>	<u>\$ 64,441,284</u>	<u>\$ 69,037,125</u>	<u>\$ 91,497,353</u>	<u>\$ 88,922,774</u>
2,228,930	2,308,569	1,592,744	1,669,895	1,254,308	1,317,184
78,037,466	72,229,555	65,862,047	51,732,440	53,724,402	52,637,397
3,460,476	12,051,355	30,211,680	8,483,322	13,892,628	3,631,894
140,027,705	116,746,322	129,755,885	124,882,768	41,393,574	31,589,349
-	-	-	-	(5,353,487)	-
<u>\$ 223,754,577</u>	<u>\$ 203,335,801</u>	<u>\$ 227,422,356</u>	<u>\$ 186,768,425</u>	<u>\$ 104,911,425</u>	<u>\$ 89,175,824</u>

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

**GOVERNMENTAL FUNDS REVENUES,
LAST TEN FISCAL YEARS
(Unaudited)**

	Fiscal Year Ended June 30			
	2025	2024	2023	2022
Parish sources:				
Ad valorem Taxes	\$ 101,088,563	\$ 92,659,137	\$ 85,325,377	\$ 79,358,823
Sales Taxes	164,561,478	158,846,469	156,636,021	150,865,076
Other	40,366,223	42,120,157	34,177,011	17,638,752
Total parish sources	306,016,264	293,625,763	276,138,409	247,862,651
State sources	175,247,240	174,716,080	165,934,703	157,902,989
Federal sources	60,816,656	101,318,252	101,415,647	75,064,154
Total revenue	\$ 542,080,160	\$ 569,660,095	\$ 543,488,759	\$ 480,829,794

Source: ACFR - Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance

Table V

Fiscal Year Ended June 30					
2021	2020	2019	2018	2017	2016
\$ 78,673,171	\$ 77,525,870	\$ 75,951,013	\$ 74,871,671	\$ 74,486,230	\$ 69,171,189
133,168,761	115,313,891	117,792,766	113,417,723	112,048,550	111,348,483
9,510,180	9,863,358	17,654,047	7,027,872	7,949,197	5,194,377
221,352,112	202,703,119	211,397,826	195,317,266	194,483,977	185,714,049
149,844,462	147,282,601	132,501,716	132,065,830	124,470,311	119,559,013
61,147,509	40,623,699	42,208,825	39,244,254	39,915,768	37,328,175
\$ 432,344,083	\$ 390,609,419	\$ 386,108,367	\$ 366,627,350	\$ 358,870,056	\$ 342,601,237

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO, LAST TEN FISCAL YEARS (Unaudited)

	Fiscal Year Ended June 30			
	2025	2024	2023	2022
Expenditures:				
Instruction -				
Regular programs	\$ 172,167,507	\$ 181,524,646	\$ 170,719,862	\$ 148,946,840
Special education programs	45,330,431	44,366,187	42,376,224	37,353,331
Vocational education programs	11,348,149	9,070,392	8,915,192	7,634,620
Other instructional programs	18,675,871	18,435,467	16,392,772	16,334,228
Special programs	31,826,697	30,740,868	27,979,961	25,229,761
Adult and continuing education programs	366,333	254,316	1,077,984	2,053,842
Support services -				
Pupil support services	32,424,854	29,386,779	28,095,043	26,408,749
Instructional staff support services	25,243,323	30,529,623	20,338,987	19,261,779
General administration	8,967,639	7,696,073	6,678,935	6,994,755
School administration	26,943,411	25,491,309	24,852,547	23,438,973
Business services	4,526,324	4,269,878	4,026,732	3,231,943
Operation and maintenance of plant services	44,707,270	36,778,120	33,692,611	31,067,295
Student transportation services	22,831,481	21,979,319	18,859,642	19,963,102
Central services	9,347,866	8,787,211	8,088,816	6,675,260
Non-instructional services -				
Food services	23,631,428	21,425,388	18,568,081	22,958,112
Community service programs	129,478	129,478	129,478	129,478
Facilities acquisition and construction	105,279,328	107,769,042	114,897,675	29,721,815
Debt service:				
Principal retirement	16,301,952	6,436,017	7,762,073	7,155,269
Debt issuance costs	13,033,153	-	1,395,049	-
Interest and fiscal charges	764,433	14,158,253	6,359,772	6,559,460
Total expenditures	\$ 613,846,928	\$ 599,228,366	\$ 561,207,436	\$ 441,118,612
Debt service as a percentage of non-capital expenditures	3.34%	4.17%	3.16%	3.34%

Source: ACFR - Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
ACFR - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Table VI

Fiscal Year Ended June 30					
2021	2020	2019	2018	2017	2016
\$ 135,395,308	\$ 129,871,779	\$ 123,424,249	\$ 122,974,849	\$ 118,795,341	\$ 117,363,474
36,943,348	38,290,295	36,741,062	36,768,647	37,288,011	36,192,783
7,457,295	7,125,580	6,682,761	6,095,322	4,996,563	5,067,296
13,439,173	4,795,418	7,067,836	7,996,099	7,544,362	9,500,052
20,526,758	24,568,794	24,754,861	23,210,041	24,491,196	21,499,116
5,838,417	288,637	7,721	19,376	608,951	642,746
25,235,228	25,491,470	24,626,256	25,512,782	24,790,313	25,181,461
29,545,585	19,775,800	16,522,299	13,257,482	16,544,506	16,496,832
7,832,837	6,604,022	6,304,890	5,331,294	5,778,652	5,882,073
22,427,485	21,082,917	18,934,266	20,959,904	17,288,470	17,151,852
2,982,148	3,132,170	3,104,805	3,222,864	2,977,829	3,159,053
29,162,946	28,244,858	28,632,527	23,758,888	22,220,454	21,221,453
17,210,482	17,219,207	19,951,001	16,602,036	18,441,676	28,112,849
6,455,048	5,206,413	5,633,872	7,369,142	4,712,871	5,861,053
15,432,736	15,025,995	15,570,852	15,446,092	14,478,687	14,871,873
129,478	129,478	104,478	104,480	95,978	80,978
20,880,085	56,196,731	40,951,417	56,166,130	64,341,556	15,526,130
7,584,233	7,119,059	10,704,572	10,449,585	10,095,000	8,456,129
613,566					
7,047,337	7,612,719	7,779,844	3,104,944	2,315,231	2,620,221
<u>\$ 412,139,493</u>	<u>\$ 417,781,342</u>	<u>\$ 397,499,569</u>	<u>\$ 398,349,957</u>	<u>\$ 397,805,647</u>	<u>\$ 354,887,424</u>
3.73%	4.06%	5.25%	3.86%	3.72%	3.34%

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCE
LAST TEN FISCAL YEARS
(Unaudited)**

	Fiscal Year Ended June 30			
	2025	2024	2023	2022
Excess of revenues over (under) expenditures	\$ (71,766,768)	\$ (29,568,271)	\$ (17,718,677)	\$ 39,711,182
Other Financing Sources (Uses):				
Long-term debt issued	61,800,341	19,760	162,985,000	152,656
Issuance of refunding debt	-	-	-	-
Premium on issuance of debt	4,303,640	-	8,640,178	-
Transfer to escrow agent	-	-	-	-
Appropriation to charter schools	-	-	-	-
Transfers in	49,778,934	52,198,224	118,030,012	64,558,574
Transfers out	(56,418,477)	(58,798,224)	(118,030,012)	(64,558,574)
Total other financing sources (uses)	<u>59,464,438</u>	<u>(6,580,240)</u>	<u>171,625,178</u>	<u>152,656</u>
Net change in fund balances	<u>\$ (12,302,330)</u>	<u>\$ (36,148,511)</u>	<u>\$ 153,906,501</u>	<u>\$ 39,863,838</u>

Note: Appropriations to charter schools have continued since 2012; however, these transfers are reported within Regular Programs as an expenditure. 2013 = \$433,267, 2014 = \$742,663, 2015 = \$9,439,740, 2016 = \$10,804,653, 2017 = \$10,773,442, 2018 = \$11,520,822, 2019 = \$12,936,114, 2020 = \$12,332,255, 2021 = \$15,947,521, 2022 = \$19,330,347, 2023 = \$23,530,182, 2024 = \$32,473,464, 2025 = \$42,558,193

Source: ACFR - Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
Annual Financial Report (AFR)

Table VII

Fiscal Year Ended June 30					
2021	2020	2019	2018	2017	2016
\$ 20,204,590	\$ (27,171,923)	\$ (11,391,202)	\$ (31,722,607)	\$ (38,935,591)	\$ (12,286,187)
158,228	-	53,136,722	84,716,517	57,245,771	10,000,000
46,925,000	-	-	-	-	-
-	-	2,671,484	6,402,862	-	-
(46,592,578)	-	-	-	-	-
-	-	-	-	-	-
46,119,129	35,065,782	52,032,720	55,815,184	25,706,281	13,502,225
(46,119,129)	(35,065,782)	(52,032,720)	(55,815,184)	(25,706,281)	(13,502,225)
490,650	-	55,808,206	91,119,379	57,245,771	10,000,000
<u>\$ 20,695,240</u>	<u>\$ (27,171,923)</u>	<u>\$ 44,417,004</u>	<u>\$ 59,396,772</u>	<u>\$ 18,310,180</u>	<u>\$ (2,286,187)</u>

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

ASSESSSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Per 1,000 of Assessed Value)
 (Unaudited)

ASSESSMENT YEAR	RESIDENTIAL COMMERCIAL LAND	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	PUBLIC SERVICE
2015	332,366,816	1,001,800,150	1,032,639,271	78,653,750
2016	422,763,387	1,095,211,561	1,043,431,389	77,358,980
2017	443,348,816	1,128,408,514	1,013,499,633	81,407,933
2018	466,873,373	1,156,956,832	978,842,023	75,313,060
2019	474,736,480	1,193,166,239	1,002,010,510	78,835,070
2020	483,952,399	1,223,372,265	815,234,726	85,668,130
2021	493,832,032	1,267,943,712	781,525,884	87,133,020
2022	506,281,555	1,320,137,046	912,802,164	90,701,790
2023	518,605,067	1,377,934,865	1,057,887,979	94,756,020
2024	538,625,529	1,532,759,132	1,135,587,120	99,675,400

Note (1): The difference in total assessed value and total taxable value is due to a homestead exemption of \$75,000.

Note (2): The following are the assessment rates:

<i>Land</i>	<i>10%</i>
<i>Residential</i>	<i>15%</i>
<i>All others</i>	<i>15%</i>

Source: Lafayette Parish Tax Assessor- Abstract of Assessment /
 Grand Recapitulation of the Assessment Roll

Table VIII

<u>AGRICULTURE</u>	<u>TOTAL ASSESSED VALUE</u>	<u>LESS EXEMPT PROPERTY</u>	<u>TOTAL TAXABLE VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>TOTAL DIRECT TAX RATE</u>
2,034,087	2,447,494,074	365,591,179	2,081,902,895	16,906,938,503	33.56
2,324,384	2,641,089,701	382,003,154	2,259,086,547	18,508,497,377	33.56
2,263,242	2,668,928,138	388,335,004	2,280,593,134	18,735,508,227	33.56
2,230,795	2,680,216,083	394,049,555	2,290,941,966	18,929,700,713	33.56
2,234,075	2,750,982,374	400,989,722	2,354,369,958	19,404,217,210	33.56
2,220,838	2,610,448,358	408,396,210	2,202,052,148	18,452,445,643	35.94
2,163,386	2,632,598,034	417,641,096	2,214,956,938	18,623,084,720	35.94
2,107,069	2,832,029,624	425,874,196	2,406,155,428	19,970,147,640	35.59
2,060,757	3,051,244,688	439,437,957	2,611,806,731	21,445,477,200	35.59
2,041,502	3,308,688,683	457,902,723	2,850,785,960	23,195,645,323	35.59

Lafayette Parish School System
Lafayette, Louisiana

GROSS SALES TAX REVENUE
LAST TEN FISCAL YEARS
(Unaudited)

FISCAL YEAR	DEBT AND GENERAL 1% 1965	DEDICATED SALES TAX 0.5% 1988	TEACHER SALARIES 0.5% 2002	TOTAL SYSTEM SALES TAX
6/30/2016	60,505,064	25,448,879	25,394,541	111,348,483
6/30/2017	60,709,777	25,669,426	25,669,348	112,048,550
6/30/2018	61,550,117	25,933,738	25,933,869	113,417,723
6/30/2019	63,767,948	27,012,422	27,012,396	117,792,766
6/30/2020	63,073,329	26,120,281	26,120,281	115,313,891
6/30/2021	72,210,973	30,478,894	30,478,894	133,168,761
6/30/2022	81,470,767	34,697,155	34,697,155	150,865,077
6/30/2023	85,589,691	35,523,165	35,523,165	156,636,021
6/30/2024	86,742,977	36,051,746	36,051,746	158,846,469
6/30/2025	90,135,432	37,213,023	37,213,023	164,561,478
Total	\$ 725,756,075	\$ 304,148,729	\$ 304,094,418	\$ 1,333,999,219

Source: Lafayette Parish School System Sales Tax Department



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

DIRECT AND OVERLAPPING PROPERTY TAX RATES

(Per \$1,000 of Assessed Value)

LAST TEN FISCAL YEARS OF COLLECTION

(Unaudited)

<u>Lafayette Consolidated Government</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Parish Tax	3.25	3.25	3.25	3.25
Parish Tax (City) (Exempted Municipalities)	1.63	1.63	1.63	1.63
Airport Regional Parishwide	1.71	1.71	1.71	1.71
Courthouse and Jail	2.51	2.51	2.51	2.51
Roads and Bridges	4.47	4.47	4.47	4.47
Health Unit	-	-	-	-
Juvenile Detention & Rehab	1.25	1.25	1.25	1.25
Drainage District	3.58	3.58	3.58	3.58
Teche-Vermillion Fresh Water	1.42	1.50	1.41	1.41
Detention Correctional Facility	2.21	2.21	2.21	2.21
Roads/Highways/Bridges (Bonds)	1.85	1.85	1.85	1.85
Mosquito Abatement & Control	-	-	-	-
Law Enforcement District	8.76	8.76	8.76	8.76
Law Enforcement District - L	8.60	8.60	8.60	8.60
Assessment District	1.67	1.67	1.67	1.67
Lafayette Economic Development Authority	1.80	1.80	1.80	1.80
Lafayette Parish Bayou Vermilion District (Bonds)	0.10	0.10	0.10	0.10
Lafayette Parish Bayou Vermilion District	0.75	0.79	0.79	0.79
Library 2007-2016	-	-	-	-
Library 2009-2018	-	-	-	-
Library 2013-2022	-	-	1.97	1.97
Library 2017-2026	3.12	2.91	2.91	2.91
Library 2023-2032	1.84	1.84	-	-
Downtown Dev Com Sub Dist	15.17	15.00	15.00	15.00
Health Unit / Mosquito, etc.	3.81	3.64	3.64	3.64
Total Overlapping Rate	<u>69.50</u>	<u>69.07</u>	<u>69.11</u>	<u>69.11</u>
<u>Lafayette Parish School System</u>				
School Tax (Constitutional) - School District Regular	4.92	4.92	4.92	4.92
Special School Tax	7.79	7.79	7.79	7.79
Special School Improvement Maintenance Operations	5.00	5.00	5.00	5.35
School - 1985 Operation	17.88	17.88	17.88	17.88
Total Direct Rate	<u>35.59</u>	<u>35.59</u>	<u>35.59</u>	<u>35.94</u>
Total Direct and Overlapping	<u>105.09</u>	<u>104.66</u>	<u>104.70</u>	<u>105.05</u>

Source: Lafayette Parish Tax Assessor - Grand Recapitulation of the Assessment Roll

Table X

2020	2019	2018	2017	2016	2015
3.25	3.05	3.05	3.05	3.05	3.05
1.63	1.52	1.52	1.52	1.52	1.52
1.71	1.71	1.58	1.58	1.58	1.71
2.51	2.34	2.34	2.34	2.34	2.34
4.47	4.17	4.17	4.17	4.17	4.17
-	-	-	-	-	0.80
1.25	1.17	1.17	1.17	1.17	1.17
3.58	3.34	3.34	3.34	3.34	3.34
1.41	1.41	1.41	1.41	1.41	1.50
2.21	2.06	1.90	1.90	1.90	2.06
2.00	2.00	2.75	2.75	2.75	2.75
-	-	-	-	-	1.50
8.76	8.76	8.76	8.76	16.79	16.79
9	8	8	8	-	-
1.67	1.44	1.56	1.44	1.44	1.56
1.68	1.68	1.68	1.68	1.68	1.82
0.10	0.17	0.17	0.17	0.17	-
0.79	0.75	0.75	0.75	0.75	0.75
-	-	-	-	2.68	2.91
-	-	1.48	1.48	1.48	1.61
1.84	1.84	1.84	1.84	2	2
3	3	3	3	-	-
-	-	-	-	-	-
13.80	12.75	12.75	11.69	11.24	11.24
3.64	4	4	4	4	-
<u>67.81</u>	<u>64.66</u>	<u>66.49</u>	<u>65.31</u>	<u>64.86</u>	<u>64.59</u>
4.92	4.59	4.59	4.59	4.59	4.59
7.79	7.27	7.27	7.27	7.27	7.27
5.35	5.00	5.00	5.00	5.00	5.00
17.88	16.70	16.70	16.70	16.70	16.70
<u>35.94</u>	<u>33.56</u>	<u>33.56</u>	<u>33.56</u>	<u>33.56</u>	<u>33.56</u>
<u>103.75</u>	<u>98.22</u>	<u>100.05</u>	<u>98.87</u>	<u>98.42</u>	<u>98.15</u>

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

(Unaudited)

Taxpayer	December 31, 2024			December 31, 2015		
	Assessed Value	Rank	Percent of District's Total Taxable Value(1)	Assessed Value	Rank	Percent of District's Total Taxable Value (2)
Stuller Inc	\$ 22,074,057	1	0.00667154	\$ 16,133,510	6	0.66%
Halliburton	20,637,431	2	0.62%	20,903,594	4	0.85%
Atmos Energy	20,471,523	3	0.62%	-	-	-
First Horizon Bank	18,142,722	4	0.55%	-	-	-
J P Morgan Chase Bank	16,665,745	5	0.50%	-	-	-
Franks Casing	16,369,029	6	0.49%	43,396,770	1	1.77%
Entergy Gulf States	15,975,214	7	0.48%	-	-	-
Southwest La Electric	15,824,920	8	0.48%	15,463,849	7	0.63%
Wal Mart / Sams	13,678,374	9	0.41%	13,363,631	10	0.55%
Amazon	13,615,779	10	0.41%	-	-	-
A T & T / Bellsouth	-	-	-	25,451,256	2	1.04%
P H I, Inc	-	-	-	24,974,185	3	1.02%
Schlumberger	-	-	-	18,895,999	5	0.77%
Iberiabank	-	-	-	15,420,865	8	0.63%
Offshore Energy	-	-	-	13,827,291	9	0.56%
Totals	<u>\$ 173,454,794</u>		<u>5.24%</u>	<u>\$ 207,830,950</u>		<u>8.49%</u>

*Note:**District's total assessed value for 2024*

3,308,688,683

District's total assessed value for 2015

2,447,494,074

Source: Lafayette Parish Tax Assessor

Table XII

LAFAYETTE PARISH SCHOOL SYSTEM
Lafayette, Louisiana

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(Unaudited)

Calendar Year Ended	Taxes Levied For The Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	69,868,809	68,755,860	98.41%	395,631	69,151,491	98.97%
2016	75,815,135	71,655,063	94.51%	117,851	71,772,914	94.67%
2017	76,414,777	72,093,846	94.35%	33,676	72,127,523	94.39%
2018	76,723,996	73,159,348	95.35%	23,369	73,182,717	95.38%
2019	78,866,004	74,669,174	94.68%	-	74,669,174	94.68%
2020	79,141,789	75,808,866	95.79%	-	75,808,866	95.79%
2021	79,605,586	76,376,982	95.94%	101,118	76,478,101	96.07%
2022	85,635,329	82,182,569	95.97%	45,089	82,227,658	96.02%
2023	92,954,460	88,918,450	95.66%	29,551	88,948,001	95.69%
2024	101,459,735	97,067,021	95.67%	121,257	97,188,278	95.79%

Source: Lafayette Parish Sheriffs Office Tax Collector Division
Lafayette Parish Tax Assessor - Grand Recapitulation of the Assessment Roll

LAFAYETTE PARISH SCHOOL SYSTEM
Lafayette, Louisiana

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN TAX YEARS
(Unaudited)

Fiscal Year	General Obligation Bonds	(1) Percentage of Estimated Actual Value of Property	Sales Tax Bonds	(2) 2012 / 2020 Limited Tax Bonds	(2) Certificates of Indebtness QSCB, Limited Tax Bonds, Loans	Total Primary Government	(3) Percentage of Personal Income	(3) Per Capita
2016	-	0.00%	25,430,351	26,435,000	35,262,775	87,128,126	0.73%	363
2017	-	0.00%	18,635,555	82,360,771	32,937,775	133,934,101	1.25%	555
2018	-	0.00%	82,813,633	100,791,703	30,533,775	214,139,111	1.92%	883
2019	-	0.00%	130,527,932	99,195,853	28,876,775	258,600,560	2.12%	1,065
2020	-	0.00%	127,383,883	21,125,000	102,568,569	251,077,452	2.07%	1,027
2021	-	0.00%	129,736,089	20,710,000	99,642,564	250,088,653	1.93%	1,014
2022	-	0.00%	127,138,373	18,995,000	96,629,951	242,763,324	1.72%	994
2023	-	0.00%	295,633,835	17,220,000	93,377,878	406,231,713	1.61%	1,639
2024	-	0.00%	292,354,119	15,410,000	91,656,621	399,420,740	2.42%	1,599
2025	-	0.00%	354,291,043	13,580,000	80,525,010	448,396,053	2.71%	1,788

Note (1): See Table VIII for estimated actual value of property data.

Note (2): QSCB (Qualified School Construction Bonds), 2012 Limited Tax Bonds and any other bonds are listed net of any related premiums, discounts and adjustments. These financial instruments are used to finance the purchase of specific equipment and to make improvements to existing schools.

Note (3): See Table XVIII for personal income and population data.

Source: ACFR - Notes to the Basic Financial Statements



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

**RATIOS OF BONDED DEBT
LAST TEN TAX YEARS
(Unaudited)**

Fiscal Year	General Obligation Bonds	Limited Tax Bonds	(2) Certificates, QSCBs, Loans and Other	Less: Amounts Available in Debt Service Fund *	Net Debt
2016	-	26,435,000	35,262,775	23,309,131	38,388,644
2017	-	82,360,771	32,937,775	24,793,526	90,505,020
2018	-	100,791,703	30,533,775	25,135,596	106,189,882
2019	-	99,195,853	28,876,775	23,684,046	104,388,582
2020	-	96,517,794	27,175,775	24,221,668	99,471,901
2021	-	94,926,789	25,425,775	28,465,832	91,886,732
2022	-	91,998,176	23,626,775	37,099,142	78,525,809
2023	-	88,824,103	21,773,775	42,739,867	67,858,011
2024	-	85,605,846	21,460,775	46,110,524	60,956,097
2025	-	82,644,235	11,460,775	39,416,678	54,688,332

* Restated from Prior Year

Note (1): See Table VIII for estimated actual value of property data.

Note (2): QSCB (Qualified School Construction Bonds), 2012 Limited Tax Bonds and any other bonds are listed net of any related premiums, discounts and adjustments. These financial instruments are used to finance the purchase of specific equipment and to make improvements to existing schools.

Note (3): See Table XVIII for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: ACFR

Table XIV

(1) Percentage of Estimated Actual Taxable Value of Property	(3) Per Capita	Sales Tax Revenue Bonds	Percentage of Fiscal Sales Tax Revenue	(3) Sales Tax Debt Per Capita
0.21%	160	25,430,351	22.84%	106
0.48%	375	18,635,555	16.63%	77
0.56%	438	82,813,633	73.02%	342
0.54%	430	130,527,932	110.81%	538
0.54%	407	127,383,883	110.47%	521
0.49%	373	129,736,089	97.42%	526
0.39%	322	127,138,373	84.27%	521
0.34%	274	295,633,835	188.74%	1193
0.28%	244	292,354,119	184.05%	1171
0.24%	218	354,291,043	215.29%	1413

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2025

(Unaudited)

Governmental Unit	Governmental Activities Debt Outstanding	Percentage Applicable to Government	Amount Applicable to School System
Direct:			
Lafayette Parish School Board	\$ 448,396,053	100%	\$ 448,396,053
Overlapping:			
City of Lafayette	235,770,000	100%	235,770,000
Parish of Lafayette	25,600,000	100%	25,600,000
Town of Duson	1,650,000	100%	1,650,000
Lafayette Parish Bayou Vermilion District	2,905,000	100%	2,905,000
Lafayette Parish Sheriff	9,560,000	100%	9,560,000
Total Overlapping	275,485,000		275,485,000
Underlying:			
City of Broussard	19,636,878	100%	19,636,878
City of Carencro	15,885,000	100%	15,885,000
City of Scott	15,830,697	100%	15,830,697
City of Youngsville	26,230,000	100%	26,230,000
Total Underlying	77,582,575		77,582,575
Total Direct and Overlapping Debt	\$ 801,463,628		\$ 801,463,628

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of a city/parish. The percentages of overlapping debt were estimated by determining the portion of each overlapping governmental unit's taxable assessed values located within the parish and dividing it by the governmental unit's total taxable assessed values.

Source: Respective governmental entities



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

COMPUTATION OF LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Assessed Valuation	<u>\$ 3,308,688,683</u>	<u>\$ 3,051,244,688</u>	<u>\$ 2,832,029,624</u>	<u>\$ 2,632,598,034</u>
Debt Limitation - 35% of Total Assessed Value	<u>1,158,041,039</u>	<u>1,067,935,641</u>	<u>991,210,368</u>	<u>921,409,312</u>
Debt Applicable to Limitation:				
Total General Obligation Bonded Debt	-	-	-	-
Less: Amount Available for Repayment of General Obligation Bonds	<u>26,418</u>	<u>25,199</u>	<u>22,997</u>	<u>22,997</u>
Total General Obligation Debt Applicable to Limitation	<u>(26,418)</u>	<u>(25,199)</u>	<u>(22,997)</u>	<u>(22,968)</u>
Legal Debt Margin	<u><u>\$ 1,158,067,457</u></u>	<u><u>\$ 1,067,960,840</u></u>	<u><u>\$ 991,233,365</u></u>	<u><u>\$ 921,432,280</u></u>
Total General Obligation Debt Applicable to Limitation as a percentage of debt limit.	0.00%	0.00%	0.00%	0.00%

Source: ACFR

Lafayette Parish Tax Assessor 2024 Grand Recapitulation of Assessment Roll

Table XVI

2021	2020	2019	2018	2017	2016
<u>\$ 2,610,448,358</u>	<u>\$ 2,750,982,374</u>	<u>\$ 2,680,216,083</u>	<u>\$ 2,665,288,645</u>	<u>\$ 2,641,089,701</u>	<u>\$ 2,447,494,074</u>
<u>913,656,925</u>	<u>962,843,831</u>	<u>938,075,629</u>	<u>932,851,026</u>	<u>924,381,395</u>	<u>856,622,926</u>
-	-	-	-	-	-
<u>22,968</u>	<u>22,927</u>	<u>22,553</u>	<u>21,990</u>	<u>21,633</u>	<u>21,461</u>
<u>(22,927)</u>	<u>(22,553)</u>	<u>(21,990)</u>	<u>(21,633)</u>	<u>(21,461)</u>	<u>(21,371)</u>
<u><u>\$ 913,679,852</u></u>	<u><u>\$ 962,866,384</u></u>	<u><u>\$ 938,097,619</u></u>	<u><u>\$ 932,872,659</u></u>	<u><u>\$ 924,402,856</u></u>	<u><u>\$ 856,644,297</u></u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

**PLEDGED-REVENUE COVERAGE,
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	1965 Sales Tax			
	Revenue	Debt Service		Coverage
		Principal	Interest	
2016	60,505,064	6,160,000	1,330,131	8.08
2017	60,709,777	6,450,000	1,035,456	8.11
2018	61,550,117	6,760,000	725,627	8.22
2019	63,767,948	7,080,000	3,982,023	5.76
2020	63,073,329	2,740,000	4,798,459	8.37
2021	72,210,973	2,955,000	4,525,242	9.65
2022	81,470,767	2,275,000	4,287,527	12.41
2023	85,589,691	2,735,000	4,225,287	12.30
2024	86,742,977	2,885,000	12,113,669	5.78
2025	90,135,432	3,005,000	11,098,948	6.39

Source: ACFR

Lafayette Parish School System Sales Tax Collection Report

Table XVIII

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

DEMOGRAPHICS AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 (Unaudited)

Calendar Year	Population (1)	Personal Income (1)	Per Capita Personal (1)	Unemployment Rate (2)
2016	240,098	11,884,008,000	49,496	6.40%
2017	241,398	10,705,338,000	44,347	6.20%
2018	242,485	11,128,188,000	45,892	5.00%
2019	242,782	12,205,411,000	50,273	4.50%
2020	244,390	12,128,730,000	49,629	7.60%
2021	246,518	12,943,827,000	52,507	5.50%
2022	244,205	14,084,253,000	57,674	3.90%
2023	247,866	14,614,814,000	58,963	3.40%
2024	249,750	16,528,139,000	66,179	4.00%
2025	250,819	16,528,139,000 (3)	66,179 (3)	3.90%

(1) Source: U. S. Department of Commerce: Bureau of Economic Analysis

(2) Source: U. S. Department of Labor: Bureau of Labor Statistics

(3) Current reporting year data is not available as of reporting. Figures used are 2024 numbers.

LAFAYETTE PARISH SCHOOL SYSTEM
Lafayette, Louisiana

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	<u>2025</u>				<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>		<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>
Ochsner Lafayette General	4894	1	0.0355	Lafayette Parish School System	4586	1	3.47%
University - LA Lafayette	4506	2	3.27%	Lafayette General Health	4026	2	3.05%
Lafayette Parish School System	4198	3	3.05%	Wood Group Production Services	2990	3	2.26%
Diocese of Lafayette	3600	4	2.61%	Lafayette Consolidated Gov't	2500	4	1.89%
Our Lady of Lourdes Reg. Med Ctr	2945	5	2.14%	University of Louisiana - Lafayette	2006	5	1.52%
Lafayette Consolidated Government	2201	6	1.60%	WHC Inc	1700	6	1.29%
Stuller, Inc	1531	7	1.11%	Wal-Mart Stores, Inc.	1642	7	1.24%
Amazon	1300	8	0.94%	Our Lady of Lourdes Reg. Med Ctr	1533	8	1.16%
Walmart Companies	1200	9	0.87%	Schlumberger	1244	9	0.94%
Bilfinger	1155	10	0.84%	Stuller, Inc	1210	10	0.92%

Source: Lafayette Economic Development Authority (L.E.D.A.)
U. S. Department of Labor: Bureau of Labor Statistics



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Certificated Staff:			
Instructional -			
Classroom Teachers	1,993	2,101	2,058
Total Instructional	<u>1,993</u>	<u>2,101</u>	<u>2,058</u>
Instructional support -			
Supervisors/Librarians/Therapists/Counselors	347	520	299
Support services -			
Principals/Assistant Principals	114	123	106
Total Certificated Staff	<u>2,454</u>	<u>2,744</u>	<u>2,463</u>
Non-Certificated Staff:			
Instructional -			
Instructional Program Aides	539	495	565
Instructional support -			
Administrative/Clerical/Degreed Professionals/Craftsman	200	205	256
Support Services -			
Administrative/Clerical/Degreed Professionals/Craftsman	1,067	915	849
Total Non-Certificated Staff	<u>1,806</u>	<u>1,615</u>	<u>1,670</u>
Other Staff:			
School Board Members	<u>9</u>	<u>9</u>	<u>9</u>
Total District Employees	<u>4,269</u>	<u>4,368</u>	<u>4,142</u>

Note: The category at which an employee is reported may differ under some years due to changes in job descriptions, licensing, and other categorical classifications.

Table XX

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
2,006	1,913	2,010	1,973	1,946	1,892	1,920
<u>2,006</u>	<u>1,913</u>	<u>2,010</u>	<u>1,973</u>	<u>1,946</u>	<u>1,892</u>	<u>1,920</u>
359	292	307	301	299	315	304
113	105	110	108	101	99	99
<u>2,478</u>	<u>2,310</u>	<u>2,427</u>	<u>2,382</u>	<u>2,346</u>	<u>2,306</u>	<u>2,323</u>
516	500	526	516	519	511	485
249	235	247	242	234	218	237
995	1,061	1,114	1,094	1,058	1,046	1,058
<u>1,760</u>	<u>1,796</u>	<u>1,887</u>	<u>1,852</u>	<u>1,811</u>	<u>1,775</u>	<u>1,780</u>
<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
<u>4,247</u>	<u>4,115</u>	<u>4,323</u>	<u>4,243</u>	<u>4,166</u>	<u>4,090</u>	<u>4,112</u>

LAFAYETTE PARISH SCHOOL SYSTEM
Lafayette, Louisiana

STATE SUPPORT AND LOCAL SUPPORT PER STUDENT
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment	State Revenue		Total Expense		Local Revenue		Teaching Staff	Pupil-Teacher Ratio	% of Students Receiving Free or Reduced-Price Meals (3)
		State Support (1)	State Support Per Students	Total Student Expenditures	Total Cost Per Student (2)	Local Support (2)	Local Support Per Students			
2016	30,171	119,559,013	3,963	328,284,944	10,881	172,410,951	5,714	1920	15.71	66.33%
2017	30,547	124,470,311	4,075	321,053,860	10,510	177,519,923	5,811	1892	16.15	84.38%
2018	31,015	132,065,830	4,258	328,611,553	10,595	179,179,088	5,777	1946	15.94	85.49%
2019	31,443	132,501,716	4,214	334,794,584	10,648	185,517,314	5,900	2204	14.27	50.62%
2020	31,994	147,282,601	4,603	346,596,001	10,833	186,635,687	5,833	1961	16.32	55.56%
2021	31,175	149,844,462	4,807	375,776,634	12,054	201,200,673	6,454	1970	15.82	100.00%
2022	31,036	157,902,989	5,088	* 397,661,612	* 12,813	219,993,461	7,088	2006	15.47	(4) 100.00%
2023	30,344	165,934,703	5,468	430,562,620	14,189	245,486,927	8,090	2058	14.74	(4) 83.00%
2024	29,441	174,716,080	5,934	470,758,279	15,990	263,390,972	8,946	2101	14.01	(5) 100.00%
2025	29,603	175,247,240	5,920	469,551,634	15,862	272,222,474	9,196	1,993	14.85	(5) 100.00%

* Restated from Prior Year.

(1) Source: ACFR - Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance

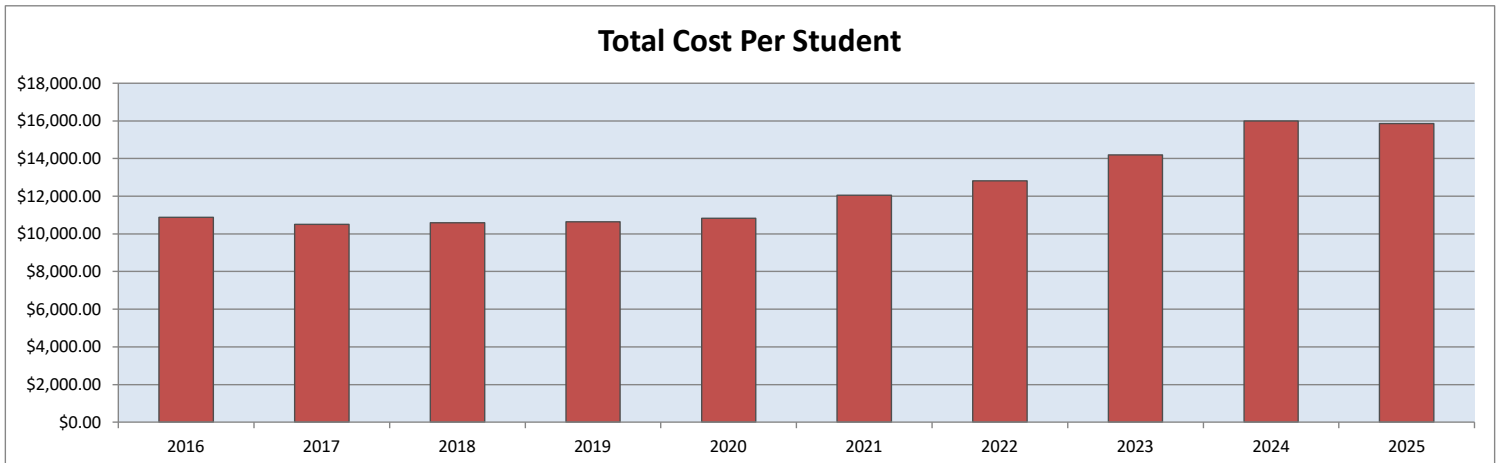
ACFR - Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Fund Type

(2) Note: Includes General Fund and Special Revenue Funds, since these funds are more representative of operational cost, excluding debt service and capital projects funds.

(3) Note: The percentage is based on CEP and Non-CEP schools. Source: School Food Services.

(4) Note: Starting in 2020 and ending with SY22, all schools served free lunches to all students, which was mandated by the USDA.

(5) Note: Starting in 2024 the District decided that all schools served free breakfasts and lunches to all students



LAFAYETTE PARISH SCHOOL SYSTEM
Lafayette, Louisiana

MISCELLANEOUS STATISTICAL DATA
(Unaudited)

SIXTH LARGEST SCHOOL PARISH IN THE STATE

-Year of Organization:	1870
-Geographical Area:	269 Square Miles
-Parish Population:	250,819
-Accreditation:	Southern Association of Colleges and Schools

Number of Schools in Lafayette Parish

Student Enrollment

Elementary	25	Elementary	14,768
Middle	11	Middle	6,186
High	<u>9</u>	High	<u>8,649</u>
Total	<u><u>45</u></u>	Total	<u><u>29,603</u></u>

Number of Classroom Teachers and Level of Degree at Year End

<u>Degree</u>	<u>Number of Teachers</u>	<u>% of Total</u>
Less than a Bachelor's degree	32	1.61%
Bachelor's Degree	1,373	68.89%
Master's Degree	506	25.39%
Master' Degree +30	58	2.91%
Educational Specialist	6	0.30%
Doctoral Degree	18	0.90%
Total	<u><u>1,993</u></u>	<u><u>100.00%</u></u>

Enrollment Projection for FY 2025-2026: 28,900

Source: Louisiana Department of Education Student Enrollment Count report
Louisiana Department of Education based on PEP data

LAFAYETTE PARISH SCHOOL SYSTEM

Lafayette, Louisiana

CAPITAL ASSET INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

	2024-2025	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Buildings:										
Elementary Schools										
Number	25	26	25	25	25	25	23	23	23	23
Enrollment	14,768	13,795	14,383	15,648	14,647	14,754	15,185	15,088	15,179	14,869
Square feet		2,288,785	1,903,924	1,903,924	1,943,130	1,760,538	1,662,750	1,615,182	1,596,598	1,593,526
LPSS Portable Classrooms		146	231	231	282	289	267	272	291	N/A
Leased Portable Classrooms	-	-	-	-	-	-	-	2	35	N/A
LPSS Portable Restrooms		9	9	9	12	14	14	10	6	N/A
Middle Schools										
Number	11	10	11	11	11	11	11	11	11	11
Enrollment	6,186	6,534	6,713	5,752	7,049	7,101	7,199	7,070	6,601	6,760
Square feet		1,155,386	1,032,442	1,032,442	1,024,360	982,035	982,035	983,571	986,643	988,179
LPSS Portable Classrooms		38	47	47	57	58	60	66	67	N/A
Leased Portable Classrooms	-	-	-	-	-	-	-	-	4	N/A
LPSS Portable Restrooms	-	-	-	-	1	1	1	-	-	N/A
High Schools										
Number	9	10	9	9	9	9	9	9	6	6
Enrollment	8,649	9,112	9,248	9,902	9,479	9,548	9,059	8,857	8,767	8,542
Square feet		1,524,306	1,524,306	1,527,378	1,517,168	1,518,704	1,521,776	1,508,456	1,262,334	1,262,334
LPSS Portable Classrooms		51	81	90	83	85	96	107	102	N/A
Leased Portable Classrooms	-	-	-	-	-	-	-	2	6	N/A
LPSS Portable Restrooms	-	-	-	-	-	-	-	-	-	N/A
Auxiliary Sites										
LPSS Portable Buildings		4	4	4	21	21	18	14	11	N/A
LPSS Portable Restrooms	-	-	-	-	-	-	-	1	-	N/A
Total Number	45	46	45	45	45	45	43	43	40	40
Total Enrollment	29,603	29,441	30,344	31,302	31,175	31,403	31,443	31,015	30,547	30,171
Total Square Feet	-	4,968,477	4,460,672	4,463,744	4,484,658	4,261,277	4,166,561	4,107,209	3,845,575	3,844,039
Total LPSS Portable Classrooms	-	239	363	372	443	453	441	459	471	N/A
Total Leased Portable Classrooms	-	-	-	-	-	-	-	4	45	N/A
Total LPSS Portable Restrooms	-	9	9	9	13	15	15	11	6	N/A

Note (1): Fiscal Years' 2011-2012 to 2015-2016 was revised to reflect actual High Schools and excluded programs.

The Early College Academy (High School) is not counted in this table, because South Louisiana Community College (SLCC) owns the facility that Early College Academy uses.

Note (2): This Table was revised to present the status of Lafayette Parish School System facilities with respect to student population facility outgrowth throughout various schools.

Note (3): This Table was revised in 2016-2017 to include information regarding portable buildings. Prior year information on portable buildings are not able to be obtained.

Note (4): 2024 - 2025 Data not available.

Source: Lafayette Parish School System's Maintenance Department
Lafayette Parish School System's Fixed Asset Department



Single Audit Section

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	Assistance Listing Number	Revenue Recognized	Expenditures
Direct programs -				
U. S. Department of Agriculture:				
Community Facilities Loans and Grants/Total				
Community Facilities Cluster	N/A	10.766	\$ -	\$ 335,341
Indirect programs -				
U.S. Department of Agriculture:				
Passed through Louisiana Department of Agriculture and Forestry -				
Local Food for Schools	N/A	10.185	24,999	24,999
Passed through Louisiana Department of Education -				
National School Breakfast Program	N/A	10.553A	4,171,575	4,171,575
Passed through Louisiana Department of Agriculture and Forestry -				
Food Distribution	N/A	10.555A	964,254	964,254
Passed through Louisiana Department of Education -				
National School Lunch-School Milk	N/A	10.555A	12,631,638	12,631,638
Total Assistance Listing No. 10.555			13,595,892	13,595,892
Summer Food Service Program	N/A	10.559A	612,414	612,414
Fresh Fruit and Vegetable Program	N/A	10.582	83,504	83,504
Total for Child Nutrition Cluster			18,463,385	18,463,385
Child and Adult Care Food Program	N/A	10.558	94,920	94,920
U.S. Department of Education:				
Passed through State Department of Education:				
English Language Acquisition Grants -				
IASA Title III	T365A240018	84.365A	196,734	196,734
Title I Grants to Local Education Agencies -				
Title I - Part A Basic Grant	S010A220018	84.010A	18,469,789	18,469,789
Title I - Redesign Planning	S010A230018	84.010A	396,994	396,994
Total Assistance Listing No. 84.010			18,866,783	18,866,783
Migrant Education	S011A230018	84.011A	139,317	139,317
Special Education -				
SPED IDEA - Part B				
IDEA Set Aside	H027A230033	84.027A	8,644,237	8,644,237
	H027A230033	84.027A	39,588	39,588
Total Assistance Listing No. 84.027			8,683,825	8,683,825
SPED Preschool	H173A230082	84.173A	128,437	128,437
Total for Special Education Cluster			8,812,262	8,812,262

(continued)

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	Assistance Listing Number	Revenue Recognized	Expenditures
Carl Perkins Basic Grant	V048A240018	84.048A	<u>535,966</u>	<u>535,966</u>
Homeless Children and Youth	S196A200019	84.196A	<u>116,556</u>	<u>116,556</u>
Title II - Supporting Effective Instruction	S367A240017	84.367A	<u>1,922,343</u>	<u>1,922,343</u>
Striving Readers Comprehensive Literacy	S371C190018-23	84.371C	<u>45,700</u>	<u>45,700</u>
Title IV - Student Support and Academic Enrichment	S424A240019	84.424A	<u>1,332,120</u>	<u>1,332,120</u>
COVID 19 ESSER III EB Interventions	S425U210003-21A	84.425U	1,205,767	1,205,767
COVID 19 ESSER III Formula	S425U210003-21A	84.425U	7,473,775	7,473,775
COVID 19 ESSERF III Incentive	S425U210003	84.425U	867,531	867,531
COVID 19 Homeless	S425W210019	84.425W	<u>38,725</u>	<u>38,725</u>
Total Assistance Listing No. 84.425			<u>9,585,798</u>	<u>9,585,798</u>
U.S. Department of Health and Human Services:				
Passed through Louisiana Department Education -				
Preschool Development Grants				
EC Guides	90TP0127	93.434	47,396	47,396
Young Children with Disabilities Strategic Planning	90TP0127	93.434	61,037	61,037
Early Childhood At-Home Learning	90TP0127	93.434	<u>1,990</u>	<u>1,990</u>
Total Assistance Listing No. 93.434			<u>110,423</u>	<u>110,423</u>
Ready Start Networks	2301LACCDF	93.596	98,958	98,958
EC Network Lead Agencies	2301LACCDD	93.596	<u>214,725</u>	<u>214,725</u>
Total Assistance Listing No. 93.596 / CCDF Cluster			<u>313,683</u>	<u>313,683</u>
Total indirect programs			<u>60,560,989</u>	<u>60,896,330</u>
TOTAL FEDERAL AWARDS			<u>\$60,560,989</u>	<u>\$60,896,330</u>

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Lafayette Parish School Board (the School Board) under programs of the federal government for the year ended June 30, 2025. 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 the School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School Board.

(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, 2025. 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) Indirect Cost Rate

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



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.



**Lafayette Parish School Board
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025**

FINDINGS – FINANCIAL STATEMENT AUDIT:

Internal Control Findings -

2024-001

Condition

There were inadequate controls over funds collected for various fundraisers and activities at the individual schools.

Recommendation

The School Board should closely monitor these activities in order to ascertain that the policies and procedures are being adhered to and to take action regarding those not being properly followed.

Current Status

The finding was not resolved and is repeated in the current year. The Lafayette Parish School Board has and continues to maintain controls regarding fundraisers and various activities. Before a fundraiser can begin, a fundraising sponsor is required to formally request a fundraiser by filling out a fundraising approval form. The school principal reviews and approves the approval form and then the School Accounting Auditor reviews and provides the final approval. Upon the end of a fundraiser, required reconciliation forms are provided to the school's bookkeeper or secretary for review and then the principal signs off on the reconciliation. Along with the reconciliation documents, a sponsor must provide receipts, inventory listings, order forms, or invoices with the reconciliation form. This has been our standard practice for many years.

After having discussions with our auditors we learned that the finding was centered around receipt books. The auditors proclaimed LPSB did not have adequate controls, because cash delivered to the front office was not accompanied with the entire receipt book, instead of the actual pre-numbered receipts themselves in order to verify sequential numbering of receipts.

In Fiscal Year 2024-2025, the proclaimed issue was alleviated by our School Cash Online Software. During that year, LPSB began transitioning Fundraisers and other activities to an online platform which enabled revenue collections electronically while reducing cash collections at our school front offices. Electronic receipts were also emailed directly to the customer. This entire process removed school based staff from having to count money, write up and make deposits, and reduce any inherent risk.

P.O. Drawer 2158

Lafayette, LA 70502

Phone: 337.521.7000

2024-002 **See 2024-005**

2024-003 **See 2024-006**

2024-004 **See 2024-007**

Compliance Findings –

2024-005

Condition

There were inadequate controls in place to ensure that the School Board complied with Louisiana Revised Statute 39:1311(A). The School Board did not properly amend the Special Revenue Fund budget when total revenue and other sources were failing to meet total budgeted revenues and other sources by more than five percent.

Recommendation

The School Board should implement policies and procedures to ensure compliance with Louisiana Revised Statute 39:1311(A).

Current Status

The finding was not resolved and is repeated in the current year. Throughout the duration of a fiscal year and up to the close of the fiscal year, budgets are routinely revised to reflect changes in financial resources as well as changes in expected expenditures. At the close of the 2023-2024 fiscal year, one revenue line item within the Special Revenue Budget Report was not updated. The law states that an administrative officer shall advise the governing authority when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more. In this case the revision would have reflect more than a 5% change.

As a result of this finding and due to the complexity of the Special Revenue budget report, the Special Revenue budget report was split into two separate budget reports. One budget report will house certain State and Local grants and the second report will house Federal and certain State grants. This reporting mechanism allowed for better oversight.

At the close of the 2024-2025 fiscal year, a certain revenue budget item pertaining to On Track by 5 was not revised at year-end and actual revenues failed to meet the budget by 5% or more. Due to this issue, all budgets will be revised at year-end.

2024-006

Condition

There were inadequate controls in place to ensure that the School Board complied with Louisiana Revised Statute 24:515(B). The fixed asset listing maintained by the School Board was not accurate. The listing included assets that had been transferred to the warehouse for disposition. Assets could not be found in the warehouse and support could not be located to determine that they had been properly disposed.

Recommendation

The School Board should implement policies and procedures to ensure compliance with Louisiana Revised Statute 24:515(B).

Current Status

The finding was not resolved and is repeated in the current year. Documentation for disposal of assets were being completed, but the documentation was not being delivered to the Accounting Department for processing. This process has been addressed with the appropriate staff. The process will be monitored to ensure all disposals are accounted for. In addition, an accounting staff member has been assigned to audit all schools and initiate all transfer / disposal documentation.

2024-007

Condition

There were inadequate controls in place to ensure that the School Board complied with Louisiana Revised Statute 38:2211, et. Seq. The School Board had a contract for an elevator upgrade project that was greater than \$250,000. The project was not properly bid. The School Board also had four instances where projects were performed at various locations and not aggregated together, therefore, quotes were obtained for the projects instead of the projects being properly procured using bids.

Recommendation

The School Board should implement policies and procedures to ensure compliance.

Current Status

The finding was not resolved and is repeated in the current year. The project concerning the elevator upgrade was addressed during last year. The project was initially treated as a Professional Service instead of a Public Work by a former employee. This was no longer an issue in fiscal year 2024-2025. LPSB has continued to follow public bid laws and publicly bided on projects exceeding \$250,000. Similar type projects initiated on different school campus locations are not required to be bid together. Each school campus is a unique and different structure, design, landscape, formation, arrangement, framework, layout, and configuration. Similar type projects must be architecturally designed differently due to the inherent differences at each campus; therefore, they are not required to be bid aggregately due to unique locations and design differences.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

DEPARTMENT OF AGRICULTURE

Child Nutrition Cluster (10.553A, 10.555A, 10.559A and 10.582)

Material Weakness:

2024-008 See **2024-012**

2024-009

Condition

The School Board failed to verify applicable vendors were not suspended, debarred or otherwise excluded from doing business with the federal government prior to the School Board doing business with them.

Recommendation

The School Board should implement policies and procedures to ensure that the verification of vendors is done prior to doing business with them.

Current Status

Corrective action was taken.

DEPARTMENT OF EDUCATION

Special Education Cluster (84.027, 84.173)

Material Weakness:

2024-010

Condition

The School Board failed to verify applicable vendors were not suspended, debarred or otherwise excluded from doing business with the federal government prior to the School Board doing business with them.

Recommendation

The School Board should implement policies and procedures to ensure that the verification of vendors is done prior to doing business with them.

Current Status

The finding was not resolved and is repeated in the current year. The Lafayette Parish School Board has a defined process in place to ensure debarment verifications are being performed. As new vendors are setup, a debarment verification is performed when federal funds are to be associated with a vendor. In addition, at the beginning of each fiscal year, debarment checks will be performed for all vendors.

2024-011 See **2024-013**

Compliance Findings –

DEPARTMENT OF AGRICULTURE

Child Nutrition Cluster (10.553A, 10.555A, 10.559A and 10.582)

2024-012

Condition

There were inadequate controls over documentation of the number of students receiving snacks that are claimed for reimbursement.

Recommendation

The School Board should implement policies and procedures to ensure that supporting documentation is maintained for all snacks served.

Current Status

Corrective action was taken.

DEPARTMENT OF EDUCATION

Special Education Cluster (84.027 and 84.173)

2024-013

Condition

The School Board was unable to provide sufficient documentation for grant asset disposals. Four of the assets tested in the audit were missing and no disposal documentation could be provided.

Recommendation

The School Board should comply with the policies and procedures concerning asset disposals to ensure that all assets are properly accounted for and are disposed of properly.

Current Status

The finding was not resolved and is repeated in the current year. The four assets pertained to fiscal year 2023-2024. Warehouse staff receives documentation pertaining to disposals. Broken, decommissioned or obsolete assets are aggregated with other items and are placed in a large box. The large box is auctioned as a separate LOT. This issue has been discussed and addressed with warehouse staff. Any disposed asset that was tagged as a capital asset will be properly displayed within the auction website within the description field to serve as evidence to external auditors.

Sincerely,



**Anthony Mouton, CPA, CLSBO
Chief Financial Officer**



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.

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*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* 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 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*

Mr. Francis Touchet, Superintendent,
and Members of the Lafayette Parish School Board
Lafayette, Louisiana

We were engaged to audit, 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 Lafayette Parish School Board, (the School Board) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated March 31, 2026. Our report disclaims an opinion on such financial statements due to matters related to the lack of sufficient appropriate audit evidence and management integrity.

Report on Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statements of the School Board, 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 through 2025-013, 2025-015 through 2025-018, 2025-020 through 2025-022, 2025-027 through 2025-028, and 2025-031 through 2025-035 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-014, 2025-019, 2025-023 through 2025-026, 2025-029 through 2025-030, and 2025-036 to be significant deficiencies.

Report on Compliance and Other Matters

In connection with our engagement to audit the financial statements of the School Board, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-037 through 2025-070. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

School Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

The School Board's responses to findings 2025-001 through 2025-028, 2025-030 through 2025-062, and 2025-064 through 2025-068, which are described in the accompanying schedule of findings and questioned costs, appear to be inconsistent with the source documents and other information observed or obtained by the auditor.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
March 31, 2026

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*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

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

Mr. Francis Touchet, Superintendent,
and Members of the Lafayette Parish School Board
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We were engaged to audit Lafayette 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, 2025. 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.

Disclaimer of Opinion

We were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion on the financial statements as a whole due to concerns about the reliability of the accounting records and financial reporting provided by management. Consequently, we do not express an opinion on the financial statements, and we do not express an opinion on compliance for each major federal program.

Limited Procedures Performed

We were able to perform limited audit procedures in certain areas, including testing selected transactions for compliance with federal program requirements. The procedures we performed were not sufficient to enable us to express an opinion on compliance for each major federal program, due to concerns regarding the integrity of records.

Basis for Disclaimer of Opinion

The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Due to limitations imposed by management's actions, including concerns about the integrity of accounting records, we were unable to obtain sufficient appropriate audit evidence to determine whether the School Board complied with the compliance requirements of its major federal programs. Accordingly, we do not express an opinion on compliance.

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 provisions of contracts and grant agreements applicable to the School Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objective would have been to obtain reasonable assurance about whether the School Board complied, in all material respects, with the compliance requirements for each major program. We performed limited procedures to identify areas of potential noncompliance and evaluate internal controls over compliance, based on the evidence available. These procedures were not sufficient to provide a basis for an opinion, and our report does not express an opinion on compliance or on internal control over compliance. In performing our limited procedures, we exercised professional judgment and maintained professional skepticism, recognizing that management-imposed limitations affected our ability to obtain evidence.

Findings and Other Matters

Our limited procedures identified certain instances of noncompliance and deficiencies in internal control over compliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-071 through 2025-077. These findings are based solely on the limited procedures performed and do not represent all possible instances of noncompliance or control deficiencies. Accordingly, they should not be interpreted as a basis for an opinion on compliance or internal control over compliance.

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The School Board's responses to findings 2025-073 and 2025-075, which are described in the accompanying schedule of findings and questioned costs, appear to be inconsistent with the source documents and other information observed or obtained by the auditor.

Report on Internal Control over Compliance

Internal control over compliance is a process designed to provide reasonable assurance regarding compliance with laws, regulations, and the provisions of contracts and grant agreements. A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. Because of the limited procedures performed and management-imposed restrictions, material weaknesses or significant deficiencies may exist that were not identified. The accompanying schedule of findings and questioned costs includes all deficiencies identified from the limited procedures performed; however, other deficiencies may exist that were not identified due to the limited nature of our procedures.

Because of the significance of the matters described above, we have not been able to obtain sufficient evidence to evaluate the effectiveness of internal control over compliance and, accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
March 31, 2026

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Part I. Summary of Auditor's Results:

1. The auditor's report expresses a disclaimer of opinion on the financial statements of the School Board.
2. Thirty-six deficiencies in internal control were disclosed during the audit of the financial statements. Twenty-seven deficiencies were considered to be material weaknesses and nine deficiencies were considered to be significant deficiencies.
3. Thirty-four instances of noncompliance that were material to the financial statements of the School Board, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. The audit of the financial statements disclosed four material weaknesses in internal control over major federal award programs.
5. The auditor's report on compliance for the major federal programs for the School Board expresses a disclaimer of opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The following programs were major programs: Child Nutrition Cluster (10.553A, 10.555A, 10.559A and 10.582), Special Education Cluster (84.027 and 84.173), and Supporting Effective Instruction State Grants (84.367).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$1,826,890.
9. The auditee did not qualify as a low-risk auditee.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

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

Internal Control –

2025-001 Fraudulent Vendor Quotes

Fiscal year finding initially occurred: 2025

Condition

The School Board was notified by the Louisiana State Licensing Board for Contractors that during an investigation into an unlicensed contractor performing work for the School Board, they found two forged project quotes. The Licensing Board notified the Louisiana Legislative Auditor and the School Board. An internal investigation uncovered several additional suspected or confirmed forged quotes across multiple projects. The School Board notified the Louisiana Legislative Auditor and District Attorney, in writing, and turned over documentation to the Lafayette Police Department. During the investigation, the Director of Facilities and Maintenance, Robert Gautreaux, admitted to creating forged quotes. On January 21, 2026, the grand jury indicted him on seven felony counts for filing false public records, two counts of first-degree injuring public records, and two counts of obstruction of justice. On July 1, 2025, he was transferred to a teaching position but remains employed by the School Board.

Criteria

School board policies and procedures require the solicitation and retention of three quotes for public works projects between \$25,000 and \$249,999.

Cause

The School Board did not maintain adequate internal control policies and procedures over procurement. Management review procedures were insufficient to detect fraudulent quotes prior to awarding contracts.

Effect

The forged quotes resulted in noncompliance with School Board policies and procedures, created the risk of misuse of public funds, and damaged the School Board's reputation and public trust. Additionally, insufficient controls increase the likelihood of future procurement fraud and weaken accountability.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should strengthen internal control policies and procedures over procurement, including independent verification of all vendor quotes and enhanced management review of the procurement file prior to awarding the contract. Additional training should be provided for staff on fraud awareness, ethical responsibilities, and proper procurement documentation.

Management's Corrective Action Plan

A. OBJECTIONS

- (1) Finding (Fraudulent Vendor Quotes) and (Destruction of Public Records) Should Be Consolidated.

Finding (Fraudulent Vendor Quotes) and finding (Destruction of Public Records) arise from the actions of a single individual, Robert Gautreaux, the former Director of Construction, Facilities, and Maintenance at LPSB. Per auditing standards, the Audit Report should be appropriately revised prior to finalization to consolidate these two audit findings.²² For the sake of clarity, findings (Fraudulent Vendor Quotes) and (Destruction of Public Records) will be combined in this response as required by audit standards.

²² GAO-24 (rev), Sections 6.51-6.53; LGAG 400-1210, Writing Findings

- (2) Finding Does Not Appear to Be Associated with Current Audit Period.

While LPSB, by no means, disregards the serious nature of finds (Fraudulent Vendor Quotes) and (Destruction of Public Records), the Findings appear to be intentionally written in a manner that suggests LPSB is indifferent regarding the issues associated with Gautreaux during his tenure as Director of Construction by including irrelevant or misleading incidents that occurred **after the 2024-2025 Audit Period**.

One such subsequent event included in the findings was Mr. Gautreaux's reassignment to his former position as an agriscience teacher (a position in which he had excelled for 15 out of the 23 years he had been with LPSB). The finding failed to mention this reassignment was contingent upon the resolution of legal proceedings, which is consistent with LPSB' policy regarding employment decisions of tenured personnel while criminal charges are pending. When LPSB requested a modification to include this information, the auditor responded:

The condition section is intended to describe the circumstances identified during the audit based on the documentation and other evidence available to us during the audit period. The current wording accurately reflects those circumstances and our procedures, so we do not plan to remove or modify that sentence. Any law-enforcement activity related to this matter is handled through the appropriate oversight and investigative agencies and does not change the condition that existed during the audit period or our responsibility to report it.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

The response by KS&C is perplexing, especially when one considers not only the reassignment of Gautreaux take place after the audit period, Gautreaux's conversation with law enforcement, his arrest, and the pending charges all occurred subsequent to the audit period. Moreover, LPSB fully cooperated with law enforcement during and after the audit period. The conversation reported by the auditor that Gautreaux admitted to forgery charges in conversations with law enforcement officers has never been received by LPSB, which calls to question from where the auditor is receiving this information. Audit documentation was requested, but the auditor refused to provide. LPSB is unaware of Gautreaux being charged with forgery or any pending or future legal proceedings involving charges of forgery.

Regardless, the matters involving law enforcement and legal proceedings are matters outside of LPSB' control and are irrelevant to its financial statement and the functions for which KS&C was retained. The insertions of the hearsay statements are only for the purpose of casting LPSB in an unfavorable light. As a result, LPSB requested on December 10, 2025 that KS&C amend its report concerning these conditions (reported from external sources after the reporting period), to which the auditor replied, "We have reviewed your comment. No change to the condition is required. The current wording accurately reflects the audit evidence and the circumstances identified during our procedures."

(3) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

The auditor reports the "cause" of these findings as failures of internal control policies and procedures over procurement and retention and safeguarding of public records. The opposite is true. As soon as LPSB was notified of alleged improprieties **during the audit period**, LPSB took action and launched an internal investigation. LPSB's internal controls used its management software that monitors document deletions by each user. In this instance, the internal controls detected the deletion of public records. The scope of LPSB's internal investigation, **during the audit period**, widened as a result. At the conclusion of LPSB' internal investigation, LPSB reported its findings not only to the Legislative Auditor but also to law enforcement. LPSB' internal controls were the catalyst for discovering the deletion of records, which is the basis of the pending criminal proceedings. As a result, immediate corrective actions were taken, and, as discussed in other Findings, those corrective actions included overhaul of policies, procedures, and internal controls that were not being utilized during Mr. Gautreaux's term as Director of Construction.

B. CORRECTIVE ACTION

Auditing standards necessitate that auditors inquire "whether any investigations or legal proceedings have been initiated or are in process with **respect to the period under audit, and should evaluate the effect of initiated or in-process investigations or legal proceedings on the current audit**".²³ However, the auditor disregarded this standard and omitted any references to the corrective actions undertaken by LPSB, which commenced immediately following the conclusion of its internal investigation (**during the 2024-2025 audit period**). These include, but are not limited to:

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

- LPSB established a procedure to guarantee that original quotes are obtained from external vendors. It is now mandatory for all vendors to send their official quotes via email to staff members who have email addresses associated with LPSB. This procedure ensures the creation of an electronic record from the outset, confirming that quotes are received directly from the vendors.
- LPSB has developed a checklist designed to monitor the acquisition of all necessary documents prior to the commencement of a project. This checklist emphasizes essential elements that must be addressed before issuing a purchase order, such as obtaining the requisite number of quotes, securing electronic quotes directly from vendors, and tracking the transition of these documents into the Records Management system. Furthermore, the checklist addresses vendor requirements, including contractor licenses, written contracts, bonds if applicable, ethical compliance, and the transition of these documents into the Records Management system.
- LPSB is in the process of formalizing a procedure to categorize each acquisition based upon the type of procurement it represents and thereafter, ensure the method of procurement is done in compliance with the law and LPSB's policies and procedures that pertain to the associated procurement method. For instance, bulk commodities such as fuel and propane will be performed in compliance with the applicable provisions of the Public Bid Law based upon annual purchase requirements.
- LPSB has also begun the process of reviewing, updating, and modifying all standard terms and conditions for its contracts and purchase orders including but not limited to provisions related to: (1) the use of LPSB equipment by contractor/vendor; (2) the requirement that if required by building code, contractor/vendor obtain and provide to LPSB all mandatory permit from the local building authority prior to commencing work, as well as copies of all inspection reports from the permitting authority approving any work performed thereafter under the permit, and (3) signatures of the vendor/contractor and the required approving authority of LPSB.
- LPSB has formulated a process to ensure that original quotes are received from external vendors. All vendors are required to email their official quotes to staff members with Lafayette Parish School Board email addresses. This process results in an electronic record from inception, which is stored within the Records Management System. Only authorized personnel within the Facilities and Maintenance department have the capability to store documents within the Records Management software to maintain accountability, ensuring that quotes are received directly from the vendors and stored in a manner that safeguards against deletion.
- In the upcoming year, LPSB plans to send staff members to procurement-related conferences or specialized training sessions to enhance their knowledge in areas such as ethical responsibilities, fraud awareness, and proper procurement documentation. This includes a training conference focused on Public Bid Law and Public Procurement, organized for school systems throughout the state of Louisiana, as well as the new training mandated by the Legislative Auditor's office.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

- Management and supervisors will thereafter conduct training of all maintenance staff on the various approval levels for spending and what is required for each. Included in the training will be among other items: (1) utilization of the requisition process, including Blanket Purchase Orders, to streamline the procurement process by reducing the volume of paper-based transactions; (2) ensuring purchase orders or contracts are approved prior to ordering goods or procuring services.

LPSB believes that the corrective measures initiated during the audit period and those planned for the future are sufficient to address this finding as well as many others in this audit. However, LPSB remains open to opportunities for improvement and welcomes modification by the auditor of its Audit Report to include the specific corrective actions listed above and any addition specific recommendations it may have to supplement the general recommendations in these Findings.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-002 Destruction of Public Records

Fiscal year finding initially occurred: 2025

Condition

During an internal investigation into suspected forged quotes in several projects, the School Board discovered that some quotes had been deleted from electronic project files. The School Board notified the Louisiana Legislative Auditor and the District Attorney in writing, and documentation was turned over to the Lafayette Police Department. The Director of Facilities and Maintenance, Robert Gautreaux, admitted to destroying public records. On January 21, 2026, the grand jury indicted him on seven felony counts for filing false public records, two counts of first-degree injuring public records, and two counts of obstruction of justice. On July 1, 2025, he was transferred to a teaching position but remains employed by the School Board.

Criteria

Louisiana Public Records Law (La. R.S. 44:1-44:41) requires that all public records be preserved and maintained for their designated retention period.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

The School Board did not have adequate internal control policies and procedures to ensure proper preservation, retention, and safeguarding of public records.

Effect

The destruction of public records resulted in noncompliance with Louisiana law, exposed the School Board to potential legal liability, and reduced transparency and accountability in School Board operations. The incident also increases the risk of missing or incomplete records for audits, investigations, or public requests.

Recommendation

The School Board should strengthen their internal control policies and procedures over the retention and safeguarding of public records, including implementing controls to prevent unauthorized destruction or removal of records and provide training to all employees on Louisiana public records requirements.

Management's Corrective Action Plan

See corrective action plan for **2025-001 Fraudulent Vendor Quotes**.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-003 Unsupported Experience-Based Pay Increases

Fiscal year finding initially occurred: 2025

Condition

During our review of payroll records, we noted instances where the superintendent approved increases in employee pay based on granting additional years of experience. Additional years of experience were granted by the superintendent to 85 of the 4,326 employees between July 1, 2023 and June 30, 2025, which is less than 2% of the total employees of the School System. Those 85 employees received a total of 1,820 additional years of experience. The average recipient received over 21 years of additional experience and approximately \$8,400 in additional compensation. This resulted in an additional \$713,000 of salary expense between July 1, 2023 and June 30, 2025. However, there was no documentation or evidence detailing what employee actions or qualifications justified the increase in experience credit. As a result, the payroll records reflect higher compensation for certain employees without appropriate support.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Criteria

School board policies and Louisiana law require that employee compensation, including any adjustments for years of experience, be properly documented and supported. *Government Auditing Standards* requires auditors to report deficiencies in internal control or noncompliance that could result in improper payments, waste, or misuse of public funds. Proper documentation is necessary to ensure payroll adjustments are authorized, accurate, and in compliance with policy.

Cause

The deficiency occurred because internal controls over payroll adjustments for experience-based pay were not adequately designed or enforced. Supervisory review and supporting documentation requirements were insufficient to ensure that pay adjustments were properly authorized and justified.

Effect

Failure to comply with payroll policy increases the risk of overpayment or improper payroll disbursements and reduced transparency and accountability in compensation decisions.

Recommendation

Management should require detailed documentation supporting all experience-based pay adjustments, including justification for additional years credited, implement internal controls to ensure payroll adjustments are reviewed and approved in accordance with policy and documented appropriately, and provide training to payroll staff and supervisors on proper documentation and authorization procedures.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period and Finding is Based Upon Auditor's Misunderstanding of the Law and Current Policies and Procedures Comply with Louisiana Law

In this finding, the auditor indicates that "the superintendent approved increases in employee pay based on granting additional years of experience" to certain employees. It is recommended that management "require detailed documentation supporting all experience-based pay adjustments." However, a straightforward review of the salary schedules for the board illustrates that these schedules are not predicated on years of experience, a practice that has been in effect since the implementation of Act 1 of 2012.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Act 1 of 2012 significantly modified Louisiana law regarding personnel matters. It is frequently cited because it transferred the authority to discipline teachers and other school employees from elected school boards to appointed superintendents. Nonetheless, there are additional provisions within Act 1 that pertain directly to employee salary issues. For instance, Act 1 amended La. R.S. 17:418 to mandate that each school board establish salary schedules for its employees on an annual basis. The LPSS has acknowledged this responsibility in Policy File: ABB. However, Act 1 also conferred upon the superintendent the authority to hire and assign all school personnel and "to fix their salaries" (La. R.S. 17:81(A)). This law designated the superintendent, as the instructional leader and chief executive officer of the school district, with the "primary responsibility" for personnel actions, requiring that these decisions be based on "performance, effectiveness, and qualifications" rather than on tenure or years of service (La. R.S. 17:81(A)). Furthermore, it mandated that school boards delegate to their superintendents all decisions regarding reductions in force, which must be based on "demand, performance, and effectiveness" as determined by the superintendent, rather than seniority or tenure within the system (La. R.S. 81.4).

In summary, Act 1 granted school boards the authority to create broad salary schedules for employees but did not extend to them any additional authority in personnel matters. They are prohibited from "interfering with, compelling, or coercing any personnel decision made by the superintendent" (La. R.S. 17:81(C)), nor are they permitted to access employees' personnel files without their consent (La. R.S. 17:1237).

Thus, one must consider how to reconcile the requirement of Act 1 that school boards develop salary schedules for employees with the stipulation that the superintendent determines salaries based on "performance, effectiveness, and qualifications," especially when these subjective evaluations are confidential by law and cannot be disclosed to the school board. School boards in Louisiana, including the LPSS, have successfully navigated this reconciliation by implementing salary schedules that specify starting salaries, maximum salaries, and intermediate steps for each position. It is then the responsibility of the superintendent, with assistance from professional staff, to ascertain the appropriate step placement for each employee according to their performance and qualifications. There is no requirement for an employee's step on the salary schedule to correspond to their years of experience, as this would undermine the possibility of differentiating salaries among employees who may have similar experience levels yet varying effectiveness. As discussed in legislative committee sessions, Act 1 was intended to grant superintendents (rather than school boards) comprehensive authority over personnel issues, including salary decisions, to facilitate the recruitment and retention of the most qualified employees.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

This finding suggests that during the 2024-25 school year, the superintendent granted "unsupported experience-based pay increases" to certain LPSS employees. However, as previously explained, salary increases post-Act 1 should not be linked to years of experience; instead, they should be connected to the "performance, effectiveness, and qualifications" of employees as determined by the superintendent. The step assigned to each employee by the superintendent must, of course, fall within the salary schedule (between the minimum and maximum step for the position) approved by the school board. Furthermore, the superintendent must be aware that, with few exceptions, the step assigned to an employee in one year cannot be reduced in subsequent years (La. R.S. 17:418). Nonetheless, within these constraints, the decision regarding the placement of an employee on the appropriate salary schedule rests solely with the superintendent and is not subject to "interference" or review by the school board.

The preliminary audit findings imply that the superintendent ought to establish objective criteria for determining employee placement on the salary schedule; however, this suggestion contradicts the intent of Act 1. No entity, including an independent auditor, possesses the authority to question the superintendent's subjective determinations regarding employee placements on salary schedules, provided that the selected salary steps are consistent with those approved by the school board. The preliminary audit findings do not appear to indicate any deviations from this principle in this instance, and it is evident that no employees have been awarded "additional years of experience." Therefore, this audit irregularity lacks legal or factual support and should be dismissed.

B. CORRECTIVE ACTIONS

No corrective action is needed. House Bill No. 974 (Act No. 1) of the 2012 Legislative Regular Session provide authorization to local superintendents to adjust/fix salaries according to a salary schedule. For each employee who received a salary adjustment, a letter was drafted denoting the change and the reason which was to retain highly skilled personnel. All letters are stored in employee personnel files.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders

Fiscal year finding initially occurred: 2025

Condition

During our review of maintenance purchase order transactions, we tested 40 and identified 37 instances in which items were purchased using maintenance purchase orders that, according to School Board policy, are not authorized to be purchased using this method. The purchases included non-emergency repairs and improvements, totaling \$201,728. These transactions bypassed the proper procurement controls and documentation requirements.

Criteria

School Board policy requires that certain types of purchases, such as non-emergency repairs and improvements, cannot be made using maintenance purchase orders. Purchases must follow approved procurement methods to ensure proper authorization, accountability, and compliance with internal controls.

Cause

The School Board did not consistently enforce its purchasing policies, and management review procedures were insufficient to detect unauthorized purchases made on maintenance purchase orders. Employees and approving officials were either unaware of the restriction or failed to follow the established procedures.

Effect

Allowing purchases to be made on maintenance purchase orders in violation of policy resulted in noncompliance with School Board procurement procedures, increased risk of unauthorized or inappropriate spending, and weakened internal control over procurement. This could result in misappropriation of funds.

Recommendation

The School Board should enforce policies prohibiting the use of maintenance purchase orders for unauthorized items, implement a review process to verify that all purchases comply with the School Board procurement rules and provide training to employees and all approving officials on proper purchase order procedures and restrictions. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Management's Corrective Action Plan

A. OBJECTIONS

(1) Findings Should Be Consolidated; Many of these Finding Fails to Provide Sufficient (or any) Details as to the Conditions that Exist; Others Misrepresent the Conditions, Criteria, or Cause during the Audit Period.

All of the findings listed below pertain to LPSB's internal controls regarding the procurement of goods and services, whether under the Public Bid Law or LPSB's purchasing procedures.

- Unauthorized Purchases Made Using Maintenance Purchase Orders (IC & C)
- Unauthorized Purchases Made Using Check Requests (IC & C)
- Purchases Made Using Maintenance Purchase Orders Without Required Approval (IC & C)
- Purchasing Goods and Services Prior to Purchase Order Approval (IC & C)
- Fuel Purchases Exceeding \$60,000 Annually Without Competitive Bidding(C)
- Propane Purchases Made Outside of Competitive Bid (C)
- Lack of Required Written Contract for Public Works Project Over \$5,000 (IC & C)
- Failure to Obtain Required Bonds for Public Works Projects Exceeding \$25,000 (IC & C)
- Management Override of Established Internal Controls (IC)
- Noncompliance with Louisiana Public Bid Law (IC)
- Noncompliance with Procurement Policy for Obtaining Three Quotes (C)
- Hiring Unlicensed Contractors to Perform Public Works Projects (IC & C)
- Public Works Project Performed Without Required Building, Electrical and Plumbing Permits (IC & C)

The auditor acknowledged that many of these findings are duplicative. For instance, when LPSB requested more information as to what was entailed in finding (Non-Compliance with the Public Bid Law) after receiving the Draft Findings, KS&C responded, "That is the IC finding that is the result of having compliance findings on fuel purchases, propane purchases, and splitting public works projects."

Upon cursory review of the Findings above, it is apparent that several do not include sufficient information. Without knowing whether the procurement involved federal funding, or whether it was related to services, materials, maintenance, or was for other purposes, LPSB cannot determine the appropriate criteria that was or should have been applied to the conditions noted by the auditor. Although audit documentation was requested, the auditors declined to provide this information. In other instances, the audit provided a few references to specific projects. However, upon reviewing these procurements, the conditions represented did not align with the statements made by the auditor in the Findings.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

While LPSB can certainly address each of these items independently, it is unnecessary to do so given the significant revisions to LPSB's policies and procedures undertaken as a result of the conditions identified in Findings (Fraudulent Vendor Quotes (IC & C)) and (Destruction of Public Records (IC & C)). As stated in the response to those Findings, LPSB, as a result of the internal investigation initiated by LPSB during the 2024-2025 audit period, recognized that the lack of experience of the former Director of Construction led to certain policies and procedures regarding procurement not being adhered to or implemented properly. It also acknowledged that some internal controls were outdated and did not align with current economic conditions or revised laws. As a result, LPSB promptly commenced corrective actions during the 2024-2025 audit period to rectify these deficiencies, identify others, and continues to implement corrective actions to this day.

Management of LPSB's procurement and construction departments has undergone substantial changes during and after the 2024-2025 audit period. These corrective actions are detailed in LPSB's responses to findings (Fraudulent Vendor Quotes (IC & C)) and (Destruction of Public Records (IC & C)).

(2) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist

Following the review of this Finding and consultation with the auditor, it was determined that there were five maintenance purchase orders that appeared to lack written information on the documents. Upon further examination, it became evident that the NCR paper copies, which were electronically scanned into LPSB's Records Management System, did not capture the faint print present on the documents, despite the purchase orders containing relevant details. To the auditor, reviewing only the electronic copy and making no further inquiry, several fields appeared either blank. Clear copies were subsequently obtained and sent to the auditors. The auditors indicated that they would incorporate these documents into their work papers. However, it stated that the audit testing concerning this matter has been concluded, and any additional materials provided would not alter the conclusion of this finding.

Had the auditor adhered to proper auditing standards and communicated the conditions believed to exist during the auditing period, this Finding could have been avoided. Moreover, the auditor's response indicates that there will be no amendments to its findings after receiving the pertinent information contradicts standard auditing procedures.

B. CORRECTIVE ACTIONS

Any deviation from any procurement policy or procedure will be documented, justified, and subject to independent review and approval. However, no employee shall operate under the fear of disciplinary action approving a transaction or proceeding with a documented, authorized and justified purchase that complies with the law and is necessary for the LPSB to continue its public purpose.

No corrective action is deemed necessary, as this finding does not accurately reflect the situation that exists or LPSB's current practice.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-005 Purchases Made Using Maintenance Purchase Orders Without Required Approval

Fiscal year finding initially occurred: 2025

Condition

During our review of maintenance purchase order transactions, we tested 40 and identified 22 instances in which items were purchased without the required personnel approvals as mandated by School Board policy. Specifically, purchase orders were processed, and goods and services were received without documented authorization from the designated approving officials. The total value of these unauthorized transactions was \$144,382.

Criteria

School Board policy requires that all purchases made using maintenance purchase orders be reviewed and approved by designated personnel prior to processing. This control ensures proper authorization, accountability, and compliance with procurement procedures.

Cause

The School Board did not enforce internal control procedures to ensure that all maintenance purchase order transactions received the required approvals. Employees responsible for processing purchase orders bypassed approval requirements, and management review procedures were insufficient to detect these deficiencies.

Effect

Purchasing items without the required approval resulted in noncompliance with School Board policies, weakened internal controls over procurement, and increased the risk of unauthorized or inappropriate spending. This also creates potential exposure to financial mismanagement.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should enforce policies that all maintenance purchase orders receive documented approval from designated personnel prior to processing, implement management review procedures to monitor compliance with approval requirements, and provide training to employees responsible for purchasing and approving maintenance purchase orders on their responsibilities and the importance of proper authorization. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-006 Maintenance Purchase Orders Lacking Item or Service Descriptions

Fiscal year finding initially occurred: 2025

Condition

During our review of maintenance purchase orders, we tested 40 and identified 5 instances in which the purchase orders did not include a description of the item or service being provided. Without adequate descriptions, it was unclear what goods or services were purchased, which hindered proper review, approval, and verification of transactions. The total value of these transactions was \$27,296.

Criteria

School Board policy requires that all purchase orders include a complete and clear description of the item or service being procured. This requirement ensures proper authorization, accountability, and verification that purchased goods or services meet the intended needs.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

The School Board did not consistently enforce internal controls requiring full and accurate completion of purchase orders. Employees preparing the purchase orders did not provide the necessary descriptions, and management review procedures were insufficient to detect these omissions.

Effect

Failure to include item or service descriptions on purchase orders results in noncompliance with School Board policy, reduces the effectiveness of internal controls, and increases the risk of unauthorized or inappropriate purchases, receiving incorrect goods or services, and financial misstatement.

Recommendation

The School Board should enforce policies that all maintenance purchase orders include a complete description of the item or service being procured, implement management review procedures to verify that purchase orders are fully and accurately completed before processing, and provide training to staff responsible for preparing and approving maintenance purchase orders on proper documentation requirements. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist

Following the review of this Finding and consultation with the auditor, it was determined that there were five maintenance purchase orders that appeared to lack written information on the documents. Upon further examination, it became evident that the NCR paper copies, which were electronically scanned into LPSB's Records Management System, did not capture the faint print present on the documents, despite the purchase orders containing relevant details. To the auditor, reviewing only the electronic copy and making no further inquiry, several fields appeared either blank. Clear copies were subsequently obtained and sent to the auditors. The auditors indicated that they would incorporate these documents into their work papers. However, it stated that the audit testing concerning this matter has been concluded, and any additional materials provided would not alter the conclusion of this finding.

Had the auditor adhered to proper auditing standards and communicated the conditions believed to exist during the auditing period, this Finding could have been avoided. Moreover, the auditor's response indicates that there will be no amendments to its findings after receiving the pertinent information contradicts standard auditing procedures.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

No corrective action is deemed necessary, as this finding does not accurately reflect the situation that exists or LPSB's current practice.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-007 Unauthorized Issuance of Purchasing Cards

Fiscal year finding initially occurred: 2025

Condition

During our review of purchasing card transactions, we identified that 14 of the 47 employees utilizing the purchasing card were issued a School Board purchasing card without completing the required authorization and approval paperwork. These employees made purchases totaling \$287,189 during the year.

Criteria

School Board policy requires employees to complete and sign an application form, obtain supervisor's signature, and forward the application to the Assistant Superintendent of Business Services for approval prior to issuance of a purchasing card.

Cause

The School Board did not enforce internal controls to verify that all required authorization and approval forms were completed before issuing purchasing cards.

Effect

The School Board did not comply with required purchasing card policies and procedures. Issuing purchasing cards without proper authorization increases the risk of misuse of public funds, unauthorized spending, and inadequate documentation to support transactions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should ensure that purchasing cards are not issued without complete authorization and approval forms. Management should implement a review process to verify compliance with issuance requirements prior to card distribution. Employees responsible for issuing purchasing cards should receive training on proper procedures and required documentation. The School Board should review all employees who have purchasing cards to verify if they have a completed authorization and approval form. If any employee does not have an authorization and approval form the School Board should have them complete the required paperwork.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

This finding states in the cause section, "School Board did not enforce internal controls to verify that all required authorization and approval forms were completed before issuing purchasing cards." This statement is inaccurate. LPSB's policy regarding Purchase Cards is detailed in Policy: DJE – Purchasing, which allows the Superintendent and/or staff to delineate the administrative regulations and procedures pertinent to purchase cards. Similar to any credit card, the process for obtaining a purchase card necessitates that the cardholder completes an application. Thereafter, the application undergoes a review by the cardholder's supervisor, followed by approval from LPSB's Chief Financial Officer. All 47 employees utilizing purchase cards adhered to the policy and secured the necessary authorizations and approvals prior to card issuance. It is simply unheard of that a company issuing a purchasing card would do so without a written application.

The omitted critical information in this finding is that LPSB was unable to locate these 14 applications during this audit period. These 14 individuals identified out of the 47 individuals with purchase cards have been affiliated with LPSB for several years, and it is believed that these applications may have been lost or misfiled during the transition from the old Central Office to the new District Office several years ago. Instead of including this information in the finding, the audit concluded that these 14 individuals, who have been using their purchase cards for years with LPSB's authorization and approval, have not been verified and approved to use them.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

(2) Finding Does Not Appear to Be Associated with Current Audit Period.

The finding contends that LPSB failed to ensure that the cards of 14 of 47 individuals were issued without the necessary documentation as mandated by its internal policies. The issuance of the purchase cards to the 14 individuals occurred long before the 2024-2025 audit period. These individuals have been utilizing purchase cards authorized by LPSB for an extended period without ever a finding by KS&C of a deficiency under the exact same conditions reported in this period. There is no representation in this finding that applications issued during the 2024-2025 period were not authorized. Furthermore, the audit does not represent that the purchases totaling \$288,802 made during this audit period by these 14 individuals were for illegitimate transactions nor does it state these purchases were not substantiated by receipts and approved for payment. The purchases made this year by these individuals are irrelevant but are present in such a way as to imply that they were improper. LPSB requests KS&C provide the documentation to support the implication or modify its findings to remove such implications.

B. CORRECTIVE ACTIONS

The School Board current policies and procedures ensure that purchasing cards are not issued without complete authorization and approval forms. Therefore, there is no corrective action needed. Nevertheless, to ensure completeness of its records, the 14 individuals identified will fill out new applications and receive new cards. A record of these applications will be maintained and stored electronically.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-008 Employees Exceeded Authorized Spending Limits on Purchasing Cards

Fiscal year finding initially occurred: 2025

Condition

During our review of purchasing card transactions, we identified that 17 of the 47 employees who used the purchasing card exceeded the authorized single-transaction limits in their approved cardholder agreements during the year. In several instances, cardholders split purchases into multiple transactions with the same vendor on the same day to bypass the single-transaction limit. Transactions that exceeded the authorized transaction limits totaled \$271,724.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Criteria

School Board policy requires employees to have an approved application and cardholder agreement that establishes their authorized transaction and monthly spending limits. The purchasing card procedures manual states that splitting purchases to circumvent the single-transaction limit constitutes misuse of the purchasing card. Employees are required to comply with these established policies and procedures.

Cause

The School Board did not adequately enforce its purchasing card policies and procedures to ensure employees adhered to their established transaction limits. Management's review of purchasing card activity did not identify spending limit violations or instances of transaction splitting.

Effect

The School Board did not comply with its purchasing card policies and procedures. Allowing employees to exceed approved transaction limits, including splitting transactions, increases the risk of unauthorized, inappropriate, or fraudulent spending. Failure to enforce established limits weakens internal controls, reduces accountability, and may result in inefficient use of School Board funds.

Recommendation

The School Board should ensure that purchasing card limits are properly monitored and enforced. Management should implement a review process designed to identify and address spending-limit violations, including transaction splitting. Additional training should be provided to cardholders and approving officials regarding allowable transactions, spending limits, and the consequences of noncompliance. The School Board should investigate the transactions that violated limits to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

The policy of LPSB regarding Purchase Cards is detailed in Policy: DJE – Purchasing. This policy does not mandate that employees “possess a cardholder agreement, nor does it establish a monthly spending limit”. Furthermore, LPSB does not have a “purchase card procedure manual” that prohibits splitting transactions as stated in the finding. The auditor appears to be referring to an outdated guideline issued by a previous administrator that was based on prices that are no longer reflective of current market conditions. Prior to the issuance of these Findings, an examination of card transaction limits revealed to LPSB that the limits for a significant majority of cardholders were exceedingly outdated and had not kept pace with inflation or current market pricing. These limits have been adjusted accordingly. Furthermore, the auditor’s assertion that the splitting of transactions could lead to “unauthorized, inappropriate, or fraudulent spending” has no basis in fact and is merely unsupported opinion that chooses to ignore the root cause of the situation, i.e. the extremely low transaction limits on purchase cards that hindered cardholders from making purchases for essential items such as maintenance and repairs. The amount of \$271,724 reported by the auditor as exceeding the transaction limits was not only approved but fully substantiated by receipts and validated by staff as legitimate purchases made during the 2024-2025 audit period. If there is any deficiency, it occurred when LPSB failed to regularly review and update the spending limits quickly enough to account for changes in the market. For this, LPSB takes responsibility.

(2) Recommendation by Auditor Is Beyond the Auditor’s Scope of Responsibility When Conducting Financial Audits.

According to La. R.S. 24:516(A)(2), audit reports must provide specific recommendations aimed at the future “**avoidance**” of any reported irregularities or deficiencies. The auditor’s recommendation that "employees or approving officials be held accountable when policy violations are confirmed" has no connexity to the prevention or avoidance of irregularities or deficiencies and falls well outside of the auditor's responsibilities in making recommendations.²⁹ Rather, through this recommendation, the auditor seems to imply that LPSB fails to address violation of policies and procedures, which is inherently false, particularly in the context of this finding, which is not predicated on a policy violation at all but rather on the auditor's reference to a set of antiquated guidelines that have since been revised to align with current conditions. This recommendation should be stricken, as it’s obvious that its sole purpose is to cast LPSB in an unfavorable light.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

LPSB's current staff conducted a review of purchase card guidelines and determined them to be outdated, failing to represent contemporary business operations. Consequently, LPSB's Chief Financial Officer has raised the transaction limits to reflect modern pricing while eliminating unnecessary obstacles for essential purchases. The increased transaction limits have effectively addressed any issue the auditor may have found regarding split transactions, as cardholders can now make necessary purchases with the enhanced spending limits.

²⁹ La. R.S. 24:516; LGAG 500-1100, Independence of the CPA Firm Performing the Audit

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-009 Unauthorized Purchases Made Using Check Requests

Fiscal year finding initially occurred: 2025

Condition

During our review of check request transactions, we tested 40 and identified 35 instances in which items were purchased using check requests that, according to School Board policy, are not authorized to be purchased using this method. The purchases included non-emergency supplies and repairs, totaling \$654,918. These transactions bypassed the proper procurement controls and documentation requirements.

Criteria

School Board policy requires that certain types of purchases, such as non-emergency supplies and repairs, cannot be made using check requests. Purchases must follow approved procurement methods to ensure proper authorization, accountability, and compliance with internal controls.

Cause

The School Board did not consistently enforce its purchasing policies, and management review procedures were insufficient to detect unauthorized purchases made on check requests. Employees and approving officials were either unaware of the restriction or failed to follow the established procedures.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

Allowing purchases to be made on check requests in violation of policy resulted in noncompliance with School Board procurement procedures, increased risk of unauthorized or inappropriate spending, and weakened internal control over procurement. This could result in misappropriation of funds.

Recommendation

The School Board should enforce policies prohibiting the use of check requests for unauthorized items, implement a review process to verify that all purchases comply with the School Board procurement rules and provide training to employees and all approving officials on proper purchase order procedures and restrictions. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-010 Purchasing Goods and Services Prior to Purchase Order Approval

Fiscal year finding initially occurred: 2025

Condition

During our review of procurement transactions, we tested 60 and identified 10 instances in which the School Board purchased goods and services prior to obtaining approval of the associated purchase order. Transactions totaling \$65,883 had the corresponding purchases procured before the purchase orders were approved. This practice bypassed required internal controls designed to ensure proper authorization, verification, and documentation of expenditures.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Criteria

School Board policies and standard procurement practices require that all purchase orders be approved prior to purchasing goods or services or committing funds. Proper pre-approval ensures that expenditures are authorized, comply with budgetary constraints, and are supported by appropriate documentation.

Cause

The School Board did not consistently enforce policies requiring pre-approval of purchase orders before the purchasing of goods and services. Management review and monitoring procedures were insufficient to detect or prevent the purchase of goods and services prior to purchase order approval.

Effect

Purchasing goods and services before purchase order approval results in noncompliance with School Board policies, increases the risk of unauthorized or inappropriate spending, reduces accountability over public funds, and weakens internal controls over procurement. It also limits management's ability to verify that the expenditure is within approved budget limits.

Recommendation

The School Board should reinforce policies and procedures requiring that all purchase orders be approved prior to purchases being made, implement management review procedures to ensure that purchases are not made before purchase order approval, and provide training to employees responsible for approving purchase orders on procurement policies and procedures. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-011 Invoices Paid Without Sufficient Supporting Detail

Fiscal year finding initially occurred: 2025

Condition

During our review of vendor payments in the General Fund and the special revenue funds, we tested 539 and identified 213 in which invoices were paid without sufficient documentation to determine the materials purchased, labor provided, or whether the amounts paid were reasonable for the goods or services received. Additionally, during our review of transactions in the capital projects funds we noted additional invoices totaling \$1,196,795 that lacked sufficient details. One example is an invoice from an oilfield service company that indicated office supplies as item purchased, date of service, location, and the amount charged. The invoice did not give the specific office supplies purchased. Additionally, no documentation was provided to indicate why office supplies would be purchased from an oilfield service company when they normally purchase office supplies utilizing vendors with state contracts. A second example is an invoice from a pressure washing company that indicated date of service, location, and the amount charged in the description. The invoice did not give any information about what goods or services were purchased. Another example is an invoice from a vacuum truck service that listed description of work as move furniture, 2 trucks, 2 trailers, and 8 men. The invoice did not indicate hours worked or rates charged. Invoices totaling \$2,766,183 lacked itemized details, descriptions, or supporting documentation. As a result, it was not possible to verify that the amounts paid by the School Board were reasonable for the goods and services received.

Criteria

School board policies and standard accounting practices require that all payments be supported by adequate documentation, including detailed descriptions of materials, labor, and pricing, to ensure proper authorization, accountability, and verification of transactions.

Cause

The School Board did not have adequate internal controls in place to ensure invoices contained sufficient detail to verify the accuracy and reasonableness of payments. Management review procedures were insufficient to detect or prevent payments for invoices lacking proper documentation.

Effect

Paying invoices without sufficient detail results in noncompliance with internal control and procurement policies and increases the risk of overpayment or unauthorized payment, misappropriation of funds, financial statement misstatements, and reduced accountability for public funds.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should establish and enforce policies requiring invoices to include itemized details of materials, labor, and pricing before payment is authorized, implement management review procedures to verify that invoices are complete, accurate, and reasonable prior to processing payments, and provide training to employees responsible for approving and processing payments on proper invoice documentation and verification procedures. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

A. OBJECTIONS

- (1) Recommendation by Auditor Is Beyond the Auditor's Scope of Responsibility When Conducting Financial Audits

According to La. R.S. 24:516(A)(2), audit reports must provide specific recommendations aimed at the future "**avoidance**" of any reported irregularities or deficiencies. In relation to this finding, the auditor recommends, "The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight." The implication from this recommendation is that LPSB has failed to address a violation of policies and procedures is blatantly false, and possibly defamatory, particularly in the context of this finding, when one considers the auditor's invoice for \$138,770.00 states, the amounts are for "**progress billing**". Moreover, the auditor's recommendation that "employees or approving officials be held accountable when policy violations are confirmed" has no connexity to the prevention or avoidance of irregularities or deficiencies and falls outside the auditor's responsibilities in making recommendations.³⁵ This recommendation should be stricken from the Audit Report before finalizing, as its sole purpose is to cast LPSB in an unfavorable light.

B. CORRECTIVE ACTIONS

Most vendors adhere to listing standard elements on their respective invoices. However, there are some vendors that provide only limited descriptive information, such as "For Professional Services". District staff generally have an understanding of the vendors' services despite the generic description based upon the contracts or purchase order on file. However, staff will begin providing vendors with a list of invoice requirements. Invoice will not be accepted without a clear description of items or services provided, quantity and unit of measure, unit price, service periods if applicable, itemized charges (parts, materials, labor, fees, etc.), shipping or additional fees and the total amount due clearly reflected on the invoices. By requiring this condition there would be no reason to investigate and hold staff accountable for a vendor's failure to provide adequate information on invoices they do not author.

³⁵ La. R.S. 24:516; LGAG 500-1100, Independence of the CPA Firm Performing the Audit

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-012 School Board Conducting Business with an Employee-Owned Business

Fiscal year finding initially occurred: 2025

Condition

During our review of vendor transactions, we identified instances in which the School Board conducted business with a company owned or controlled by a current employee. Specifically, transactions totaling \$12,101 were made with Marc Services, LLC. These transactions appear to be a violation of the state ethics laws.

Criteria

Louisiana law, including the Louisiana Code of Governmental Ethics (La. R.S. 42:1101 et seq.), prohibits public employees from participating in government decisions that result in financial benefit to themselves, family members, or businesses they control.

Cause

The government entity did not have adequate policies or internal control procedures to prevent or detect transactions with employee-owned businesses. Management review and approval processes were insufficient to ensure compliance with ethical requirements and conflict-of-interest provisions.

Effect

Engaging in business with an employee-owned company results in noncompliance with state ethics law, increases the risk of conflicts of interest, potential misuse of public funds, reputational damage, and legal liability. Such transactions undermine public trust and weaken internal control over procurement.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should establish and enforce policies prohibiting transactions with businesses owned or controlled by employees, implement management review and approval procedures to detect and prevent conflicts of interest in procurement activities, and provide training on Louisiana ethics laws. The School Board should establish and maintain a list of businesses owned/operated by employees, as well as board members and their families, to avoid contracting with these entities in the future.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding is Based Upon Auditor's Misunderstanding of the Law.

The criteria outlined in finding (School Board Conducting Business with an Employee-Owned Business (IC & C)) states that "Louisiana law, including the Louisiana Code of Governmental Ethics (La. R.S. 42:1101 et seq.), prohibits public employees from participating in government decisions that yield financial benefits to themselves, their family members, or businesses they control." This assertion illustrates another misunderstanding of the law by the auditor.³²

La. R.S. 42:1113 prohibits any employee (or legal entity in which he holds a controlling interest) from entering into contracts or transactions that fall under the supervision or jurisdiction of **the agency** of the public servant. The term "agency" is not a reference to the entire governmental entity as the finding suggests; rather, it is a reference to any department, office, division, agency, commission, board, committee, or other organizational unit of a governmental entity.³³ The Ethics Board has generally applied this definition of "agency" in a narrow context. For instance, a captain within the City of Lafayette's Fire Emergency Department is not restricted from selling and servicing computers to the City of Lafayette (the governmental entity), provided that such transactions do not fall under the supervision or jurisdiction of its agency, the Fire Emergency Operations Department.³⁴

The \$144,382 in invoices reported by the auditor as payments to Marc Services LLC, a small engine repair business owned by an Auto Mechanics instructor assigned to the WD Mary Baker Career Center, were made through purchase orders issued by the LPSB Maintenance Department. The employee's agency is the WD Mary Baker Career Center. Neither the Career Center nor the employee have ever been subject to the supervision or jurisdiction of the LPSB Maintenance Department.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

Nevertheless, as part of the corrective measures implemented in response to Findings (Fraudulent Vendor Quotes (IC & C)) and (Fraudulent Vendor Quotes (IC & C)) that began during the 2024-25 audit period, the purchasing checklist created includes a verification for compliance with the Code of Governmental Ethics

³² GAO-24, Section 6.29; LGAG 400-1210, Writing Findings

³³ La. R.S. 42:1102

³⁴ See La. Commission on Ethics for Public Employees, Opinion 1996-050

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-013 Use of Vendors Outside Normal Business Scope

Fiscal year finding initially occurred: 2025

Condition

During our review of vendor contracts, we noted that the entity regularly engages vendors to perform services outside the vendors' normal scope of business. One example is an invoice from a pressure washing company for grass cutting. A second example is using a vacuum service company to move furniture. There is no documented review of vendor qualifications, assessment of capability, or justification for selecting these vendors, and the entity has no formal policy governing the use of vendors outside their typical services.

Criteria

Management is responsible for establishing internal controls to ensure that vendors engaged for services can perform the contracted work and that public funds are used efficiently. While the entity currently has no formal policy addressing the scope of vendor services, *Government Auditing Standards* requires auditors to report deficiencies in internal control that could result in waste, misuse, or inefficient use of resources. Adequate internal controls over procurement help prevent poor service quality, mismanagement, and financial risk.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

The deficiency exists because the entity has not established formal policies or procedures requiring evaluation of vendor qualifications or documentation when services fall outside a vendor's normal business type. As a result, procurement staff lack guidance to consistently assess vendor capability.

Effect

Engaging vendors outside their normal business scope without oversight increases the risk of poor quality of goods or services and inefficient or wasteful use of public funds.

Recommendation

Management should develop and implement formal policies requiring evaluation of vendor qualifications before contracting for services outside a vendor's standard business operations, require documentation supporting the selection of vendors and justification when services fall outside the vendor's typical scope, and train procurement staff and supervisors on these policies to ensure consistent compliance with internal control standards.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding is Based Upon Auditor's Misunderstanding of the Law, and Current Policies and Procedures Comply with Louisiana Law, and Auditors Recommendation Are Unnecessarily Burdensome.

This finding states that LPSB regularly engages vendors to perform services outside vendor's normal scope of business, which can lead to waste, misuse, or inefficient use of resources. Examples given include a pressure washing company cutting grass and a vacuum service company moving furniture. It is uncertain as to how the auditor ascertained exactly what the normal course of business is for any particular company and whether they are qualified to perform the work for which the company submitted quotes. A limited liability company and corporation may be organized under Louisiana law and may conduct business for any lawful purpose, unless restricted by statute or by its own internal governing documents.⁴⁶ No specific license, certifications or degrees is required to mow grass or move furniture.

Louisiana Public Bid Law requires materials and supplies purchased over \$60,000.00 to be advertised and let out for public bid. Apart from declaring bidders non-responsible under La. R.S. 38:2212(X), the Public Bid Law requires the public entity to accept the lowest responsive and responsible bidder. When awarding a procurement contract for materials under the Public Bid Law, there is no requirement that the procurement file contain documented evidence of a vendor's qualifications being reviewed.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

This same methodology is carried over by LPSB into all areas of procurement as part of LPSB's commitment to reduce cost and cut waste. While allowing for the freedom to request references and proof of past performances in an effort to gauge the reliability and quality of work performed, it is not necessary, illegal, or unethical, to obtain the best prices from all vendors when soliciting for labor-driven services such as mowing grass or moving furniture. Employing the auditor's logic, only physical books may be purchased from Amazon and Play-Doh could only be used as a cleaner to remove coal residue.

B. CORRECTIVE ACTIONS

No corrective action is required. LPSB will continue to procure public works, materials, supplies, and services in compliance with the law and its procurement policies, selecting the best prices amongst responsive vendors, using its discretion to determine whether the project requires pre-submission or post-submission of qualifications, before entering into a contract or purchase order with a vendor.

⁴⁶ La. R.S. 12-1-201; La. R.S. 12:1302

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-014 Failure to Properly Notify Non-Responsible/Non-Responsive Bidders

Fiscal year finding initially occurred: 2025

Condition

During our review of procurement activities, we identified that the School Board failed to properly notify bidders deemed non-responsible or non-responsive following a competitive bid process.

Criteria

Louisiana Revised Statute 38:2212 and standard procurement practices require that all bidders who are determined to be non-responsible must be promptly notified in writing of the decision. School Board policy requires that all bidders who are determined to be non-responsive must be notified in writing of the decision. Proper notification ensures transparency, fairness, and accountability in the procurement process, and allows unsuccessful bidders to understand the outcome and, if appropriate, take corrective action.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

The School Board did not have adequate internal controls, procedures, or oversight to ensure proper notification of non-responsible or non-responsive bidders. Management review and monitoring procedures were insufficient to detect failures in the notification process.

Effect

Failure to notify non-responsible results in noncompliance with Louisiana procurement law. Failure to notify non-responsive bidders results in noncompliance with School Board policy. Failure to notify reduces transparency in the competitive bidding process, undermines public confidence in government operations, and increases the risk of disputes or legal challenges from vendors. It also indicates weaknesses in internal controls over procurement.

Recommendation

The School Board should establish and enforce policies and procedures to ensure all non-responsible and non-responsive bidders are properly notified in writing, implement management review and oversight procedures to verify that notifications are completed and documented for each bid, and provide training to procurement staff on proper notification procedures and Louisiana competitive bidding requirements.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist.

Upon receiving these draft Findings, LPSB sought the relevant audit documentation to aid in comprehending the conditions identified by the auditor during the evaluation of LPSB's prior activities. Similar to the other findings, this finding lacks adequate detail concerning the referenced activity or the potential impact these conditions may have on LPSB's financials. As a result, LPSB cannot devise corrective actions when the report does not clearly articulate the essential elements of the finding.⁴²

(2) Finding (Failure to Properly Notify Non-Responsible/Non-Responsive Bidders (IC & C)) Demonstrates an Insufficient Understanding of the Public Bid Law

The auditor claims, "Louisiana Revised Statute 38:2212 and standard procurement practices require that all bidders determined to be non-responsive or non-responsible must be promptly notified in writing of the decision." This assertion is incorrect. Under the Public Bid Law, a public entity has the right to reject a bid if the bidder is deemed non-responsible or if a bid is classified as non-responsive.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

A bid is considered non-responsive if it does not comply with the Public Bid Law or the Bid Documents. The auditor is mistaken in asserting that the Public Bid Law necessitates that notice be provided to a bidder submitting a non-responsive bid.⁴³ A non-responsive bidder is not entitled to due process or an administrative hearing under the Louisiana Public Bid Law.⁴⁴ Bids are assessed for responsiveness, after which the apparent lowest bidder is announced, contingent upon the timely submission of required post-bid documentation. All bidder information must be made available upon request no earlier than nine working days following the bid opening or after the public entity or design professional recommends an award, whichever occurs first.⁴⁵

⁴² LGAG 400-1210, Writing Findings. GAO-24, Section 6.51-53

⁴³ Donald M. Clement Contractor, Inc. v. St. Charles Par., 524 So. 2d 86 (La. Ct. App. 1988).

⁴⁴ Lamar Contractors, L.L.C. v. City of New Orleans, 2021-0489 (La. App. 4 Cir. 12/15/21), 334 So. 3d 870

⁴⁵ La. R.S. 38:2212(H).

A public entity may determine a bidder's non-responsibility by evaluating several factors, including the bidder's financial capacity, skills, integrity, business acumen, experience, reputation, quality of previous work on contracts, and other relevant criteria that reflect the bidder's capability to successfully fulfill the contract. If a public entity intends to disqualify a bidder on the basis of non-responsibility, the Legislature, per La. R.S. 38:2212(X), grants bidders due process rights, which require notification of the proposed action and an opportunity for an informal hearing before any adverse action is taken. There is one instance that the vendor from the prior year, as a result of its failure to perform, was told that LPSB did not wish to continue its services in the future at the end of the contract. The vendor was informed of the decision. However, the opening of bids for this specific procurement was done by a purchasing agent that is no longer with LPSB and the specifics as to his notice to the vendor were not included in the file. The prior vendor did not lodge a protest or request an informal hearing.

B. CORRECTIVE ACTIONS

Auditing standards dictate that recommendations for corrective actions should only be made after the auditors have thoroughly developed the elements of a finding. Finding (Failure to Properly Notify Non-Responsible/Non-Responsive Bidders (IC & C)) not only offers no information as to conditions it claims it identified, but it also inaccurately states the law. The one vendor identified in LPSB's review of this finding was a vendor that had failed to properly perform under its contract the prior year, and continuation of its services would have been improper and wasteful. LPSB will continue its efforts to strengthen its policies and procedures in regard to complying with the Public Bid Law and ensure that the documentation notifying non-responsible vendors be maintained in the file. However, it will not create additional policies and procedures by providing disgruntled bidders with due process rights, where the Legislature and courts have not seen fit to do so.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-015 Noncompliance with Louisiana Public Bid Law

Fiscal year finding initially occurred: 2024

Condition

During our review of procurement and public works contracts, we identified instances where materials and supplies exceeding statutory thresholds were purchased without conducting required competitive bidding and public works projects exceeding statutory thresholds were awarded without following competitive bidding requirements. In both cases, documentation supporting exemptions, approvals, or justification for the procurement approach was incomplete or missing. These deficiencies indicate a lack of compliance with statutory requirements for public contracting.

Criteria

Louisiana Revised Statutes (R.S. 38:2211 et seq. and R.S. 39:1596 et seq.) require that public works projects exceeding statutory thresholds be awarded through competitive bidding and purchases of materials and supplies exceeding statutory thresholds follow competitive bidding procedures. *Government Auditing Standards* requires auditors to report deficiencies in internal control that could result in noncompliance, misuse, or inefficient use of public funds. Effective internal controls over procurement ensure compliance with statutes, transparency, accountability, and proper stewardship of public resources.

Cause

The School Board has not implemented adequate internal controls to ensure compliance with Louisiana public bid laws for both materials/supplies and public works projects. Supervisory oversight, review procedures, and staff training regarding procurement thresholds and competitive bidding requirements were insufficient.

Effect

Failure to comply with public bid law increases the risk of favoritism, fraud, or waste of public funds and reduces transparency, accountability, and fairness in procurement processes.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

Management should implement internal controls to ensure all purchases of materials, supplies, and public works projects exceeding statutory thresholds comply with competitive bidding requirements, proper documentation is maintained for all procurement decisions, including any exemptions, approvals or justifications, and provide training to procurement staff and management on public bid laws, thresholds, and internal control responsibilities.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-016 Lack of Required Written Contract for Public Works Project Over \$5,000

Fiscal year finding initially occurred: 2025

Condition

During our audit, we noted that the School Board did not execute written contracts for 127 public works projects totaling approximately \$5,339,820. These projects exceeded the state threshold of \$5,000 requiring a written contract under Louisiana public bid law. The projects proceeded and payments were made to the contractor without a formal written agreement outlining scope, terms, or responsibilities.

Criteria

In accordance with Louisiana Revised Statute 38:2241(A)(1), all public works costing \$5,000 or more must be reduced to a written contract.

Cause

The School Board did not have adequate internal controls, procedures, or oversight to ensure that written contracts were obtained for all public works projects over \$5,000. Management review and monitoring procedures were insufficient to detect failures in the process.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

Failure to properly execute a written contract results in noncompliance with Louisiana public bid law. It increases the risk that project scope, deliverables, and timelines are not clearly defined. Additionally, the School Board may be unable to enforce contractor obligations or protect its legal interests.

Recommendation

Management should ensure all public works projects exceeding \$5,000 have a properly executed written contract prior to the start of work. Management should implement or strengthen internal controls over procurement to ensure compliance with Louisiana public bid law, including documented review and approval procedures for all contracts. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-017 Failure to Obtain Required Bonds for Public Works Projects Exceeding \$25,000

Fiscal year finding initially occurred: 2025

Condition

During our audit, we noted that the School Board did not obtain the required statutory bonds for public works projects exceeding \$25,000. Specifically, 39 projects totaling approximately \$6,091,246 proceeded without the contractor providing a performance bond and payment bond, as required by Louisiana public bid law. Work was performed and payments were made to the contractor without the School Board securing the required bond protections.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Criteria

Louisiana Revised Statute 38:2216(A)(1) requires that for any public works project exceeding \$25,000, the contractor must furnish both a performance bond and a payment bond in a sum not less than 50% of the contract price. These bonds protect the public entity from financial loss and ensure contractor performance and payment to subcontractors.

Cause

Management did not have adequate internal controls or oversight procedures to ensure that statutory bonds were obtained for all applicable public works projects. Procurement staff were either unaware of the requirement or did not verify bonding documentation before allowing work to begin.

Effect

Failure to obtain the required performance and payment bonds results in noncompliance with state law and exposes the School Board to significant financial and operational risks, including inability to recover additional costs if the contractor fails to complete the project, potential exposure from laborers or suppliers who remain unpaid, and a reduced ability to enforce contract terms and protect public funds.

Recommendation

Management should implement controls to ensure that performance and payment bonds are obtained for all public works projects exceeding \$25,000 in accordance with Louisiana law. No contractor should be allowed to begin work until the required bonds have been received, reviewed for completeness, and documented in the procurement file. Management should also provide training for procurement staff to reinforce public bid law requirements.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-018 Hiring Unlicensed Contractors to Perform Public Works Projects

Fiscal year finding initially occurred: 2025

Condition

The School Board entered contracts with unlicensed contractors. A review of the contract documents and the Louisiana State Licensing Board for Contractors (LSLBC) database revealed that these contractors did not possess the required active commercial contractor's license for the scope and value of the project at the time of the bid submission or during the performance of the work.

Criteria

Louisiana Revised Statute (La. R.S.) 37:2160(A)(1) requires a contractor to hold an active license to act as a contractor for commercial construction projects of \$50,000 or more, or in excess of \$10,000 for plumbing, electrical, or mechanical work. Furthermore, La. R.S. 37:2165 prohibits any contractor from submitting a bid for construction work for which they do not hold an active license and allows for the imposition of a fine on any awarding authority or its agent who intentionally violates these provisions. These laws are considered a rule of public order in Louisiana and are intended to protect public interest.

Cause

Management did not establish or implement adequate internal control procedures to verify and document that the selected contractor held a valid and appropriate Louisiana contractor's license prior to the contract award. The procurement process for this project did not include the required step for an independent verification of the contractor's licensing status through the official LSLBC online tools.

Effect

The contract with the unlicensed contractor is considered null under Louisiana law, meaning it is deemed to have never existed. This condition exposes the School Board to significant legal and financial risks, including potential fines from the LSLBC, inability to enforce contract terms (such as warranty or indemnity clauses), and potential difficulties in legal recourse if the work is found to be substandard. Furthermore, using an unlicensed contractor may lead to inadequate project quality and potential safety hazards, ultimately putting public funds and school property at risk.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should implement an internal control process to ensure that all prospective contractors for public works projects are properly licensed according to Louisiana law before bids are accepted and contracts are awarded. This process should include mandatory verification to confirm active license status and appropriate classification for the project scope and documentation of this verification. Additionally, the School Board should provide training to all personnel involved in the procurement and contract management process regarding the requirements of the Louisiana Public Works Act and contractor licensing laws.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-019 Unauthorized Use of School Board Equipment Without Written Agreement

Fiscal year finding initially occurred: 2025

Condition

The School Board engaged a vendor to perform services using School Board-owned equipment. The use of School Board equipment by the vendor was allowed without a written contract, written authorization, or equipment-use agreement. No documentation was prepared to outline responsibilities, liability, compensation (if any), or terms governing the vendor's use of public assets.

Criteria

Louisiana Revised Statute 17:81 grants school boards the authority and responsibility to control, maintain, and safeguard school property and equipment, and to establish policies for the management and use of school assets.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

Management allowed the vendor to use School Board equipment without obtaining a written agreement or approval documenting the arrangement.

Effect

This practice exposes the School Board to legal and liability risks, lack of accountability over School Board property, and potential misuse or abuse of public assets.

Recommendation

We recommend that the School Board require a written agreement or contract whenever a vendor is permitted to use School Board property or equipment; ensure all service contracts clearly document responsibilities, liability, insurance requirements, and use of School Board assets; strengthen internal controls to prevent verbal or undocumented arrangements with vendors; and provide staff training on Louisiana procurement requirements and School Board asset-use policies.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding is Not Based on Significant Deficiency or Material Weakness in Internal Controls

This Finding reports a single incident where a vendor performed services using School Board-owned equipment without a written contract or authorization. While no additional information is provided by the auditor, a subsequent review by LPSB identified a single incident wherein a contractor was allowed to use an LPSB-owned manlift that was on-site in an effort to save time and reduce costs. LPSB recognizes the issues involved, but questions whether the single incident represents a significant deficiency or material weakness in internal controls.

B. CORRECTIVE ACTIONS

In an effort to prevent any future deficiency, LPSB, as part of its other procurement-related corrective actions, will require provisions in the terms of conditions of all contracts and purchase orders for the conditions upon which LPSB-owned property may be used.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

**2025-020 Public Works Projects Performed Without Required Building, Electrical
and Plumbing Permits**

Fiscal year finding initially occurred: 2025

Condition

During our review of the School Board's public works activities, we noted that building, electrical and plumbing work performed for some of the projects was initiated and completed without obtaining the required permits from the local permitting authority.

Criteria

Louisiana state law and local building code regulations require that electrical and plumbing work associated with construction or renovation projects be performed only after the appropriate permits have been issued by the governing permitting authority.

Cause

The School Board did not have adequate internal controls or monitoring procedures in place to ensure that contractors and project managers complied with permitting requirements. The Board relied on the contractor to secure all required permits but did not verify that the permits were obtained before authorizing work to begin.

Effect

Failure to obtain the required permits resulted in noncompliance with applicable state and local regulations. This increases the risk of safety hazards due to uninspected work; potential fines or penalties; delays in project completion; increased liability exposure for the School Board; and possible invalidation of portions of the project until inspections are completed.

Recommendation

We recommend that the School Board strengthen its project management and compliance controls to ensure all required permits are obtained before construction activities begin. Specifically, the School Board should establish written procedures requiring verification of building, electrical, plumbing, and other applicable permits; require contractors to provide copies of all issued permits before work is authorized; and provide training to staff responsible for construction oversight on permit compliance requirements.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-021 Lack of Documented Evaluation and Inadequate Controls Over Architect Selection

Fiscal year finding initially occurred: 2025

Condition

We noted that individual board members selected architects for construction and renovation projects within their districts. The School Board did not require or maintain documentation supporting how architects were evaluated or selected. No evidence of a competitive or qualification-based selection process was available for the projects tested.

Criteria

Government Auditing Standards require governments to establish and maintain effective internal controls over compliance and procurement. Louisiana law for professional services requires public entities to use a qualifications-based selection process and maintain documentation supporting procurement decisions.

Cause

Architect selection procedures were informally delegated to individual board members. Management did not ensure that sufficient documentation was maintained.

Effect

The absence of any centralized or documented architect selection process represents a complete failure of the internal control system over professional services procurement. The School Board cannot demonstrate compliance with Louisiana law for architectural and engineering selections. This breakdown exposes the School Board to substantial risks, including selection of firms based on non-objective criteria; conflicts of interest or perceived favoritism; contracting with firms that may not be most qualified; potential legal and financial exposure for contracts awarded outside statutory procedures; and inability to demonstrate stewardship of public funds. Due to the pervasive and systemic nature of these deficiencies, this issue constitutes a material weakness in internal control and a material instance of noncompliance with Louisiana procurement statutes.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

We recommend the School Board require that all architects be procured through a centralized, documented qualifications-based selection process performed by management in accordance with state law. Documentation supporting evaluations, rankings, and justifications for selection should be maintained for all professional services procurements.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding is Based Upon Auditor's Misunderstanding of the Law.

In its Finding, the auditor asserts that Louisiana law mandates the LPSB employ a qualifications-based selection process and that LPSB select all architects through a centralized, documented ranking-based selection process. While La. R.S. 38:2318.1 requires that architects and engineers for public works projects be selected based on their competence and qualifications, it does not require a specific selection process. LPSB does not believe the additional restrictions would stiffen competition while increasing costs.

(2) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist.

The policies and procedures established by the LPSB Board and followed by its management state that proposals "may" be utilized to procure engineering or architectural services; however, there is no obligation that proposals are necessary.⁴⁷ LPSB policy, in alignment with La. R.S. 38:2318.1, necessitates that LPSB negotiate every contract for architect or engineering services prior to the finalization of the contract. The competencies and qualifications of the firm are assessed during this period. The audit finding fails to reference or provide any specifics related to any architect/engineer that it found was incompetent or unqualified on any project. LPSB maintains that all designers of record were competent and qualified for the projects in which they were selected.

B. CORRECTIVE ACTIONS

As part of its commitment to enhancing all policies and procedures following the internal investigation referenced in response to finding (Fraudulent Vendor Quotes (IC & C)) and finding (Destruction of Public Records (IC & C)) and the recent amendments to La. R.S. 38:2318.1 that will take effect on August 1, 2025, LPSB is currently revising its policy, processes and procedures related to the selection and contract negotiations of future architects and engineer's professional services, including LPSB Policy: DJED – Bids and Quotations. Under the revised policy, LPSB will maintain its practice of selecting only competent and qualified architects and engineers. Furthermore, it will implement a record of the investigation and evaluation of an architect or engineer's qualifications and will be preserved in the appropriate files. The process will continue to comply with state law; however, LPSB will refrain from incorporating the additional requirements suggested by the auditor that could lead to the monopolization of professional services by larger firms and marginalizing smaller or less experienced firms from offering services on less complex projects or preventing LPSB from retaining the original designer of record during renovations.

⁴⁷ See LPSB Policy – DJED – Bids and Quotations.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-022 Improper Delegation of Spending Authority and Noncompliance with Procurement Requirements

Fiscal year finding initially occurred: 2025

Condition

The superintendent allocated \$100,000 to each school board member to spend on items or projects within their respective districts. Board members submitted purchase requests directly to the superintendent's office. During our testing, we found that some purchases initiated by board members did not follow district procurement policy, did not obtain required competitive pricing, and did not receive proper administrative approval before the purchases were made. The School Board allowed the board members' purchase requests to proceed without verifying compliance with procurement requirements or ensuring that the requests were authorized through the normal approval process.

Criteria

Government Auditing Standards require auditors to report significant deficiencies or material weaknesses in internal control over compliance and instances of noncompliance that are significant to the audit objectives. The district procurement policy requires that all purchases follow established approval processes and competitive pricing requirements. District policies assign operational and purchasing authority to the administration, not to individual board members, and require documentation to demonstrate that procurement procedures were followed. Effective internal control systems require segregation of duties, adherence to policy, and oversight to ensure that transactions are authorized and comply with applicable requirements.

Cause

The superintendent implemented a discretionary allocation system that allowed board members to direct expenditures. The district did not establish adequate controls to ensure these expenditures adhered to procurement requirements, and the purchasing department processed requests based on board member direction even when required documentation or approvals were missing.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

This practice results in an increased risk of noncompliance with procurement policy and state purchasing requirements; heightened risk of wasteful or inappropriate spending due to lack of competitive pricing and insufficient oversight; breakdown of internal controls by allowing individuals without operational authority to influence purchasing decisions; reduced transparency and accountability in the use of district funds; and potential for abuse due to improper delegation of expenditure authority.

Recommendation

We recommend the School Board discontinue the practice of allocating discretionary spending budgets to individual board members; ensure all expenditures follow the School Board's procurement policy, including required competitive pricing and documentation; require the purchasing department to reject any purchase requests that do not follow established approval processes; provide training to board members and School Board personnel on procurement requirements and appropriate roles in purchasing; and strengthen internal controls to ensure only authorized staff initiate and approve School Board expenditures.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Recommendations by Auditor Is Beyond the Auditor's Scope of Responsibility When Conducting Financial Audits.

The auditor suggests that the LPSB cease the practice of allocating discretionary spending budgets to individual board members. This practice is not prohibited by state law or state purchasing requirements. Furthermore, a board member submitting a purchase request directly to the superintendent should not impact compliance with LPSB procurement policies. The allocation of an equal amount of funds to each district serves the public purpose for which LPSB was established and allows Board Members, who are actively engaged and present in their respective districts, to address the needs of their constituents while simultaneously ensuring that the overall system's requirements are collectively advanced through the Board. The auditor's assertion that this practice increases the risk of wasteful and inappropriate spending due to a lack of competitive pricing and insufficient oversight is not substantiated in its findings and fails to acknowledge the policies and procedures that have been established and are continuously revised in response to findings (Fraudulent Vendor Quotes (IC & C)) and finding (Destruction of Public Records (IC & C)). Moreover, it conflates the request to utilize allocated funds with the actual procedural operations of LPSB's procurement process. No board member or individual possesses the authority to misuse or influence purchasing guidelines or procurement procedures, as suggested by the auditor.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

There is a complete absence of information in the Finding regarding the conditions identified by the auditor. The audit documentation for all findings was requested, but this request was denied by the auditor. It remains unclear whether any of the conditions noted by the auditor are duplicative or related to policies and procedures that the LPSB found were not enforced during the tenure of the former director. To the extent that they are, corrective actions have been or are being implemented, as previously noted. The LPSB will enforce and ensure adherence to all internal controls at every level.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-023 Accounts Payable Not Properly Accrued

Fiscal year finding initially occurred: 2025

Condition

During our review of the School Board's financial records, we identified that some accounts payable were not properly accrued at year-end for goods and services received but not yet paid. Specifically, several invoices for purchases and services delivered before the fiscal year-end were recorded in the subsequent fiscal year, resulting in incomplete reporting of liabilities. The total unrecorded accruals tested amounted to \$522,853.

Criteria

Generally Accepted Accounting Principles (GAAP) and standard accounting practices require that liabilities be recorded in the period in which the related goods or services are received, regardless of when payment is made. Proper accrual ensures that financial statements accurately reflect the School Board's obligations and comply with accounting standards.

Cause

The School Board did not have adequate internal controls or procedures to ensure that all accounts payable were identified and accrued at the fiscal year-end. Management review and reconciliation processes were insufficient to detect unrecorded liabilities.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

Failure to properly accrue accounts payable results in misstated financial statements, underreporting of liabilities, noncompliance with GAAP, and reduced reliability of the School Board's financial reporting. This increases the risk of financial mismanagement and limits transparency and accountability.

Recommendation

The School Board should implement procedures to ensure all goods and services received before the fiscal year-end are properly accrued, strengthen management review and reconciliation procedures at fiscal year-end to ensure all liabilities are recorded in the correct period, and provide training to employees on proper accrual procedures and the importance of accurate financial reporting in accordance with GAAP.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist Apart from the aggregate total of "unrecorded accruals," there is minimal information available regarding the basis of the finding. In addition to the total value derived from "some accounts" that were examined, LPSB possesses insufficient information to comprehend the significance of this finding, to assess its internal controls, or to formulate corrective measures.

(2) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period. Due to insufficient information reported in the finding, LPSB initiated its own investigation. LPSB identified two invoices amounting to \$213,880.24, which concern obligations that will not be accrued until fiscal year 2025-2026, rather than the fiscal year under audit. Assuming these are the same accounts referenced by the auditor, to the extent these two invoices constitute part of the unrecorded accrued accounts during the 2024-2025 audit period, the Findings are inaccurate.

(3) Finding is Not Based on Significant Deficiency or Material Weakness in Internal Controls

A deficiency should only be reportable as a finding if it is deemed significant or contributes to a material weakness in a financial audit.³⁶ This evaluation is contingent upon the magnitude of impact, likelihood of occurrence, and the nature of the deficiency. At the conclusion of the fiscal year, an additional set of invoices totaling \$309,063.01 was received after the ledger had been closed and financial reporting to the state was already completed. LPSB communicated these overdue invoices to the auditor. Thus, it is inferred that this set of invoices forms a portion of the accounts "tested" by the auditor, which represent less than 0.001 percent of total district-wide expenditure.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

In an effort to prevent unreported liabilities in the year they occur, additional time will be given at year-end to accommodate the arrival of late invoices from vendors.

³⁶ LGAG 400-1210, Writing Findings

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-024 Hiring Personnel Not Meeting Minimum Qualifications

Fiscal year finding initially occurred: 2025

Condition

During our review of personnel records, we identified an instance in which an employee was hired for a position for which they did not meet the minimum job requirements at the date of hire. This deficiency was not detected by management before employment, and no corrective actions or verification procedures were in place at the time of hiring. The employee did subsequently obtain the qualifications necessary for the position.

Criteria

Job descriptions specify the minimum qualifications required for each position. School Board policy requires that applicants meet these minimum qualifications, including education, certification, and experience prior to hiring.

Cause

The School Board's Human Resources department did not follow its policies and procedures to ensure all documentation supporting an applicant's qualifications was obtained, verified, and maintained in personnel files before employment decisions were finalized.

Effect

Hiring personnel who do not meet minimum qualifications resulted in noncompliance with School Board policies and procedures. This increases the risk of misuse of public funds and diminished job performance.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should ensure full adherence to hiring policies and procedures. Management review and approval of minimum qualifications should occur prior to extending employment offers. Personnel files should include complete documentation supporting an applicant's qualifications. Periodic internal reviews should be performed, and additional training should be provided on hiring requirements, minimum qualification verification, and internal control responsibilities.

Management's Corrective Action Plan

A. OBJECTIONS

- (1) Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

The auditor asserts that "school board policy mandates that applicants fulfill these minimum qualifications, which include education, certification, and experience prior to hiring." This assertion is inaccurate.²⁴ LPSB policy, the current job description of paraeducator, and the job description at the time of employment of the single individual identified all specify that a paraeducator "must" secure and maintain" certain certification. Nowhere does it state that it must be secured pre-employment, and for good reasons. This particular type of certification in question can only be acquired through training that occurs after hiring, which the Finding admits occurred. The auditors' lack of understanding of LPSB' policies and procedures negate the need for corrective action.

²⁴ GAO-24, Section 6.25; LGAG 400-1210, Writing Findings

- (2) Finding Does Not Appear to Be Associated with Current Audit Period.

The finding inaccurately asserts that LPSB did not "adhere to its policies and procedures to ensure that all documentation supporting an applicant's qualifications was procured, verified, and retained in personnel files prior to the finalization of employment decisions." The sole instance cited in this finding pertains to a paraeducator who was hired in 2022. The finding indicates that the paraeducator was employed in 2022 without possessing the required certification, although the certification was subsequently obtained. This issue was not addressed by KS&C in the 2022-2023 audit despite its existence at that time. Instead, the auditor opted to address it in the 2024-2025 audit, following both the employment and the receipt of the certification, which does not align with audit standards.²⁵

²⁵ GAO-24, Sections 6.52; GAO-24, Section 6.48.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

This finding reports a single instance where a paraeducator was hired in 2022 without LPSB receiving pre-employment documents that could only be obtained after employment. There was never a failure by LPSB. Currently, LPSB employs 4,412 employees and is committed to ensuring full compliance with its hiring policies and procedures. Employee Services, both historically and presently, maintains a process to verify that minimum qualifications are satisfied prior to hiring an individual. This process includes, but is not limited to, the execution and maintenance of background checks, verification of education and other necessary certifications when applicable, and assessment of required years of experience when relevant. As the draft Finding fails to report any instance of a failure to follow policy during the current audit period (or prior periods), no corrective action is needed. Nevertheless, to enhance clarity and prevent potential future misunderstandings in future audits, LPSB intends to propose at a forthcoming board meeting that this specific training/certification be categorized in the job description under Essential Duties and Responsibilities section rather than the Qualifications section.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-025 Required Background Checks Not Performed

Fiscal year finding initially occurred: 2025

Condition

During our review of personnel records, we identified one personnel file where the electronic copy of the completed background check was corrupt and could not be accessed.

Criteria

School board policy requires background checks be performed for all applicants prior to employment to verify eligibility and ensure student and staff safety.

Cause

The School Board's Human Resources department did not enforce adequate internal controls to verify that required background checks were completed before hiring and properly maintained in personnel files.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

The School Board did not comply with its own employment procedures. Failure to perform and maintain required background checks increases the risk of employing individuals who may pose safety or security risks to students and staff. Noncompliance exposes the School Board to potential legal liability and may undermine public confidence in hiring practices.

Recommendation

The School Board should ensure that all hiring policies and procedures are followed consistently. Management review and approval of required background checks should occur prior to the hiring of any employee. Background check documentation should be properly maintained in personnel files, and periodic internal reviews should be implemented to ensure continued compliance. The School Board should conduct a background check for this employee to ensure that they are eligible to be employed by the School Board.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist

This finding indicates a situation related to background checks of one employee. The finding does not state an employee was hired without a background check. In reality the single employee's electronic file containing the criminal background check was corrupted and could not be accessed according to the software company. As explained during the audit, but omitted in this finding, the electronic file was likely corrupted during data importation.

(2) Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

The Criteria Section of this finding asserts that "the Louisiana Revised Statute 17:15 requires background checks to be performed for all applicants prior to employment to verify eligibility and ensure the safety of students and staff." This statement is incorrect and demonstrates the auditor's lack of understanding of the law. La. R.S. 17:15 requires a school system to promulgate procedures consistent with La. R.S. 15:587.1 for determining an applicant's teaching credentials or any arrest or conviction of an employee for criminal offenses. It mandates that policy includes a requirement for the submission of fingerprints in a format acceptable to LBCII prior to an individual's employment. More importantly, La. R.S. 17:15 specifically states that "a criminal background check is not required for an applicant with a teaching credential or authorization issued by the board or department unless the applicant's teaching certification or authorization has been denied, suspended, or revoked by the board or department." Both individuals identified hold teacher certifications from the State Department of Education, as documented in their respective files.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Therefore, no criminal background check, FBI or otherwise, is required of these individuals under La. R.S. 17:15.

²⁶ GAO-24, Section 6.29; LGAG 400-1210, Writing Findings

²⁷ GAO-24, Section 6.25; LGAG 400-1210, Writing Findings

(3) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

LPSB Policy GBCA - Criminal History Record Information (CHRI) does not require an FBI background check. It does, however, require a request for a fingerprint-based background check on employment applicants be submitted to LBCII. There is no authority for LPSB to directly request a background check from the FBI. According to La. R.S. 15:587.1 (referenced in La. R.S. 17:15), LBCII, upon receipt of a background check request, makes a simultaneous request to the FBI for criminal history from other jurisdictions. The LBCII provides the school system thereafter with a written report regarding an individual's criminal history. Per La. R.S. 15:587.1, LBCII is required to provide "only such information as is necessary to specify whether or not that person has been arrested for or convicted of or pled nolo contendere to any crime or crimes, the crime or crimes of which he has been arrested or convicted or to which he has pled nolo contendere, and the date or dates on which they occurred." LPSB has no control over how LBCII reports the information back to it. More importantly, neither La. R.S. 17:15 nor La. R.S. 15:587.1 states LPSB must have in its file documentation that the FBI has performed a background check. LPSB, at all times, complied with both the law and its policy by submitting a request to LBCII and obtaining the results prior to employment. Once obtained, the results reported by LBCII were maintained in the employee's paper file as well as his or her electronic file.

(4) Finding Does Not Appear to Be Associated with Current Audit Period.

Even if LPSB's interpretation of the law was correct, La. R.S. 17:15 and LPSB Policy pertain to the request for criminal background checks **prior to** employment. The individual erroneously identified as lacking the required FBI background check was employed in 2004, and the individual associated with the corrupted file was hired in 2012. This finding makes no reference to LPSB failing to obtain any pre-employment background check during the 2024-2025 audit period. Notably, KS&C never issued a finding that LPSB failed to obtain the required background check **prior to employment** as to these individuals during the relative periods.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

LPSB' Employee Services follows a preemployment process on a daily basis. Initiating background checks is a mandatory aspect of the hiring process. Cleared background checks facilitate the progression of the hiring process, while negative background checks will impede it. All cleared background checks are retained within a document management system for record-keeping. Given that the findings reported are erroneous and stem from the auditor's misunderstanding of the law, LPSB sees no necessity for further corrective action and requests that the auditor amend its findings appropriately.

²⁸ GAO-24, Section 6.26

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-026 Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues

Fiscal year finding initially occurred: 2006

Condition

During our review of school activity policies and procedures for collection of class fees, we noted that policies and procedures were inadequate to ensure the completeness of revenue. Specifically, the same individuals responsible for collecting money could also write off amounts owed, creating a lack of segregation of duties.

Criteria

Best practices for internal controls over school activity funds require segregation of duties or compensating controls to ensure completeness and accuracy of revenue collection. The School Board should enhance policies and procedures to address this risk.

Cause

The policies and procedures regarding collection of class fees at individual schools are not properly designed to ensure revenue completeness. Limited staffing at school sites has resulted in inadequate segregation of duties, and no compensating controls have been implemented to mitigate the risk.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

Without adequate policies and procedures, there is an increased risk that class fees may be lost, misappropriated, or not recorded, which could result in misstatement of revenue in financial statements and reduced accountability over public funds.

Recommendation

Management should develop and implement internal control policies and procedures for class fee collections at each school. These should include segregation of duties or compensating controls, along with management review procedures to ensure all revenues are completely and accurately recorded.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) should be consolidated.

The revenues generated from class fees and fundraisers are considered School Funds under La. R.S. 17:414.3. Both these revenues and the operations related to them are subject to the same management guidelines outlined in the LPSB policies adopted by the School Board in 2015, specifically DK – School Activity Fund Management and DIA – Accounting System. The procedures for the collection, receipt, and expenditure of these funds are consistent across the board for both sources of revenue. Therefore, to comply with auditing standards, the Audit Report should be appropriately revised prior to finalization to consolidate these two audit findings¹³. For the sake of clarity, Findings (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) will be combined in this response.

¹³ LGAG 400-1210, Writing Findings

(2) Findings Fail to Provide Sufficient (or any) Details as to the Condition that Exists and Finding Ignores Prior Corrective Action Taken by LPSB.

Neither finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) nor (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) describes an actual situation that exists or the act controls in place that 'ensure revenue completeness'.¹⁴ Both findings present such a negligible amount of information that it hampers LPSB's ability to identify any deficiency, much less institute additional corrective measures. LPSB has formally requested the audit documentation to understand the findings and plan corrective action.¹⁵ Unfortunately, KS&C has not provided adequate information, making a response nearly impossible.¹⁶

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

The only detail in the Condition Section of both Findings is a hypothetical scenario that “could” occur if LPSB does not follow the auditor’s “best practice” recommendation to expend additional resources to “ensure revenue completeness”. In the past 33 years of conducting LPSB's audit, KS&C has not reported one instance of actual loss, misappropriated, or unrecorded Student Funds indicating that the situation for which the finding is based does not exist and the probability of such an occurrence is minimal.¹⁷ Also, not mentioned in the Findings are the actual controls in place that already “ensure revenue completeness” of Student Funds. Notably, the installation of new software that contains class logs and records funds received.

(3) Findings Ignores Prior Corrective Action Taken by LPSB.

KS&C failed to take into consideration in its Findings corrective actions taken over the years, choosing instead to add an additional Finding and repeat, in Finding (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)), the same statement that it made in last year’s audit that, "There were inadequate controls over funds collected for various fundraisers and activities at the individual schools." While the absence of specific details inhibits LPSB's ability to understand the issue, LPSB, operating on assumption, strategized and implemented corrective action plans intended to rectify the deficiency throughout prior years, only to be informed in the subsequent audit report that the elusive deficiency remained unaddressed. In last year’s response to KS&C Audit, LPSB provided a comprehensive summary of the corrective actions taken each year since 2015, concluding its response by stating that "several outstanding issues will finally cease to exist" due to the "addition of new school accounting software," which generates class rosters and receipts electronically and provides reports for Student Funds received. The objective of investing in this software was to definitively resolve any concerns the auditors had with the collection of School Funds. Unfortunately, this year rather than the Finding being eliminated, it multiplied.

Findings (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) deviate from audit standards by failing to reference the computer system and other corrective actions undertaken in prior years to address the current findings.¹⁸ LPSB cannot continue to expend resources and continue implementing corrective actions in the dark on a risk that is non-existent.

¹⁴ GAO-24 (rev), Section 6.26

¹⁵ GAO-24 (rev), Sections 6.51-6.53; LGAG 400-1210, Writing Findings

¹⁶ GAO-24 (rev), Section 6.31

¹⁷ GAO-24 (rev), Section 6.25, 6.29

¹⁸ GAO-24 (rev), Sections 6.11

(4) Finding is Based Upon Auditor’s Misunderstanding of the Law and the Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

The Findings references a "lack of segregation of duties" in the management of Student Funds and asserts that "policies and procedures were inadequate to ensure the completeness of revenue" for both findings. Concurrently, it notes that "Policies and procedures concerning the collection of funds for various fundraisers and activities within school activity funds at individual schools are not being enforced by the principals." These statements are not only contradictory but are also inaccurate, indicating the auditor's misunderstanding of the law and/or the internal controls ("criteria") already in place to guarantee "revenue completeness."¹⁹

La. R.S. 17:414.3 addresses the management, expenditure, and accounting of School Funds, which encompasses both finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)). In enacting La. R.S. 17:414.3, the Legislature "ensure revenue completeness" by mandating controls be instituted within the schools and school system. Instead of burdening the school systems with an additional layer of bureaucracy through "segregation of duties", it opted to "ensure revenue completeness" by requiring school system's to implement policies and procedures to validate the receipt of School Funds through a monthly reconciliation of account statement with the school records, which are then signed by the principal of each school and reviewed again annually by the principal alongside another member of the administrative staff.

LPSB, through Policy: DK – School Activity Fund Management and Policy: DIA – Accounting System, both adopted in 2015, complied with La. R.S. 17:414.3's mandate. During the 2024-2025 audit period, LPSB employed the following procedures to align with the policy and law. Initially, School Funds are deposited after a secretary and bookkeeper at each school logged the funds received into the computer program. Monthly, the school staff reviews and reconciles the School Funds' bank accounts with the computer reports, which utilize the class logs for each school and the recorded fees paid for every student. The principal of each school subsequently signs off on the statements, which are reviewed annually and documented in the School Fund records for each school. During this process, the school accounting department validates all "fee waiver" entries, ensuring "revenue completeness". Because a system ensuring revenue completeness is already in place as a matter of law and policy, there is no necessity to augment staff or hire additional personnel to duplicate what is already being done.

The criteria employed by the auditor in finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) is flawed as it creates its own criteria by claiming "best practices" and allocating further time and resources to "segregate duties" rather than addressing the law, policies and procedures, along with corrective measure put in place last year (software system) that already addressed "ensuring revenue completeness". Audits are designed to uncover waste, not create them.

¹⁹ LGAG 400-1210, Writing Findings; GAO-24 (rev), Sections 6.25

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

(5) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

As noted in Section 2 above, the only “condition” cited in the two findings is the hypothetical scenario in finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) that claims an individual “could” “write off” amounts received. Not only is this statement conclusory, but it is also misleading. Class fees have never been “written off” except to remove “waive” identified duplicate fees or unneeded fees on various students based on software functionality. In the absence of specific details, LPSB can only surmise that the auditor’s conclusive statement pertains to entries in the new computer software that indicate a “fee waiver” for certain entries. During the audit examination, it was explained that secretaries and bookkeepers at each school are responsible for receiving and collecting funds for class fees, which are recorded as paid in the designated computer program. Unfortunately, following the implementation of the new software last year, duplicate or erroneous entries arose due to data migration and/or setup issues. The secretaries and bookkeepers were authorized to amend these erroneous entries, which appeared as “fee waivers” in the computer-generated reports. The monthly review and reconciliation of the Student Fund accounts conducted by the LPSB School Accounting Department ensures that the entries marked “fee waiver” are appropriate and the revenue for these entries has or will be collected.

B. CORRECTIVE ACTIONS

LPSB submits that it is compliance with both the law and its policies, which ensure revenue completeness. There is no deficiency. However, LPSB is always open to improvement. Since the issues involving the software implementation have nearly all been resolved, “fee waiver” entries have largely become unnecessary. Regardless, the LPSB has reached out to the software provider to configure a new user profile that would disallow the use of “fee waiver” functions in the future. The software company has neither approved or disapproved LPSB’s request at this time.

Auditor’s Response

The School Board’s response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management’s response has not resulted in any change to the finding or the auditor’s conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-027 Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues

Fiscal year finding initially occurred: 2006

Condition

During our review of the school activity policies and procedures for fundraisers, we noted that policies and procedures were inadequate to ensure the completeness of revenue collected at individual schools.

Criteria

Best practices for internal controls over school activity funds require that all fundraisers be fully reconciled and recorded in a timely manner to ensure accountability over public funds. The School Board should enhance its policies and procedures to ensure that all fundraiser revenue is complete and properly documented.

Cause

Reconciliation procedures for fundraisers at the individual schools are not consistently performed, reviewed, or monitored, resulting in incomplete assurance over revenue collection.

Effect

Without adequate policies and procedures to ensure completeness of revenue, there is an increased risk that fundraiser revenues may be lost, misappropriated, or not recorded. This could result in misstatement of revenue in financial statements and reduced accountability over public funds.

Recommendation

Management should ensure internal control policies and procedures for fundraiser reconciliations are consistently performed at each school. Procedures should include documentation on revenue collection and independent management reviews to verify that all fundraiser revenue is complete and accurately recorded.

Management's Corrective Action Plan

See corrective action plan for **2025-026 Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues.**

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-028 Inaccurate Fixed Asset Listing

Fiscal year finding initially occurred: 2024

Condition

The School Board did not maintain an accurate and timely fixed asset listing throughout the year. Assets that had been disposed of were not removed from the fixed asset listing until approximately six months after year-end. Additionally, certain assets recorded on the fixed asset listing could not be physically located by School Board personnel. These assets were removed from the listing without adequate documentation to support their disposal. The fixed asset listing also included assets reportedly transferred to the warehouse for disposition; however, these assets could not be located in the warehouse and, documentation was not available to demonstrate that they had been properly disposed. We identified 60 assets totaling \$716,950 that were removed from the fixed asset listing without proper supporting documentation.

Criteria

Louisiana Revised Statute 24:515(B) requires the School Board to maintain a list of all land, buildings, improvements other than buildings, equipment, and other general fixed assets, including documentation supporting the disposition of such assets. Proper internal controls require fixed asset records to be updated timely for additions and disposals, supported by appropriate documentation, and periodically verified through physical inventories.

Cause

The School Board did not have effective internal controls over fixed asset management, including timely review and updating of the fixed asset listing, adequate procedures for documenting asset disposals, and effective monitoring and follow-up of physical inventory discrepancies.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

The School Board did not comply with Louisiana Revised Statute 24:515(B). Fixed asset records were inaccurate and incomplete, and certain assets recorded could not be located. In addition, asset disposals were not supported by documentation demonstrating compliance with state law. These deficiencies increase the risk of material misstatement of capital assets, misappropriation of public assets without detection, improper financial reporting, and limit the School Board's ability to safeguard public resources.

Recommendation

Management should strengthen internal controls over fixed assets by ensuring the fixed asset listing is updated timely for all additions, transfers, and disposals; requiring proper documentation and approval for all asset disposals or write-offs; performing and documenting periodic physical inventories with prompt investigation and resolution of discrepancies; and implementing supervisory review and reconciliation of fixed asset records to supporting documentation.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist
Currently, LPSB possesses \$ 742,503,992.87 in fixed assets. Although in reference to other findings, the auditor stated that they could not revise a finding, Finding No. 3 was revised on December 18, 2025, after receiving the Draft Finding. Instead of merely stating "the fixed asset listing maintained by the School Board was not accurate" without any further detail, it now adds that, "Assets that had been disposed of were not removed from the fixed asset listing until approximately six months after year-end." And it has identified 60 assets totaling \$716,950 that were removed from the fixed asset listing without proper supporting documentation. The revision still does not reference any detail about the newly identified 60 assets or what documentation it contends is missing. This finding presents such a negligible amount of information that it hampers LPSB's ability to employ corrective measures.²⁰ KS&C has not provided sufficient audit documents that would assist LPSB in understanding how the 60 items, making up less than .1% of the total fixed assets of LPSB supports the issuance of a Finding of a significant deficiency or material weakness in LPSB's internal controls.²¹ While not trivializing the value stated by the auditor or the need to have flawless inventory record, even the additional information provided in the amended post-audit finding is not enough.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

(2) Finding Does Not Appear to Be Associated with Current Audit Period.

Over the years, fixed assets of various values have been continuously added and disposed of. For the past several years, KS&C has issued this same exact finding without citing any specific incidents or items. As a result, LPSB could not then and cannot now determine whether the condition arose as a result of failure to account for an asset transferred to its warehouse this year or if the unaccounted transfer occurred in previous years that KS&C is only now reporting it in a revised finding. LPSB has made countless efforts to rectify inaccuracies surrounding fixed assets each audit period. However, it is a moving target, even in the same audit year. While LPSB now has an appreciation of the value of the unaccounted assets, it is still left in the dark as to whether prior corrective actions have resolved, diminished, or exacerbated the existing Finding.

²⁰ GAO-24, Sections 6.53

²¹ GAO-24, Section 6.31

(3) Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

This finding asserts that LPSB lacked internal control policies and procedures to ensure compliance with La. R.S. 24:515(B) and recommends the implementation of such measures. This assertion is incorrect and does not take into account the current policies, procedures, and controls in place. LPSB adopted DIC-Inventories Policy in 1976, with its most recent revision occurring in 2021, while DFK- Sale of Surplus Equipment and Supplies Policy was adopted in 1989, with its latest revision in 2015. In addition to these policies, LPSB has implemented procedures and internal controls regarding the transfer and disposition of fixed assets that include:

- When a school disposes of an asset, the respective school's Capital Asset Coordinator prepares a capital asset transfer form, which is signed by the Coordinator and the School Principal. All equipment on the capital asset list and all federally funded equipment must be sent to the warehouse for disposal.
- The capital asset coordinator should schedule a warehouse pickup of the items to be transferred. The transfer form should be signed by the warehouse personnel, and the original goes with the equipment to the warehouse. The capital asset coordinator should keep a copy as proof of transfer. The warehouse sends the transfer form to the Capital Asset Team. Using this document, the asset is removed from the books. All assets sent to the warehouse are scheduled for auction and the warehouse supervisor maintains a comprehensive listing of all items to be sold. The items are photographed and posted on the auction website with a description. If the asset was purchased with Federal funds, and, if the asset has a fair market value of less than \$5,000, the asset may be sold or otherwise disposed of with no further responsibility to the Federal awarding agency. 2 CFR Part 200(e)(1). If the asset has a fair market value of greater than \$5,000, follow the procedures in 2 CFR Part 200.313 (e)(2). Once the items are sold, the check is sent to the Lafayette Parish School System. The price of all past items sold are available on the auction website.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

The auditor's failure to acknowledge these policies, procedures, and internal controls and to instead claim that LPSB lacked internal control policies and procedures to ensure compliance with La. R.S. 24:515(B) is misleading.

B. CORRECTIVE ACTIONS

Audit documentation related to these findings have not been provided. Without such information, corrective measures, as with previous attempts, are fruitless. Nevertheless, in an effort to address some of these deficiencies, LPSB plans to allocate additional resources to ensure compliance with statutory requirements and its own policies and procedures. This will include increased site visits to verify that fixed assets are accurately recorded, along with audits of fixed assets at each property, as well as monitoring the transfer and disposal of its assets.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-029 Noncompliance with Budget Law

Fiscal year finding initially occurred: 2024

Condition

During our audit of the School Board for the fiscal year ended June 30, 2025, we noted that the On Track By 5 Fund budget was not amended when actual revenues and other sources fell short of budgeted amounts by more than five percent, as required by law.

Criteria

Louisiana Revised Statute 39:1311(A)(1) requires that a fund's budget be amended if total revenues and other sources are expected to fall short of budgeted amounts by five percent or more.

Cause

The School Board lacked internal controls and policies to ensure timely review and amendment of fund budgets in accordance with statutory requirements.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

The School Board did not comply with Louisiana Revised Statute 39:1311(A), resulting in noncompliance with state budget law.

Recommendation

We recommend that the School Board implement policies and procedures to ensure that fund budgets are reviewed regularly and amended as necessary to comply with Louisiana Revised Statute 39:1311(A).

Management's Corrective Action Plan

Throughout the duration of the fiscal year and up to the close of the fiscal year, budgets are routinely revised to reflect changes in financial resources as well as changes in expected expenditures. At the close of the fiscal year, certain budgetary line items within the On Track by 5 budget was not updated. The law states that an administrative officer shall advise the governing authority when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more. In this case the revision would have reflected more than a 5% change. Budgetary reporting for this program has been isolated and will be included in an internal checklist for budgetary reporting based on SAUP requirements.

2025-030 Noncompliance With Leave Reporting Requirements

Fiscal year finding initially occurred: 2025

Condition

During our review of employee time and attendance records for the fiscal year, we noted that one employee was absent from work but did not record the absences in the timekeeping system. No annual leave, sick leave, or other approved leave was entered for the missed workdays. The employee was compensated for the full pay period as though they had worked all scheduled hours.

Criteria

The School Board is required to maintain accurate records of employee time and attendance in accordance with internal personnel policies. Internal controls over leave management should ensure that absences are properly documented, authorized, and recorded in the payroll system to safeguard public resources and maintain accurate financial reporting.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

The issue occurred because management did not adequately enforce existing leave policies, and supervisory review of employee timesheets was insufficient to detect missing or inaccurate attendance entries.

Effect

Failure to properly record and approve employee leave resulted in inaccurate payroll records and improper payments for time not worked. This increases the risk of payroll fraud, misuse of public funds, and noncompliance with state and internal policy requirements. Inaccurate leave balances may also affect financial reporting, particularly if compensated absences are misstated.

Recommendation

Management should strengthen internal controls over leave reporting by ensuring that employees are reminded of and trained on existing time and attendance requirements and supervisors strictly review and approve time sheets before payroll processing. The School Board should correct the compensated absences records to properly show time taken.

Management's Corrective Action Plan

A. OBJECTIONS

(1) Finding is Not Based on Significant Deficiency or Material Weakness in Internal Controls;

During the audit period from 2024 to 2025, it was noted by the auditor that one employee was absent from work but did not record these absences in the timekeeping system. No records for annual leave, sick leave, or other approved leave were entered for the days missed. The finding states that the employee was compensated for the entire pay period as if they had worked all scheduled hours.

While LPSB does not condone an employee's failure to accurately record leave, the absence of one employee among the total LPSB workforce does not rise to the level of "significant deficiencies and material weaknesses in internal control" as defined by LPSB. Additional information was provided to the auditor concerning the initial notification and authorization.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

- (2) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

Assuming the identity of the individual in question and the circumstances referenced, the employee was participating in a conference as both an LPSB employee and a public official for another entity. The other entity covered the employee's travel and related expenses, and LPSB did not incur any costs. The employee attended the conference alongside other LPSB employees and was requested to participate. He handled many LPSS work responsibilities while at the conference, so the employee did not need to submit a request for Professional Leave through LPSB's timekeeping system, which is the basis of this audit finding, because he was not on leave; he was working.

Typically, LPSB employees complete travel forms to obtain prior approval before travel begins. Since expenses such as mileage are generally incurred during travel, employees are prohibited from traveling until authorization is granted. In this case, the individual provided written notice to the supervisor and verbal authorization was given by the supervisor prior to attending the conference with the understanding that no travel expenses would be incurred by LPSB.

B. CORRECTIVE ACTIONS

LPSB asserts that its existing policies and procedures are effective. The solitary incident reported as a finding of significant deficiencies or material weaknesses in LPSB's internal controls is solely based on the auditor's misunderstanding of the events that transpired. The auditor should amend its Finding to align with the actual circumstances that occurred. Given that the reported condition does not exist, LPSB does not believe that corrective action is necessary. Assuming the employee identified above is the individual that the auditor is discussing in its finding, LPSB states that moving forward, requests for Professional Leave will be implemented regardless of whether travel expenses are incurred.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-031 Management Improper Relationships with Vendors

Fiscal year finding initially occurred: 2025

Condition

During our review of procurement and management activities, we identified instances in which members of management maintained improper relationships with vendors, including accepting trips or travel opportunities provided by vendors. The relationships created the appearance of a conflict of interest or favoritism toward certain vendors, and these interactions were not documented or disclosed in accordance with state ethics requirements.

Criteria

Louisiana Code of Governmental Ethics (La. R.S. 42:1101 et seq.) prohibits public employees from engaging in actions that create a conflict of interest, the appearance of favoritism, or compromise the independence of procurement decisions. Standard internal control practices also require disclosure of potential conflicts of interest and independent oversight to prevent undue influence in vendor selection or contract approvals.

Cause

The School Board did not maintain adequate internal controls, policies, or oversight procedures to prevent, identify, or manage relationships between management and vendors that could create real or perceived conflicts of interest. Management review and monitoring were insufficient to ensure compliance with ethics laws and internal policies.

Effect

Improper relationships between management and vendors, even when management pays their own expenses, result in noncompliance with state ethics laws and internal control policies, increase the risk of favoritism or biased decision-making, weaken transparency and accountability in procurement, and could erode public trust in government operations.

Recommendation

The School Board should implement policies prohibiting management from engaging in personal or social relationships with vendors that could create the appearance of a conflict of interest, require all management and procurement staff to disclose any vendor-related travel, gifts, or other interactions that could influence procurement decisions, and provide training to management and staff on Louisiana ethics laws, conflict-of-interest requirements, and proper procurement practices to maintain transparency and public trust.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Management's Corrective Action Plan

A. OBJECTIONS

- (1) Findings (Management Improper Relationships with Vendors (IC & C)) and (Allegations of Vendor-Provided Meals and Travel Involving Board Members, Superintendent, and Management (IC & C)) Should Be Consolidated.

The findings mentioned above pertain to the same provisions of the Code of Government Ethics and should not be viewed as separate or distinct. While no specific details are provided regarding these findings, they appear to be identical in nature. Audit Report should be amended appropriately before finalizing to consolidate these audit findings. For the sake of clarity, Both findings will also be merged in this response in accordance with audit standards.

- (2) Findings Fail to Provide Sufficient (or any) Details as to the Condition that Exist.

Finding (Management Improper Relationships with Vendors (IC & C)) indicates that the auditor has discovered instances where members of management engaged in improper relationships with vendors, including accepting trips or travel opportunities from them. However, it fails to reference any specific incidents or to provide details on how these "trips and travel opportunities" were funded. Alarming, the auditor acknowledges the absence of any existing situation, stating merely that there are "allegations that one or more school board members, the superintendent, and certain management members may have accepted meals, hospitality, or vendor-funded travel from individuals or companies currently engaged in business with or seeking to do business with the school board." How can LPSB take corrective measures based on findings rooted in hearsay? LPSB has requested audit documentation to substantiate this finding, but the auditor has refused to provide such evidence.

- (3) Finding is Based Upon Auditor's Misunderstanding of the Law.

The Louisiana Code of Government Ethics is significantly more nuanced than the auditor's broad assertions that the Code "prohibits public employees from engaging in actions that create a conflict of interest, the appearance of favoritism, or compromise the independence of procurement decisions." For instance, the Ethics Code does not assert that "improper relationships between management and vendors, **even when management pays their own expenses**, result in noncompliance with state ethics laws and internal control policies." It is clear from the Ethics Code and previous ethics opinions that no prohibition, conflict of interest, or improper relationship exists when an employee funds their own expenses or when such expenses are covered by their agency.³⁷ Moreover, the Ethics Code allows for vendor-funded trips if they directly benefit the agency or enhance the knowledge or skills of the public servant, provided that both the public servant and their agency head comply with specific procedures before and after the trip.³⁸ Additionally, vendors may offer meals, provided that they fall under a specified monetary threshold.³⁹ The Ethics Code and the opinions of the Ethics Board establish clear guidelines regarding "gifts, meals, hospitality, travel, and vendor interactions".⁴⁰ Public servants are mandated by the Ethics Code to undergo annual ethics training, and, if there is a lack of clarity, a public servant may also seek an official opinion (refer to Finding (Vendor-Funded Meals and Alcohol Provided at Events Hosted by a Board Member's Business (IC & C)) below for an example).

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTIONS

In its recommendations, the auditor insists that LPSB "should implement policies prohibiting management from **engaging in personal or social relationships** with vendors that could create the appearance of a conflict of interest." The auditor further suggests that "all management and procurement staff disclose any vendor-related travel, gifts, or other interactions that **could** influence procurement decisions and provide training to management and staff on Louisiana ethics laws, conflict-of-interest requirements, and proper procurement practices to maintain transparency and public trust." LPSB's existing policies and procedures are in compliance with the Code of Government Ethics.⁴¹ While numerous prohibitions exist within the Ethics Code, there is no restriction preventing public servants from engaging in personal and social relationships at their discretion. Additionally, there is no obligation for a public entity to oversee or require public servants to disclose their personal affairs regarding travel, unless, as previously stated, the travel expenses are paid for by the vendor. Lastly, the Code of Government Ethics mandates training in the areas suggested based on the current Ethics Code and its published opinions, which all public servants must follow. Instituting additional training based on the auditor's recommended policies and procedures that exceed legal requirements is unnecessary and may lead to confusion. Unless the auditor provides more specific details through its audit documentation, LPSB cannot develop an adequate corrective response to this finding.

³⁷ La. R.S. 42:1111(A)

³⁸ La. R.S. 42:1115.2

³⁹ Id.

⁴⁰ La. R.S. 42:1115; La. R.S. 42:1115.1; La. R.S. 42:1115.2

⁴¹ See LSB Policy DJE -PURCHASING, GAI – SOLICITATIONS, and GAJ - GIFTS

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-032 Allegations of Vendor-Provided Meals and Travel Involving Board Members, Superintendent, and Management

Fiscal year finding initially occurred: 2025

Condition

During our audit, we became aware of allegations that one or more school board members, the superintendent, and certain members of management may have accepted meals, hospitality, or vendor-funded travel from individuals or companies currently doing business with or seeking to do business with the school board. The School Board did not maintain a centralized gift or benefit disclosure log, a formal approval process for vendor-sponsored travel, or documentation showing whether the alleged benefits were reported, reviewed, or addressed under school board policy or state ethics laws. Due to the weak controls and lack of documentation, we were unable to determine whether the alleged activities occurred, the extent of any potential benefits, or whether ethics rules were violated.

Criteria

According to *Government Auditing Standards*, auditors must report significant deficiencies in internal control or instances where the control environment may allow violations of ethics or conflict-of-interest rules. Best practice and state requirements include: (1) Louisiana Code of Governmental Ethics, which prohibits public servants from receiving anything of economic value from persons with contractual or business interests before their agency, (2) Local entities should maintain clear written policies addressing gifts, meals, hospitality, travel, and vendor interactions, (3) Entities should maintain a gift/benefit disclosure register and documentation of approvals, and (4) Internal controls should prevent actual or perceived vendor influence over public officials and employees.

Cause

The School Board lacks adequate controls to govern vendor interactions, specifically no gifts/hospitality/travel policy, no centralized register for disclosing and monitoring gifts, meals, or vendor-funded travel, and no required documentation or pre-approval process for travel sponsored by outside parties. These gaps allow allegations of improper conduct to arise without a mechanism to confirm or refute them.

Effect

Weak controls over vendor interactions expose the School Board to significant risks, including actual or perceived conflicts of interest, undermining public trust; increased potential for inappropriate vendor influence over procurement or contract decisions; inability to determine whether violations of Louisiana ethics laws have occurred; reputational and legal risk for the School Board and its officials; impairment of transparent, accountable governance. Even unverified allegations can harm public confidence if the School Board lacks systems to investigate or disprove them.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

We recommend that the School Board develop and adopt a comprehensive Gifts, Hospitality, and Vendor-Sponsored Travel Policy aligned with Louisiana Code of Governmental Ethics; establish a centralized Gift/Benefit Disclosure Register requiring board members, the superintendent, and management to disclose all vendor contacts, meals, gifts, or travel offers—whether accepted or declined; implement a required pre-approval process for all out-of-district travel not fully paid by the district; provide annual ethics and conflict-of-interest training for all board members and employees with procurement or financial oversight duties; and enhance procurement controls to ensure that individuals who participate in contract or purchasing decisions have no unmonitored interactions with vendors.

Management's Corrective Action Plan

See corrective action plan for **2025-031 Management Improper Relationships with Vendors.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-033 Vendor-Funded Meals and Alcohol Provided at Events Hosted at a Board Member's Business

Fiscal year finding initially occurred: 2025

Condition

During the audit we identified that a school board member used his privately owned business as the venue for functions attended by board members and district management. For these events, vendors with current or potential contractual relationships with the School Board paid for the food, alcohol, and related hospitality costs. The School Board does not maintain a centralized gift or hospitality disclosure log, a requirement for pre-approval of vendor-sponsored events, documentation showing whether the vendor-funded benefits were reviewed for ethics compliance, and procedures preventing board members from using their private businesses as locations for events financed by district vendors. Because the district lacks documentation and controls over vendor-provided benefits, we were unable to determine the total value of meals, alcohol, and hospitality received. The board member requested an advisory opinion from the ethics board and they determined this to be a violation of Louisiana ethics laws.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Criteria

Government Auditing Standards require auditors to report significant deficiencies in internal control and instances of noncompliance with laws, regulations, contracts, and policies that are significant to the audit. A strong ethical control environment requires public officials to avoid actual or perceived conflicts of interest in their dealings with vendors. The Louisiana Code of Governmental Ethics prohibits public servants from receiving anything of economic value from individuals or entities that have, or are seeking, contractual or business relationships with their agency. Meals, alcohol, hospitality, and vendor-paid event costs are considered economic value. Internal controls should include clear gift/hospitality policies, disclosure requirements, and monitoring of vendor interactions.

Cause

These issues occurred because the School Board does not have adequate internal controls to monitor or restrict vendor interactions involving public officials. Specific weaknesses include absence of a formal, comprehensive gifts/hospitality/conflict-of-interest policy; lack of a required reporting or disclosure mechanism; no restrictions on officials hosting district-related vendor events at their personal businesses; and limited oversight of vendor relationships and event sponsorships.

Effect

These control deficiencies create significant risk of noncompliance with the Louisiana Code of Governmental Ethics; actual or perceived conflicts of interest, particularly because a board member's private business was used as the location for vendor-funded functions; potential vendor influence over board and management decisions; diminished public confidence in the fairness, transparency, and integrity of the district's operations; and increased exposure to legal, financial, and reputational consequences. Even if no improper influence occurred, the lack of controls and transparency prevents the School Board from demonstrating that vendor relationships are conducted ethically and lawfully.

Recommendation

We recommend that the School Board prohibit acceptance of meals, alcohol, and hospitality paid for by vendors that have or may seek business with the district, prohibit board members and employees from using their personal businesses as locations for vendor-funded events involving district personnel, adopt a comprehensive Gifts, Hospitality, and Vendor Interaction Policy aligned with the Louisiana Code of Governmental Ethics, establish a centralized disclosure log requiring reporting of all vendor-provided items of value, including meals, drinks, travel, or event costs—whether accepted or declined, require written pre-approval by an independent authority for any vendor-hosted event involving district officials or staff, provide additional ethics training for board members, the superintendent, and management on vendor interactions and conflict-of-interest rules, and review and investigate past vendor-funded events for potential ethics violations and take corrective action as appropriate.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Management's Corrective Action Plan

OBJECTIONS

- (1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

The auditor's presentation of the condition within this finding is misleading. A member of the school board has never utilized his privately owned business as "venues for functions attended by board members" where "vendors with current or potential contractual relationships with the School Board paid for the food, alcohol, and related hospitality costs.

The relevant facts can be found in Louisiana Board of Ethics Opinion, 2025-188, wherein School Board Member Jeremy Hidalgo sought an opinion regarding whether the Code of Government Ethics prohibits vendors of the LPSB from sponsoring customer appreciation nights at a bar owned by Mr. Hidalgo. The customer appreciation nights were held monthly. The events were publicly advertised and **open to the public**. There were no restrictions on attendance, allowing LPSB Board Members and employees to participate as any member of the public would. Local businesses collaborated with the bar by either volunteering to provide cooked or catered meals or sponsoring limited bar tabs accessible to all customers. In exchange, the sponsoring business received the publicity associated with being a sponsor. Some of these vendors also conduct business with LPSB. The Ethics Board stated that Mr. Hidalgo was prohibited, either directly or through his company, from soliciting and receiving any sponsorship from any individual who has or is seeking a contractual or other business or financial relationship with the Lafayette Parish School Board or any school under its jurisdiction. The business immediately ceased customer appreciation night.

B. CORRECTIVE ACTIONS

LPSB disagrees with the assertion that this finding constitutes a significant deficiency in internal control or an instance of noncompliance with laws, regulations, contracts, and policies. Mr. Hidalgo was elected to the School Board in October 2023 and took his oath of office in January 2024. Upon realizing that some sponsors were also vendors or possible vendors with LPSB and that his business' customer appreciation with their participation might pose an ethics issue, he immediately sought an ethics opinion, which was the appropriate course of action. Any internal controls present or implemented in the future will seek guidance from the Ethics Board and take the appropriate action based upon the Ethic's Board Opinion. After obtaining clarification from the Ethics Board, Mr. Hidalgo's business discontinued the customer appreciation night, thus demonstrating that the comprehensive standards outlined in the Ethics Code and the guidance and training already provided by the Ethics Board are sufficient.

The Ethics Code delineates the conditions under which a public servant may or may not accept meals, alcohol, and hospitality provided by vendors that have or may seek business with the district. Opinions from the Ethics Board clarify and assist public servants in understanding the parameters of the prohibitions outlined in the Ethics Code, as exemplified by the opinion requested by Mr. Hidalgo. LPSB is dedicated to transparency and compliance with all requirements established in the Code of Government Ethics. However, the recommendations proposed by the auditor exceed these standards and would impose an unnecessary burden on LPSB and its administrators. Moreover, differing standards have the possibility of creating confusion.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-034 Management Override of Established Internal Controls

Fiscal year finding initially occurred: 2025

Condition

During our audit, we identified instances in which management overrode established internal controls designed to safeguard assets and ensure accurate financial reporting. Specifically, we noted that management bypassed required approval procedures for certain transactions, including approving vendor payments without the required approvals, overriding purchasing controls by authorizing procurements that did not follow established procedures, and directing staff to process transactions outside of the normal workflow, including after-the-fact approvals. These actions were not consistent with the entity's internal control policies. In addition, both current and former employees reported that qualified staff members had been terminated after declining to approve transactions they believed were inconsistent with School Board policy or state law. Several employees stated that they feared adverse employment consequences if they did not approve transactions requested by the Superintendent. These concerns were consistently reported across interviews and indicate a perceived pressure that could undermine adherence to internal controls.

Criteria

Government Auditing Standards established by the U.S. Government Accountability Office require auditors to evaluate and report internal control deficiencies when controls are overridden or not followed. Additionally, the Committee of Sponsoring Organizations (COSO) internal control framework, commonly referenced in *Government Auditing Standards*, states that internal controls should operate consistently and that management override of controls represents a significant internal control risk, even when overrides are made with good intentions.

Cause

Management overrode established controls in order to expedite transactions and did not consistently adhere to or enforce internal control procedures. Internal monitoring processes were not sufficient to detect or prevent these overrides.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Effect

Management override of controls increases the risk of fraud, waste, and abuse, unauthorized or inappropriate expenditures, misstatements in financial reporting, loss of accountability and weakened governance, and erosion of the control environment, which may lead to broader noncompliance or internal control failures. Because controls were overridden, the reliability and effectiveness of the internal control system were diminished.

Recommendation

Management should strengthen oversight of internal control adherence and ensure that all employees, including management, follow established procedures without exception. Any necessary deviations should be documented, justified, and subject to independent review and approval. Management should also reinforce training on internal control policies and establish monitoring mechanisms to detect and prevent future overrides.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-035 Disclaimer of Opinion – Financial Statements

Fiscal year finding initially occurred: 2025

Condition

During our audit of the School Board's financial statements for the year ended June 30, 2025, we encountered circumstances that imposed pervasive limitations on the scope of our audit. Specifically:

- We were unable to obtain sufficient appropriate audit evidence regarding significant financial statement balances, transactions, and disclosures.
- Accounting records and supporting documentation necessary to perform audit procedures were incomplete, unavailable, or unreliable.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

- Management representations, including written representations required under auditing standards, could not be relied upon due to concerns regarding the reliability of management representations.
- These conditions, combined with the risk that management could override internal controls, further limited our ability to obtain evidence that financial reporting was complete and accurate.

Criteria

Auditing standards generally accepted in the United States of America (GAAS) require auditors to obtain sufficient appropriate audit evidence to support an opinion on the financial statements. Standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, require that management cooperate with auditors and provide access to records. Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide require auditees to maintain accurate and complete records and ensure transparency and accountability in financial operations.

Cause

The conditions described above resulted from inadequate recordkeeping and documentation practices, deficiencies in internal control over financial reporting, and management actions and behaviors that restricted the auditor's ability to obtain reliable audit evidence and representations. These conditions directly impaired the auditor's ability to perform planned audit procedures and obtain sufficient appropriate audit evidence.

Effect

Because of these pervasive limitations and the risk of management override, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. The potential effects on the financial statements are both material and pervasive, and therefore we issued a disclaimer of opinion on the School Board's financial statements for the year ended June 30, 2025.

Recommendation

We recommend that the School Board take immediate action to strengthen its internal control environment. Specifically, management should:

- Ensure that all accounting records and supporting documentation are complete, accurate, and readily available.
- Enforce oversight of financial reporting and internal control procedures.
- Promote transparency, accountability, and cooperation with auditors to facilitate future audits.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

- Implement measures to mitigate the risk of management override, including additional supervisory review, approval requirements, and segregation of duties.

Management's Corrective Action Plan

A. OBJECTION

On December 29, 2025, following LPSB's submission of its Response to the Draft Findings of Kolder, Slaven, and Company, LLC ("KS&C") relating to its 2024-2025 Annual Audit, LPSB received two additional findings characterized as Disclaimers of Opinion. The issuance of these post-response Disclaimers of Opinion regarding the findings highlights KS&C's apparent lack of objectivity and its failure to adhere to generally accepted government auditing standards in conducting the 24-25 audit.

A Disclaimer of Opinion "is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive."¹ According to LLA, "a local auditee that provides for an audit report with a disclaimer of opinion" is regarded as being in noncompliance with its reporting requirements to LLA under the audit law (Louisiana Revised Statute 24:513). LLA further expects the CPA to include in such a report a finding that provides a full explanation for the disclaimer of opinion.²

The two supplemental responses provided are, however, substantially lacking the "full explanation" mandated by the Legislative Auditors for the serious allegations being presented by KS&C. As with its other findings, these recent findings fail to cite any specific conditions present during the audit period that would have precluded KS&C from forming a conclusion. Therefore, as with the original findings, LPSB, on January 6, 2026, again requested that KS&C provide supporting evidence for its claim that it was unable to obtain "evidence regarding significant financial statement balances, transactions, and disclosures." KS&C responded by stating that these new findings were based on Finding 16 - Invoices Paid Without Sufficient Supporting Detail (IC & C), Finding 26 - Management Override of Established Internal Controls (IC), Finding 31 - Unsupported Experience-Based Pay Increases (IC), and other undisclosed matters. Notably, none of these specific findings are instances where KS&C was prevented from forming a conclusion. To the contrary, the original findings identified by KS&C reflect otherwise. For instance, in Finding 16, KS&C notes it "tested 539 and identified 213 in which invoices were paid without sufficient documentation."

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Despite KS&C's assertions, LPSB has at no point failed to provide information to KS&C upon request (see Corrective Action sections below). In fact, KS&C issued 33 Findings, each purportedly substantiated by documentation. As stated in LPSB's Response, a request was made by LPSB for KS&C to produce the referenced specific supporting documentation. However, KS&C declined to provide the documentation. Auditing standards stipulate: "Auditors should document supervisory review, before the report release date, of the evidence that supports the findings and conclusions contained in the audit report."³ They further require: "Auditors should document any departures from the GAGAS requirements and the effect on the audit and on the auditors' conclusions when the audit is not in compliance with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit."⁴ Despite LPSB, in its Response and communications prior thereto pointing out erroneous references to the law and facts, KS&C refused to modify its findings. Instead, it introduced these two ambiguous Disclaimers of Opinion, alleging that LPSB failed to provide necessary information for KS&C to reach a conclusion. However, a cursory review of its original findings clearly reflect that KS&C did reach conclusions, which they assert were based upon conditions found during their investigation. Which is it? Are KS&C's findings supported or not?

KS&C's ex post Disclaimers of Opinion not only misrepresent LPSB's cooperation and full disclosure of information, but they are also predicated upon the unfounded assertion that LPSB's "representations, including written representations required under auditing standards, could not be relied upon due to concerns regarding the reliability of management representations." After 33 years of engagement with LPSB audits, KS&C has now made the unwarranted claim that LPSB's representations are unreliable, without pointing to a specific instance of unreliability. Ironically, it is the auditor's own representations that are demonstrated to be unreliable, as evidenced by the submission of these two vague and contradictory Disclaimers of Opinion. "[A] CPA cannot enter into the engagement with a pre-conceived notion that the local auditee is doing everything wrong. Going into an engagement with [this] attitude impairs the independence of the CPA firm."

The two findings, submitted after LPSB responded to its original findings, do not meet the standards set forth in the Louisiana Governmental Audit Guide. They contradict the original findings, misrepresent LPSB's cooperation throughout the audit, insert slanderous statements as to the reliability of LPSB's representations, and fail to provide a full explanation for the disclaimer of opinion. KS&C should remove these findings from its report.

¹ LGAG 400-1160, Types of Auditor's Opinions

² LGAG 400-1160, Types of Auditor's Opinions

³ GAO-24, Sections 6.31 (emphasis added)

⁴ GAO-24, Sections 6.32

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

B. CORRECTIVE ACTION

Prior to the financial audit, Lafayette Parish School Board (LPSB) staff prepared reports and documentation for at least 185 requests that were made by the external auditors. These requests consisted of, but were not limited to, all General Ledger data and information on all Major and Non Major Funds (i.e. General Fund, Construction Funds, Debt Service Funds, and Special Revenue funds), worksheets, personnel records, copies of checks, copies of invoices, grant reimbursement requests, expenditure detail reports, capital asset data and reports, accounts payable data and reports, the type of computer equipment used (including the software and operating systems), construction related documents, copies of contracts, insurance invoices, schedules of judgments and agreements, check registers, calendars, securities pledged, accounts payable details, financial statements, schedule of construction contracts, retirement reports, listing of new hires, purchase orders, check requests, financial reconciliations, sales tax reports and documents, other insurance related documents, insurance policies, monitoring reports, AFR report, arbitrage documentation, copies of deposits receipts, copies of budgets, outstanding checks, revenue reports, expenditure reports, and balance sheet reports.

Under the Department of Education agreed upon procedures audit, LPSB staff provided Class size data, PEP data and a user guide.

Under the Statewide Agreed Upon procedure, LPSB staff provided proof of required trainings such as ethics, bond insurance policies, list of all bank accounts, a listing of employees, officials employed during the year, and a list of deposit and collection sites.

Other requests from our external auditors may come via email throughout the audit process and responses are provided likewise. All of the items listed above, and other items that were not listed above, are routinely provided each year. For several decades this has been the standard and nothing has changed in terms of provided supporting documentation within this particular audit.

Internal controls have been in place for many decades. The external auditors have been reviewing, studying and auditing our internal controls for three decades. Over the years, LPSB internal controls have been adjusted, strengthened or heighten to prevent operational deficiencies, fraud and/or non-compliance of which the auditors have contributed to its advancement. Substantially, there has been no change to internal controls as they are in place for a reason. Systematically, internal controls are planted and executed in various areas and departments for various functions and/or lawful requirements. The biggest threats to any organization are misappropriation or improper disbursement of funds. Neither have occurred, because internal controls such as the utilization of electronic requisitions and check request processes were in place to ensure goods and services were precured properly and vendor payments were substantiated.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

LPSB stands by its management representations that have been provided to the auditors. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In addition to supporting documentation, the external auditors had complete access to our financial software to ascertain the completeness and accuracy of our financial records.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-036 Late Submission of Audit Report

Fiscal year finding initially occurred: 2025

Condition

The School Board did not submit its audited financial statements by the extended due date granted by the Louisiana Legislative Auditor.

Criteria

Louisiana law and guidelines established by the Louisiana Legislative Auditor require that audited financial statements be submitted within prescribed deadlines, including any approved extensions.

Cause

Management did not have all necessary financial information and supporting documentation prepared in a timely manner to facilitate completion of the audit within the required timeframe.

Effect

Failure to submit the audit report by the required deadline resulted in noncompliance with state reporting requirements and may reduce the timeliness and usefulness of financial information to stakeholders.

Recommendation

Management should strengthen its financial reporting and year-end closing processes to ensure that all necessary information is prepared and available in a timely manner.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Management's Corrective Action Plan

Management will continue to submit documentation, data and other information in a timely manner. Obtaining the additional legal information requested by our external auditors through the confirmation process was delayed due to certain attorneys not being present in the office due to vacationing and/or handling other court cases. Although these things are not within the control of the Lafayette Parish School Board, management will be proactive in coordinating efforts between both parties; auditors and attorneys.

Compliance Findings –

2025-037 Fraudulent Vendor Quotes

Fiscal year finding initially occurred: 2025

See internal control finding **2025-001**.

2025-038 Destruction of Public Records

Fiscal year finding initially occurred: 2025

See internal control finding **2025-002**.

2025-039 Unauthorized Purchases Made Using Maintenance Purchase Orders

Fiscal year finding initially occurred: 2025

See internal control finding **2025-004**.

2025-040 Purchases Made Using Maintenance Purchase Orders Without Required Approval

Fiscal year finding initially occurred: 2025

See internal control finding **2025-005**.

2025-041 Maintenance Purchase Orders Lacking Item or Service Descriptions

Fiscal year finding initially occurred: 2025

See internal control finding **2025-006**.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-042 Unauthorized Issuance of Purchasing Cards

Fiscal year finding initially occurred: 2025

See internal control finding **2025-007**.

2025-043 Employees Exceeded Authorized Spending Limits on Purchasing Cards

Fiscal year finding initially occurred: 2025

See internal control finding **2025-008**.

2025-044 Unauthorized Purchases Made Using Check Requests

Fiscal year finding initially occurred: 2025

See internal control finding **2025-009**.

2025-045 Purchasing Goods and Services Prior to Purchase Order Approval

Fiscal year finding initially occurred: 2025

See internal control finding **2025-010**.

2025-046 Invoices Paid Without Sufficient Supporting Detail

Fiscal year finding initially occurred: 2025

See internal control finding **2025-011**.

2025-047 School Board Conducting Business with an Employee-Owned Business

Fiscal year finding initially occurred: 2025

See internal control finding **2025-012**.

2025-048 Failure to Properly Notify Non-Responsible/Non-Responsive Bidders

Fiscal year finding initially occurred: 2025

See internal control finding **2025-014**.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-049 Lack of Required Written Contract for Public Works Project Over \$5,000

Fiscal year finding initially occurred: 2025

See internal control finding **2025-016**.

2025-050 Failure to Obtain Required Bonds for Public Works Projects Exceeding \$25,000

Fiscal year finding initially occurred: 2025

See internal control finding **2025-017**.

2025-051 Hiring Unlicensed Contractors to Perform Public Works Projects

Fiscal year finding initially occurred: 2025

See internal control finding **2025-018**.

2025-052 Unauthorized Use of School Board Equipment Without Written Agreement

Fiscal year finding initially occurred: 2025

See internal control finding **2025-019**.

2025-053 Public Works Projects Performed Without Required Building, Electrical and Plumbing Permits

Fiscal year finding initially occurred: 2025

See internal control finding **2025-020**.

2025-054 Lack of Documented Evaluation and Inadequate Controls Over Architect Selection

Fiscal year finding initially occurred: 2025

See internal control finding **2025-021**.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-055 Improper Delegation of Spending Authority and Noncompliance with Procurement Requirements

Fiscal year finding initially occurred: 2025

See internal control finding **2025-022**.

2025-056 Fuel Purchases Exceeding \$60,000 Annually Without Competitive Bidding

Fiscal year finding initially occurred: 2025

Condition

During our review of fuel purchases, we identified that the School Board purchased fuel totaling approximately \$1,248,000 for the year ended June 30, 2025, exceeding the statutory competitive bidding threshold of \$60,000, without obtaining competitive bids.

Criteria

Louisiana Revised Statute 38:2212(A)(1) requires that all purchases of supplies, materials, or equipment exceeding the bid threshold (currently \$60,000 annually for fuel and other commodities) must be procured through a competitive bidding process. Compliance with bidding laws ensures transparency, accountability, and that public funds are spent efficiently.

Cause

The School Board did not have adequate policies or internal controls to ensure compliance with Louisiana competitive bidding requirements. Management review and monitoring procedures were insufficient to identify purchases exceeding the statutory threshold and ensure bids were obtained prior to awarding contracts.

Effect

Failure to obtain competitive bids for fuel purchases exceeding \$60,000 annually results in noncompliance with Louisiana procurement law, increases the risk of overpaying for fuel, favoritism, or misuse of public funds, and undermines public trust. Additionally, it indicates weaknesses in internal controls over procurement.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should implement policies and procedures to ensure that all purchases exceeding statutory bid thresholds are procured through a competitive bidding process and provide training to staff responsible for procurement on Louisiana competitive bidding laws and internal control requirements. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-057 Propane Purchases Made Outside of Competitive Bid

Fiscal year finding initially occurred: 2025

Condition

During our review of propane purchases, we identified that the School Board purchased propane totaling approximately \$168,000, which exceeded the statutory bidding threshold of \$60,000. While a competitive bid was obtained for the propane purchases, propane was purchased from a different vendor who was not part of the competitive bid in the amount of \$112,000.

Criteria

Louisiana Revised Statute 38:2212(A)(1) requires that all purchases of supplies, materials, or equipment exceeding the statutory bid threshold (currently \$60,000 for commodities like propane) must be procured through a competitive bidding process. Deviating from the bid without proper justification violates state law and standard internal control practices, which are designed to ensure transparency, accountability, and cost-effective use of public funds.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

The School Board did not have adequate policies or internal controls to ensure that all purchases above the bid threshold were procured from the awarded vendor. Management review and monitoring procedures were insufficient to detect or prevent purchases from non-bid vendors.

Effect

Purchasing propane from a vendor outside the competitive bid results in noncompliance with Louisiana competitive bidding law, increases the risk of paying more than necessary for commodities, diminishes accountability and transparency, and exposes the local government to potential legal or financial liability. It also indicates weaknesses in procurement controls and contract compliance.

Recommendation

The School Board should ensure that all purchases exceeding statutory bid thresholds are made only from the approved vendor in the competitive bid, unless properly justified and documented, strengthen management review and monitoring procedures to verify compliance with bid awards before purchases are made, and provide training to staff responsible for procurement on Louisiana competitive bidding laws and internal controls. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-058 Splitting Public Works Projects to Avoid Competitive Bidding

Fiscal year finding initially occurred: 2024

Condition

During our review of public works contracts, we identified instances where the entity split projects into smaller parts to keep each portion below the competitive bidding threshold. Documentation justifying this practice was either insufficient or absent. As a result, several projects totaling \$1,223,359 that would have required competitive bidding were awarded without following statutory bid requirements.

Criteria

Louisiana Revised Statutes 38:2211 et seq. require public works projects exceeding statutory thresholds to be awarded through competitive bidding to ensure transparency, fairness, and efficient use of public funds. GAGAS (Yellow Book) requires auditors to report deficiencies in internal control or noncompliance that could lead to waste, misuse, or legal violations. Proper procurement practices and controls are essential to prevent circumvention of bid laws.

Cause

The School Board lacks sufficient internal controls to ensure compliance with public bid laws and does not have procedures to prevent or detect deliberate project splitting. Management oversight over procurement planning and contract approval is inadequate to ensure adherence to statutory requirements.

Effect

Failure to properly bid projects increases the risk of favoritism, fraud, or waste of public funds and reduces transparency and accountability in public contracting.

Recommendation

Management should implement internal controls and procedures to ensure that public works projects are not intentionally divided to circumvent competitive bidding thresholds and provide training to procurement staff and management on Louisiana public bid laws, project thresholds, and proper documentation requirements. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Management's Corrective Action Plan

A. OBJECTIONS

(1) This finding related to Vestibules Does Not Accurately Reflect the Law or Facts. The finding states that several projects, totaling \$1,223,359, which would have required competitive bidding, were awarded without adhering to statutory bid requirements. References are made to two instances: (a) Vestibules and (b) Carencro Ag Shop.

Upon reviewing its records, LPSB has identified only two projects for vestibules that were bid during the 2024-2025 auditing period. LPSB disagrees with the auditor's legal opinion asserting that these projects should have been bid collectively and notes that the legal basis for its opinion is not given. It could be that the auditor's position is based on a 1989 opinion of the Attorney General, which asserts that fourteen identical buildings constructed simultaneously from the same plans must be considered one public work and bid under a single contract to the lowest responsible bidder, even if situated on different sites or intended for different uses. LPSB's legal counsel, citing the text of the Public Bid Law and more recent opinions of the Attorney General advised, has advised, "The statute's text supersedes the Attorney General's opinion. The Public Bid Law mandates that all public works exceeding \$250,000.00 must be advertised and publicly bid. A 'public work' is defined in La. R.S. 2211 as 'the erection, construction, alteration, improvement, or repair of any public facility or immovable property owned, used, or leased by a public entity.' This definition does not imply that construction, located at multiple distinct sites and each requiring unique designs and specifications, should be classified as a singular public work (see La. Att'y Gen. Op. No. 08-0067 (July 18, 2008)).

This finding asserts that "Documentation justifying this practice was either insufficient or absent." However, there is no statutory requirement for LPSB to document why separate projects at different locations do not conform to the statutory definition of a "public work". In response to the same previous misinterpretations of the Public Bid Law by KS&C, LPSB took the precaution of documenting its rationale in this case, primarily to defend against this specific finding. In an internal email dated February 14, 2024, between Darren Hughes, LPSB Supervisor of Expansion and Development, and Heidi LeBourgeois, LPSB' Construction Accountant, Mr. Hughes stated:

These were not bid out as a single group due to the following key factors:

- Unique Existing Conditions: Each school has a different build, and existing conditions vary significantly across locations. A group bid would not have accounted for these differences effectively.
- Customized Design & Specification: All vestibule designs were individually drawn and specified to meet the distinct needs of each school. No two projects were identical, requiring tailored solutions rather than a one-size-fits-all approach.
- Competitive Bidding Process: Three bids for each individual project were obtained to ensure a fair and competitive pricing process.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

To the extent that the auditor's findings rely on a 39-year-old advisory opinion from the Attorney General, rather than the statute's text, and overlook a more recent and relevant Attorney General Opinion, the findings are erroneous as a matter of law and should be revised.

(2) This finding related to Carencro Ag Shop Incorrectly States the Facts

The reference to the Carencro Ag Shop is confusing as it does not relate to the division or separation of a public works project into smaller components to evade the Public Bid Law. On the contrary, it pertains to a single public work project that never surpassed the \$250,000.00 contractual limits prescribed by the Public Bid Law. The "Contract limit" for a public works project is determined prior to bidding and is comprised of the contractor's labor, materials, equipment, and administrative overhead (not exceeding fifteen percent). Prior to entering into a contract, the probable construction costs for the Carencro Ag Shop Project were estimated to be under the threshold established by the Public Bid Law, and the contractual lump sum for the public work confirmed when it came in at \$210,000.00. After the contract was executed, a large size trailer was donated to the Ag Shop. To accommodate the trailer, a change order was necessary. Additionally, modifications to the electrical system were identified. The contractor provided quotes for the subsequent change order work. It would have increased the contract cost by \$39,600.00, bringing the total contract to \$249,600.00. Because the contract value never exceeded nor was it anticipated to exceed the contract limit established by the Public Bid Law, the reference to the Carencro Ag Shop does not support the Finding.

B. CORRECTIVE ACTIONS

Given that both references provided by the auditor are within the scope of the Public Bid Law, LPSB is unable to ascertain the basis of this finding or develop corrective measures to address the issues raised. LPSB fully complies with the provisions of La. R.S. 38:2212(V) and does not, under any circumstances, divide or separate public work, as defined in La. R.S. 38:2211, into smaller projects that would circumvent the requirements for advertising and awarding contracts to the lowest responsive and responsible bidder.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-059 Noncompliance with Procurement Policy for Obtaining Three Quotes

Fiscal year finding initially occurred: 2025

Condition

During our review of procurement records, we noted 26 purchases exceeding \$10,000 for materials and supplies and \$25,000 for public works where the required three quotes were not obtained. These purchases totaled \$1,613,806.

Criteria

The entity's internal procurement policy requires that purchases over \$10,000 for materials and supplies and \$25,000 for public works obtain at least three quotes to ensure competitive pricing, transparency, and proper stewardship of public funds. *Government Auditing Standards* requires auditors to report deficiencies in internal control or noncompliance that could result in inefficient use of resources, misuse of funds, or noncompliance with laws and policies.

Cause

The deficiency occurred because management did not adequately enforce the procurement policy requiring three quotes. Supervisory review and internal controls over purchases were insufficient to ensure compliance.

Effect

Failure to comply with procurement policy increases the risk of paying more than necessary for goods or services and causes reduced transparency and accountability in procurement decisions.

Recommendation

Management should enforce the existing policy requiring at least three quotes, ensure procurement staff maintain documentation supporting all quotes obtained, including justification for exceptions, and provide training to staff and supervisors on the importance of following procurement procedures and internal controls.

Management's Corrective Action Plan

See corrective action plan for **2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders.**

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-060 Accounts Payable Not Properly Accrued

Fiscal year finding initially occurred: 2025

See internal control finding **2025-023**.

2025-061 Hiring Personnel Not Meeting Minimum Qualifications

Fiscal year finding initially occurred: 2025

See internal control finding **2025-024**.

2025-062 Required Background Checks Not Performed

Fiscal year finding initially occurred: 2025

See internal control finding **2025-025**.

2025-063 Inaccurate Fixed Asset Listing

Fiscal year finding initially occurred: 2024

See internal control finding **2025-028**.

2025-064 Noncompliance with Budget Law

Fiscal year finding initially occurred: 2024

See internal control finding **2025-029**.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-065 Noncompliance With Leave Reporting Requirements

Fiscal year finding initially occurred: 2025

See internal control finding **2025-030**.

2025-066 Management Improper Relationships with Vendors

Fiscal year finding initially occurred: 2025

See internal control finding **2025-031**.

2025-067 Allegations of Vendor-Provided Meals and Travel Involving Board Members, Superintendent, and Management

Fiscal year finding initially occurred: 2025

See internal control finding **2025-032**.

2025-068 Vendor-Funded Meals and Alcohol Provided at Events Hosted at a Board Member's Business

Fiscal year finding initially occurred: 2025

See internal control finding **2025-033**.

2025-069 Disclaimer of Opinion – Financial Statements

Fiscal year finding initially occurred: 2025

See internal control finding **2025-035**.

2025-070 Late Submission of Audit Report

Fiscal year finding initially occurred: 2025

See internal control finding **2025-036**.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

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

Internal Control Findings –

DEPARTMENT OF EDUCATION:

2025-071 Vendor Eligibility Verification

Fiscal year finding initially occurred: 2024

Special Education Cluster (84.027 and 84.173)

Condition

The School Board did not verify that vendors were not suspended, debarred or otherwise excluded from federal programs before conducting business with them.

Criteria

Federal regulations require recipients of federal funds to verify that vendors are not suspended, debarred or otherwise excluded from doing business with the federal government prior to awarding contracts or making purchases.

Cause

The School Board lacked internal controls and formal policies and procedures to ensure vendor verification was performed before engaging in business transactions.

Effect

Failure to verify vendors' eligibility could result in noncompliance with federal regulations and potential risk to federal funding.

Context

A sample of fifteen vendors were selected for audit testing. The test found that three of the vendors tested had not been verified by the School Board prior to the School Board doing business with them. Our sample was a non-statistical sample.

Recommendation

The School Board should implement and enforce policies and procedures to ensure that all vendors are verified for eligibility before engaging in business transactions.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

View of Responsible Officials and Planned Corrective Action

The Lafayette Parish School Board has a defined process in place to ensure debarment verifications are being performed. As new vendors are setup, a debarment verification is performed when federal funds are to be associated with a vendor. In addition, many vendors are utilized year after year, which is after an initial debarment verification is performed. In this case, debarment verifications for three vendors could not be found, and despite key personnel turnover, staff will ensure that debarment verifications are being performed and stored digitally.

2025-072 Insufficient Documentation of Asset Disposals

Fiscal year finding initially occurred: 2024

Special Education Cluster (84.027 and 84.173)

Condition

The School Board was unable to provide sufficient documentation for certain grant-funded asset disposals. Four of the assets tested during the audit were missing, and no supporting disposal documentation could be provided.

Criteria

Federal regulations require that asset dispositions be reported to the grantor when the fair market value at the time of disposal is \$5,000 or more, to determine if a portion of the value or proceeds must be reimbursed to the grantor. Additionally, asset disposals must comply with state law and be properly reflected in the property records.

Cause

The School Board's internal control policies and procedures were not operating effectively to ensure that all assets were properly safeguarded and/or disposed of in accordance with federal and state requirements.

Effect

Failure to properly document and account for asset disposals increases the risk of misuse or misappropriation of assets and noncompliance with federal and state regulations.

Context

A sample of eight disposals was selected for audit from a population of eight disposals. The test found that four of the disposals tested did not have supporting documentation. Our sample was a non-statistical sample.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

The School Board should strengthen and enforce policies and procedures to ensure that all grant-funded and other assets are properly accounted for and disposed of in accordance with federal and state requirements.

Views of Responsible Officials and Planned Corrective Action

During the recent audit, several assets were randomly selected for review by the auditors. Four of the assets selected were supposed to have been removed from the capital asset listing, but were not removed because the required documentation was not remitted to the Accounting Department. Going forward, accounting staff will visit all schools to conduct a capital asset audit to ensure the capital asset listing is accurate and to provide additional training to school based staff.

2025-073 Disclaimer of Opinion – Single Audit

Fiscal year finding initially occurred: 2025

All major programs.

Condition

During our audit of the School Board's financial statements for the year ended June 30, 2025, we encountered circumstances that imposed pervasive limitations on the scope of our audit. Specifically:

- We were unable to obtain sufficient appropriate audit evidence regarding significant financial statement balances, transactions, and disclosures.
- Accounting records and supporting documentation necessary to perform audit procedures were incomplete, unavailable, or unreliable.
- Management representations, including written representations required under auditing standards, could not be relied upon due to concerns regarding the reliability of management representations.
- These conditions, combined with the risk that management could override internal controls, further limited our ability to obtain evidence that financial reporting was complete and accurate.

In addition, these same conditions prevented us from performing required audit procedures over the School Board's federal programs, including testing of internal control over compliance and compliance with applicable federal statutes, regulations, and terms and conditions of federal awards. As a result, we were unable to obtain sufficient appropriate audit evidence to support an opinion on compliance for each major federal program.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Criteria

Uniform Guidance (2 CFR §200.303 and §200.514) requires non-federal entities to establish and maintain effective internal control over federal programs and to provide auditors with access to records and personnel necessary to perform a Single Audit. Uniform Guidance §200.516 requires auditors to report material weaknesses and noncompliance when identified.

Cause

The conditions described above resulted from inadequate recordkeeping and documentation practices, deficiencies in internal control over financial reporting, and management actions and behaviors that restricted the auditor's ability to obtain reliable audit evidence and representations. These conditions directly impaired the auditor's ability to perform planned audit procedures and obtain sufficient appropriate audit evidence. These conditions affected both financial reporting and compliance with federal program requirements.

Effect

Because of these pervasive limitations and the risk of management override, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. The potential effects on the financial statements are both material and pervasive, and therefore we issued a disclaimer of opinion on the School Board's financial statements for the year ended June 30, 2025.

For the same reasons, we were also unable to obtain sufficient appropriate audit evidence to support an opinion on compliance for each of the School Board's major federal programs and on internal control over compliance. Accordingly, we disclaimed an opinion on compliance for each major federal program under the Single Audit.

Context

Questioned costs could not be determined due to the disclaimer of opinion.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Recommendation

We recommend that the School Board take immediate action to strengthen its internal control environment. Specifically, management should:

- Ensure that all accounting records and supporting documentation are complete, accurate, and readily available.
- Enforce oversight of financial reporting and internal control procedures.
- Promote transparency, accountability, and cooperation with auditors to facilitate future audits.
- Implement measures to mitigate the risk of management override, including additional supervisory review, approval requirements, and segregation of duties.
- Ensure compliance documentation for federal programs is complete, accurate, and available for audit.

Views of Responsible Officials and Planned Corrective Action

A. OBJECTION

On December 29, 2025, following LPSB's submission of its Response to the Draft Findings of Kolder, Slaven, and Company, LLC ("KS&C") relating to its 2024-2025 Annual Audit, LPSB received two additional findings characterized as Disclaimers of Opinion. The issuance of these post-response Disclaimers of Opinion regarding the findings highlights KS&C's apparent lack of objectivity and its failure to adhere to generally accepted government auditing standards in conducting the 24-25 audit.

A Disclaimer of Opinion "is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive."¹ According to LLA, "a local auditee that provides for an audit report with a disclaimer of opinion" is regarded as being in noncompliance with its reporting requirements to LLA under the audit law (Louisiana Revised Statute 24:513). LLA further expects the CPA to include in such a report a finding that provides a full explanation for the disclaimer of opinion.²

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

The two supplemental responses provided are, however, substantially lacking the “full explanation” mandated by the Legislative Auditors for the serious allegations being presented by KS&C. As with its other findings, these recent findings fail to cite any specific conditions present during the audit period that would have precluded KS&C from forming a conclusion. Therefore, as with the original findings, LPSB, on January 6, 2026, again requested that KS&C provide supporting evidence for its claim that it was unable to obtain “evidence regarding significant financial statement balances, transactions, and disclosures.” KS&C responded by stating that these new findings were based on Finding 16 - Invoices Paid Without Sufficient Supporting Detail (IC & C), Finding 26 - Management Override of Established Internal Controls (IC), Finding 31 - Unsupported Experience-Based Pay Increases (IC), and other undisclosed matters. Notably, none of these specific findings are instances where KS&C was prevented from forming a conclusion. To the contrary, the original findings identified by KS&C reflect otherwise. For instance, in Finding 16, KS&C notes it “tested 539 and identified 213 in which invoices were paid without sufficient documentation.”

Despite KS&C’s assertions, LPSB has at no point failed to provide information to KS&C upon request (see Corrective Action sections below). In fact, KS&C issued 33 Findings, each purportedly substantiated by documentation. As stated in LPSB’s Response, a request was made by LPSB for KS&C to produce the referenced specific supporting documentation. However, KS&C declined to provide the documentation. Auditing standards stipulate: “Auditors should document supervisory review, before the report release date, of the evidence that supports the findings and conclusions contained in the audit report.”³ They further require: “Auditors should document any departures from the GAGAS requirements and the effect on the audit and on the auditors’ conclusions when the audit is not in compliance with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit.”⁴ Despite LPSB, in its Response and communications prior thereto pointing out erroneous references to the law and facts, KS&C refused to modify its findings. Instead, it introduced these two ambiguous Disclaimers of Opinion, alleging that LPSB failed to provide necessary information for KS&C to reach a conclusion. However, a cursory review of its original findings clearly reflect that KS&C did reach conclusions, which they assert were based upon conditions found during their investigation. Which is it? Are KS&C’s findings supported or not?

KS&C’s ex post Disclaimers of Opinion not only misrepresent LPSB’s cooperation and full disclosure of information, but they are also predicated upon the unfounded assertion that LPSB’s “representations, including written representations required under auditing standards, could not be relied upon due to concerns regarding the reliability of management representations.” After 33 years of engagement with LPSB audits, KS&C has now made the unwarranted claim that LPSB’s representations are unreliable, without pointing to a specific instance of unreliability. Ironically, it is the auditor’s own representations that are demonstrated to be unreliable, as evidenced by the submission of these two vague and contradictory Disclaimers of Opinion. “[A] CPA cannot enter into the engagement with a pre-conceived notion that the local auditee is doing everything wrong. Going into an engagement with [this] attitude impairs the independence of the CPA firm.”

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

The two findings, submitted after LPSB responded to its original findings, do not meet the standards set forth in the Louisiana Governmental Audit Guide. They contradict the original findings, misrepresent LPSB's cooperation throughout the audit, insert slanderous statements as to the reliability of LPSB's representations, and fail to provide a full explanation for the disclaimer of opinion. KS&C should remove these findings from its report.

¹ LGAG 400-1160, Types of Auditor's Opinions

² LGAG 400-1160, Types of Auditor's Opinions

³ GAO-24, Sections 6.31 (emphasis added)

4 GAO-24, Sections 6.32

B. CORRECTIVE ACTION

Prior to the financial audit, Lafayette Parish School Board (LPSB) staff prepared reports and documentation for at least 185 requests that were made by the external auditors. These requests consisted of, but were not limited to, all General Ledger data and information on all Major and Non Major Funds (i.e. General Fund, Construction Funds, Debt Service Funds, and Special Revenue funds), worksheets, personnel records, copies of checks, copies of invoices, grant reimbursement requests, expenditure detail reports, capital asset data and reports, accounts payable data and reports, the type of computer equipment used (including the software and operating systems), construction related documents, copies of contracts, insurance invoices, schedules of judgments and agreements, check registers, calendars, securities pledged, accounts payable details, financial statements, schedule of construction contracts, retirement reports, listing of new hires, purchase orders, check requests, financial reconciliations, sales tax reports and documents, other insurance related documents, insurance policies, monitoring reports, AFR report, arbitrage documentation, copies of deposits receipts, copies of budgets, outstanding checks, revenue reports, expenditure reports, and balance sheet reports.

Under the Department of Education agreed upon procedures audit, LPSB staff provided Class size data, PEP data and a user guide.

Under the Statewide Agreed Upon procedure, LPSB staff provided proof of required trainings such as ethics, bond insurance policies, list of all bank accounts, a listing of employees, officials employed during the year, and a list of deposit and collection sites.

Other requests from our external auditors may come via email throughout the audit process and responses are provided likewise. All of the items listed above, and other items that were not listed above, are routinely provided each year. For several decades this has been the standard and nothing has changed in terms of provided supporting documentation within this particular audit.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Internal controls have been in place for many decades. The external auditors have been reviewing, studying and auditing our internal controls for three decades. Over the years, LPSB internal controls have been adjusted, strengthened or heightened to prevent operational deficiencies, fraud and/or non-compliance of which the auditors have contributed to its advancement. Substantially, there has been no change to internal controls as they are in place for a reason. Systematically, internal controls are planted and executed in various areas and departments for various functions and/or lawful requirements. The biggest threats to any organization are misappropriation or improper disbursement of funds. Neither have occurred, because internal controls such as the utilization of electronic requisitions and check request processes were in place to ensure goods and services were procured properly and vendor payments were substantiated.

LPSB stands by its management representations that have been provided to the auditors. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In addition to supporting documentation, the external auditors had complete access to our financial software to ascertain the completeness and accuracy of our financial records.

Auditor's Response

The School Board's response to this finding contains statements and characterizations that are inconsistent with the audit evidence obtained and the procedures performed. The auditor stands by the condition, criteria, cause, and effect as presented in the finding, which are based on documentation, observations, interviews, and other information available during the audit. Management's response has not resulted in any change to the finding or the auditor's conclusions.

2025-074 Late Submission to the Federal Audit Clearinghouse

Fiscal year finding initially occurred: 2025

All major programs.

Condition

The School Board did not submit its reporting package to the Federal Audit Clearinghouse within the required timeframe.

Criteria

In accordance with 2 CFR 200.512, auditees are required to submit the reporting package to the Federal Audit Clearinghouse the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Cause

The reporting package was not submitted within the required timeframe due to delays in completion of the audit, which were impacted by the timing and availability of financial information and supporting documentation, including delays in receipt of necessary information and supporting documentation required to complete audit procedures.

Effect

The School Board was not in compliance with federal reporting requirements and submission of the reporting package was delayed beyond the required deadline.

Recommendation

Management should strengthen its financial reporting and year-end closing processes to ensure that all necessary information is prepared and available in a timely manner to facilitate completion of the audit within required reporting deadlines.

Views of Responsible Officials and Planned Corrective Action

Management will continue to submit documentation, data and other information in a timely manner. Obtaining the additional legal information requested by our external auditors through the confirmation process was delayed due to certain attorneys not being present in the office due to vacationing and/or handling other court cases. Although these things are not within the control of the Lafayette Parish School Board, management will be proactive in coordinating efforts between both parties; auditors and attorneys.

Compliance Findings –

DEPARTMENT OF EDUCATION:

2025-075 Insufficient Documentation of Asset Disposals

Fiscal year finding initially occurred: 2024

Special Education Cluster (84.027 and 84.173)

See internal control finding **2025-072**.

2025-076 Disclaimer of Opinion – Single Audit

Fiscal year finding initially occurred: 2025

All major programs.

See internal control finding **2025-073**.

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

2025-077 Late Submission to the Federal Audit Clearinghouse

Fiscal year finding initially occurred: 2025

All major programs.

See internal control finding **2025-074**.



LAFAYETTE
PARISH SCHOOL SYSTEM
Strength. Tradition. Excellence.



LAFAYETTE
PARISH SCHOOL SYSTEM

**Lafayette Parish School Board
Corrective Action Plan
June 30, 2025**

U.S. Department of Agriculture

Lafayette Parish School Board respectfully submits the following corrective action plan for the year ended 6/30/25.

P.O. Drawer 2158

Lafayette, LA 70502

Phone: 337.521.7000

Audit conducted by:
Kolder, Slaven & Company, LLC
183 S. Beadle Road
Lafayette LA 70508

Audit Period: 7/1/24 – 6/30/25

The findings from the 6/30/25 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT:

Material Weakness:

2025-001 Fraudulent Vendor Quotes

Recommendation:

The School Board should strengthen internal control policies and procedures over procurement, including independent verification of all vendor quotes and enhanced management review of the procurement file prior to awarding the contract. Additional training should be provided for staff on fraud awareness, ethical responsibilities, and proper procurement documentation.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding (Fraudulent Vendor Quotes) and (Destruction of Public Records) Should Be Consolidated.

Finding (Fraudulent Vendor Quotes) and finding (Destruction of Public Records) arise from the actions of a single individual, Robert Gautreaux, the former Director of Construction, Facilities, and Maintenance at LPSB. Per auditing standards, the Audit Report should be appropriately revised prior to finalization to consolidate these two audit findings.²² For the sake of clarity, findings (Fraudulent Vendor Quotes) and (Destruction of Public Records) will be combined in this response as required by audit standards.

²² GAO-24 (rev), Sections 6.51-6.53; LGAG 400-1210, Writing Findings

(2) Finding Does Not Appear to Be Associated with Current Audit Period.

While LPSB, by no means, disregards the serious nature of finds (Fraudulent Vendor Quotes) and (Destruction of Public Records), the Findings appear to be intentionally written in a manner that suggests LPSB is indifferent regarding the issues associated with Gautreaux during his tenure as Director of Construction by including irrelevant or misleading incidents that occurred **after the 2024-2025 Audit Period**.

One such subsequent event included in the findings was Mr. Gautreaux's reassignment to his former position as an agriscience teacher (a position in which he had excelled for 15 out of the 23 years he had been with LPSB). The finding failed to mention this reassignment was contingent upon the resolution of legal proceedings, which is consistent with LPSB's policy regarding employment decisions of tenured personnel while criminal charges are pending. When LPSB requested a modification to include this information, the auditor responded:

*The condition section is intended to describe the circumstances identified **during the audit** based on the documentation and other evidence available to us **during the audit period**. The current wording accurately reflects those circumstances and our procedures, so we do not plan to remove or modify that sentence. Any law-enforcement activity related to this matter is handled through the appropriate oversight and investigative agencies and does not change the condition that existed **during the audit period** or our responsibility to report it.*

The response by KS&C is perplexing, especially when one considers not only the reassignment of Gautreaux take place after the audit period, Gautreaux's conversation with law enforcement, his arrest, and the pending charges all occurred subsequent to the audit period. Moreover, LPSB fully cooperated with law enforcement during and after the audit period. The conversation reported by the auditor that Gautreaux admitted to forgery charges in conversations with law enforcement officers has never been received by LPSB, which calls to question from where the auditor is receiving this information. Audit documentation was requested, but the auditor refused to provide. LPSB is unaware of Gautreaux being charged with forgery or any pending or future legal proceedings involving charges of forgery.

Regardless, the matters involving law enforcement and legal proceedings are matters outside of LPSB's control and are irrelevant to its financial statement and the functions for which KS&C was retained. The insertions of the hearsay statements are only for the purpose of casting LPSB in an unfavorable light. As a result, LPSB requested on December 10, 2025 that KS&C amend its report concerning these conditions (reported from external sources after the reporting period), to which the auditor replied, "We have reviewed your comment. No change to the condition is required. The current wording accurately reflects the audit evidence and the circumstances identified during our procedures."

(3) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

The auditor reports the “cause” of these findings as failures of internal control policies and procedures over procurement and retention and safeguarding of public records. The opposite is true. As soon as LPSB was notified of alleged improprieties **during the audit period**, LPSB took action and launched an internal investigation. LPSB’s internal controls used its management software that monitors document deletions by each user. In this instance, the internal controls detected the deletion of public records. The scope of LPSB’s internal investigation, **during the audit period**, widened as a result. At the conclusion of LPSB’s internal investigation, LPSB reported its findings not only to the Legislative Auditor but also to law enforcement. LPSB’s internal controls were the catalyst for discovering the deletion of records, which is the basis of the pending criminal proceedings. As a result, immediate corrective actions were taken, and, as discussed in other Findings, those corrective actions included overhaul of policies, procedures, and internal controls that were not being utilized during Mr. Gautreaux’s term as Director of Construction.

B. CORRECTIVE ACTION

Auditing standards necessitate that auditors inquire “whether any investigations or legal proceedings have been initiated or are in process with **respect to the period under audit, and should evaluate the effect of initiated or in-process investigations or legal proceedings on the current audit**”.²³ However, the auditor disregarded this standard and omitted any references to the corrective actions undertaken by LPSB, which commenced immediately following the conclusion of its internal investigation (**during the 2024-2025 audit period**). These include, but are not limited to:

- LPSB established a procedure to guarantee that original quotes are obtained from external vendors. It is now mandatory for all vendors to send their official quotes via email to staff members who have email addresses associated with LPSB. This procedure ensures the creation of an electronic record from the outset, confirming that quotes are received directly from the vendors.
- LPSB has developed a checklist designed to monitor the acquisition of all necessary documents prior to the commencement of a project. This checklist emphasizes essential elements that must be addressed before issuing a purchase order, such as obtaining the requisite number of quotes, securing electronic quotes directly from vendors, and tracking the transition of these documents into the Records Management system. Furthermore, the checklist addresses vendor requirements, including contractor licenses, written contracts, bonds if applicable, ethical compliance, and the transition of these documents into the Records Management system.
- LPSB is in the process of formalizing a procedure to categorize each acquisition based upon the type of procurement it represents and thereafter, ensure the method of procurement is done in compliance with the law and LPSB’s policies and procedures that pertain to the associated procurement method. For instance, bulk commodities such as fuel and propane will be performed in compliance with the applicable provisions of the Public Bid Law based upon annual purchase requirements.

- LPSB has also begun the process of reviewing, updating, and modifying all standard terms and conditions for its contracts and purchase orders including but not limited to provisions related to: (1) the use of LPSB equipment by contractor/vendor; (2) the requirement that if required by building code, contractor/vendor obtain and provide to LPSB all mandatory permit from the local building authority prior to commencing work, as well as copies of all inspection reports from the permitting authority approving any work performed thereafter under the permit, and (3) signatures of the vendor/contractor and the required approving authority of LPSB.
- LPSB has formulated a process to ensure that original quotes are received from external vendors. All vendors are required to email their official quotes to staff members with Lafayette Parish School Board email addresses. This process results in an electronic record from inception, which is stored within the Records Management System. Only authorized personnel within the Facilities and Maintenance department have the capability to store documents within the Records Management software to maintain accountability, ensuring that quotes are received directly from the vendors and stored in a manner that safeguards against deletion.
- In the upcoming year, LPSB plans to send staff members to procurement-related conferences or specialized training sessions to enhance their knowledge in areas such as ethical responsibilities, fraud awareness, and proper procurement documentation. This includes a training conference focused on Public Bid Law and Public Procurement, organized for school systems throughout the state of Louisiana, as well as the new training mandated by the Legislative Auditor's office.
- Management and supervisors will thereafter conduct training of all maintenance staff on the various approval levels for spending and what is required for each. Included in the training will be among other items: (1) utilization of the requisition process, including Blanket Purchase Orders, to streamline the procurement process by reducing the volume of paper-based transactions; (2) ensuring purchase orders or contracts are approved prior to ordering goods or procuring services.

LPSB believes that the corrective measures initiated during the audit period and those planned for the future are sufficient to address this finding as well as many others in this audit. However, LPSB remains open to opportunities for improvement and welcomes modification by the auditor of its Audit Report to include the specific corrective actions listed above and any addition specific recommendations it may have to supplement the general recommendations in these Findings.

2025-002 Destruction of Public Records

Recommendation:

The School Board should strengthen their internal control policies and procedures over the retention and safeguarding of public records, including implementing controls to prevent unauthorized destruction or removal of records and provide training to all employees on Louisiana public records requirements.

Corrective Action Plan:

See corrective action plan for **2025-001**.

2025-003 Unsupported Experience-Based Pay Increases

Recommendation:

Management should require detailed documentation supporting all experience-based pay adjustments, including justification for additional years credited, implement internal controls to ensure payroll adjustments are reviewed and approved in accordance with policy and documented appropriately, and provide training to payroll staff and supervisors on proper documentation and authorization procedures.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period and Finding is Based Upon Auditor's Misunderstanding of the Law and Current Policies and Procedures Comply with Louisiana Law

In this finding, the auditor indicates that "the superintendent approved increases in employee pay based on granting additional years of experience" to certain employees. It is recommended that management "require detailed documentation supporting all experience-based pay adjustments." However, a straightforward review of the salary schedules for the board illustrates that these schedules are not predicated on years of experience, a practice that has been in effect since the implementation of Act 1 of 2012.

Act 1 of 2012 significantly modified Louisiana law regarding personnel matters. It is frequently cited because it transferred the authority to discipline teachers and other school employees from elected school boards to appointed superintendents. Nonetheless, there are additional provisions within Act 1 that pertain directly to employee salary issues. For instance, Act 1 amended La. R.S. 17:418 to mandate that each school board establish salary schedules for its employees on an annual basis. The LPSS has acknowledged this responsibility in Policy File: ABB. However, Act 1 also conferred upon the superintendent the authority to hire and assign all school personnel and "to fix their salaries" (La. R.S. 17:81(A)). This law designated the superintendent, as the instructional leader and chief executive officer of the school district, with the "primary responsibility" for personnel actions, requiring that these decisions be based on "performance, effectiveness, and qualifications" rather than on tenure or years of service (La. R.S. 17:81(A)). Furthermore, it mandated that school boards delegate to their superintendents all decisions regarding reductions in force, which must be based on "demand, performance, and effectiveness" as determined by the superintendent, rather than seniority or tenure within the system (La. R.S. 81.4).

In summary, Act 1 granted school boards the authority to create broad salary schedules for employees but did not extend to them any additional authority in personnel matters. They are prohibited from "interfering with, compelling, or coercing any personnel decision made by the superintendent" (La. R.S. 17:81(C)), nor are they permitted to access employees' personnel files without their consent (La. R.S. 17:1237).

Thus, one must consider how to reconcile the requirement of Act 1 that school boards develop salary schedules for employees with the stipulation that the superintendent determines salaries based on "performance, effectiveness, and qualifications," especially when these subjective evaluations are confidential by law and cannot be disclosed to the school board. School boards in Louisiana, including the LPSS, have successfully navigated this reconciliation by implementing salary schedules that specify starting salaries, maximum salaries, and intermediate steps for each position. It is then the responsibility of the superintendent, with assistance from professional staff, to ascertain the appropriate step placement for each employee according to their performance and qualifications. There is no requirement for an employee's step on the salary schedule to correspond to their years of experience, as this would undermine the possibility of differentiating salaries among employees who may have similar experience levels yet varying effectiveness. As discussed in legislative committee sessions, Act 1 was intended to grant superintendents (rather than school boards) comprehensive authority over personnel issues, including salary decisions, to facilitate the recruitment and retention of the most qualified employees.

This finding suggests that during the 2024-25 school year, the superintendent granted "unsupported experience-based pay increases" to certain LPSS employees. However, as previously explained, salary increases post-Act 1 should not be linked to years of experience; instead, they should be connected to the "performance, effectiveness, and qualifications" of employees as determined by the superintendent. The step assigned to each employee by the superintendent must, of course, fall within the salary schedule (between the minimum and maximum step for the position) approved by the school board. Furthermore, the superintendent must be aware that, with few exceptions, the step assigned to an employee in one year cannot be reduced in subsequent years (La. R.S. 17:418). Nonetheless, within these constraints, the decision regarding the placement of an employee on the appropriate salary schedule rests solely with the superintendent and is not subject to "interference" or review by the school board.

The preliminary audit findings imply that the superintendent ought to establish objective criteria for determining employee placement on the salary schedule; however, this suggestion contradicts the intent of Act 1. No entity, including an independent auditor, possesses the authority to question the superintendent's subjective determinations regarding employee placements on salary schedules, provided that the selected salary steps are consistent with those approved by the school board. The preliminary audit findings do not appear to indicate any deviations from this principle in this instance, and it is evident that no employees have been awarded "additional years of experience." Therefore, this audit irregularity lacks legal or factual support and should be dismissed.

B. CORRECTIVE ACTIONS

No corrective action is needed. House Bill No. 974 (Act No. 1) of the 2012 Legislative Regular Session provide authorization to local superintendents to adjust/fix salaries according to a salary schedule. For each employee who received a salary adjustment, a letter was drafted denoting the change and the reason which was to retain highly skilled personnel. All letters are stored in employee personnel files.

2025-004 Unauthorized Purchases Made Using Maintenance Purchase Orders

Recommendation:

The School Board should enforce policies prohibiting the use of maintenance purchase orders for unauthorized items, implement a review process to verify that all purchases comply with the School Board procurement rules and provide training to employees and all approving officials on proper purchase order procedures and restrictions. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

A. OBJECTIONS

- (1) Findings Should Be Consolidated; Many of these Finding Fails to Provide Sufficient (or any) Details as to the Conditions that Exist; Others Misrepresent the Conditions, Criteria, or Cause during the Audit Period.

All of the findings listed below pertain to LPSB's internal controls regarding the procurement of goods and services, whether under the Public Bid Law or LPSB's purchasing procedures.

- Unauthorized Purchases Made Using Maintenance Purchase Orders
- Unauthorized Purchases Made Using Check Requests
- Purchases Made Using Maintenance Purchase Orders Without Required Approval
- Purchasing Goods and Services Prior to Purchase Order Approval
- Fuel Purchases Exceeding \$60,000 Annually Without Competitive Bidding
- Propane Purchases Made Outside of Competitive Bid
- Lack of Required Written Contract for Public Works Project Over \$5,000
- Failure to Obtain Required Bonds for Public Works Projects Exceeding \$25,000
- Management Override of Established Internal Controls
- Noncompliance with Louisiana Public Bid Law
- Noncompliance with Procurement Policy for Obtaining Three Quotes
- Hiring Unlicensed Contractors to Perform Public Works Projects
- Public Works Project Performed Without Required Building, Electrical and Plumbing Permits

The auditor acknowledged that many of these findings are duplicative. For instance, when LPSB requested more information as to what was entailed in finding (Non-Compliance with the Public Bid Law) after receiving the Draft Findings, KS&C responded, “That is the IC finding that is the result of having compliance findings on fuel purchases, propane purchases, and splitting public works projects.”

Upon cursory review of the Findings above, it is apparent that several do not include sufficient information. Without knowing whether the procurement involved federal funding, or whether it was related to services, materials, maintenance, or was for other purposes, LPSB cannot determine the appropriate criteria that was or should have been applied to the conditions noted by the auditor. Although audit documentation was requested, the auditors declined to provide this information. In other instances, the audit provided a few references to specific projects. However, upon reviewing these procurements, the conditions represented did not align with the statements made by the auditor in the Findings.

While LPSB can certainly address each of these items independently, it is unnecessary to do so given the significant revisions to LPSB's policies and procedures undertaken as a result of the conditions identified in Findings (Fraudulent Vendor Quotes (IC & C)) and (Destruction of Public Records (IC & C)). As stated in the response to those Findings, LPSB, as a result of the internal investigation initiated by LPSB during the 2024-2025 audit period, recognized that the lack of experience of the former Director of Construction led to certain policies and procedures regarding procurement not being adhered to or implemented properly. It also acknowledged that some internal controls were outdated and did not align with current economic conditions or revised laws. As a result, LPSB promptly commenced corrective actions during the 2024-2025 audit period to rectify these deficiencies, identify others, and continues to implement corrective actions to this day.

Management of LPSB's procurement and construction departments has undergone substantial changes during and after the 2024-2025 audit period. These corrective actions are detailed in LPSB's responses to findings (Fraudulent Vendor Quotes (IC & C)) and (Destruction of Public Records (IC & C)).

(2) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist

Following the review of this Finding and consultation with the auditor, it was determined that there were five maintenance purchase orders that appeared to lack written information on the documents. Upon further examination, it became evident that the NCR paper copies, which were electronically scanned into LPSB's Records Management System, did not capture the faint print present on the documents, despite the purchase orders containing relevant details. To the auditor, reviewing only the electronic copy and making no further inquiry, several fields appeared either blank. Clear copies were subsequently obtained and sent to the auditors. The auditors indicated that they would incorporate these documents into their work papers. However, it stated that the audit testing concerning this matter has been concluded, and any additional materials provided would not alter the conclusion of this finding.

Had the auditor adhered to proper auditing standards and communicated the conditions believed to exist during the auditing period, this Finding could have been avoided. Moreover, the auditor's response indicates that there will be no amendments to its findings after receiving the pertinent information contradicts standard auditing procedures.

B. CORRECTIVE ACTIONS

Any deviation from any procurement policy or procedure will be documented, justified, and subject to independent review and approval. However, no employee shall operate under the fear of disciplinary action approving a transaction or proceeding with a documented, authorized and justified purchase that complies with the law and is necessary for the LPSB to continue its public purpose.

No corrective action is deemed necessary, as this finding does not accurately reflect the situation that exists or LPSB's current practice.

2025-005 Purchases Made Using Maintenance Purchase Orders Without Required Approval

Recommendation:

The School Board should enforce policies that all maintenance purchase orders receive documented approval from designated personnel prior to processing, implement management review procedures to monitor compliance with approval requirements, and provide training to employees responsible for purchasing and approving maintenance purchase orders on their responsibilities and the importance of proper authorization. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-006 Maintenance Purchase Orders Lacking Item or Service Descriptions

Recommendation:

The School Board should enforce policies that all maintenance purchase orders include a complete description of the item or service being procured, implement management review procedures to verify that purchase orders are fully and accurately completed before processing, and provide training to staff responsible for preparing and approving maintenance purchase orders on proper documentation requirements. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

A. OBJECTIONS

(1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist

Following the review of this Finding and consultation with the auditor, it was determined that there were five maintenance purchase orders that appeared to lack written information on the documents. Upon further examination, it became evident that the NCR paper copies, which were electronically scanned into LPSB's Records Management System, did not capture the faint print present on the documents, despite the purchase orders containing relevant details. To the auditor, reviewing only the electronic copy and making no further inquiry, several fields appeared either blank. Clear copies were subsequently obtained and sent to the auditors. The auditors indicated that they would incorporate these documents into their work papers. However, it stated that the audit testing concerning this matter has been concluded, and any additional materials provided would not alter the conclusion of this finding.

Had the auditor adhered to proper auditing standards and communicated the conditions believed to exist during the auditing period, this Finding could have been avoided. Moreover, the auditor's response indicates that there will be no amendments to its findings after receiving the pertinent information contradicts standard auditing procedures.

B. CORRECTIVE ACTIONS

No corrective action is deemed necessary, as this finding does not accurately reflect the situation that exists or LPSB's current practice.

2025-007 Unauthorized Issuance of Purchasing Cards

Recommendation:

The School Board should ensure that purchasing cards are not issued without complete authorization and approval forms. Management should implement a review process to verify compliance with issuance requirements prior to card distribution. Employees responsible for issuing purchasing cards should receive training on proper procedures and required documentation. The School Board should review all employees who have purchasing cards to verify if they have a completed authorization and approval form. If any employee does not have an authorization and approval form the School Board should have them complete the required paperwork.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

This finding states in the cause section, “School Board did not enforce internal controls to verify that all required authorization and approval forms were completed before issuing purchasing cards.” This statement is inaccurate. LPSB’s policy regarding Purchase Cards is detailed in Policy: DJE – Purchasing, which allows the Superintendent and/or staff to delineate the administrative regulations and procedures pertinent to purchase cards. Similar to any credit card, the process for obtaining a purchase card necessitates that the cardholder completes an application. Thereafter, the application undergoes a review by the cardholder’s supervisor, followed by approval from LPSB’s Chief Financial Officer. All 47 employees utilizing purchase cards adhered to the policy and secured the necessary authorizations and approvals prior to card issuance. It is simply unheard of that a company issuing a purchasing card would do so without a written application.

The omitted critical information in this finding is that LPSB was unable to locate these 14 applications during this audit period. These 14 individuals identified out of the 47 individuals with purchase cards have been affiliated with LPSB for several years, and it is believed that these applications may have been lost or misfiled during the transition from the old Central Office to the new District Office several years ago. Instead of including this information in the finding, the audit concluded that these 14 individuals, who have been using their purchase cards for years with LPSB’s authorization and approval, have not been verified and approved to use them.

- (2) Finding Does Not Appear to Be Associated with Current Audit Period.

The finding contends that LPSB failed to ensure that the cards of 14 of 47 individuals were issued without the necessary documentation as mandated by its internal policies. The issuance of the purchase cards to the 14 individuals occurred long before the 2024-2025 audit period. These individuals have been utilizing purchase cards authorized by LPSB for an extended period without ever a finding by KS&C of a deficiency under the exact same conditions reported in this period. There is no representation in this finding that applications issued during the 2024-2025 period were not authorized. Furthermore, the audit does not represent that the purchases totaling \$288,802 made during this audit period by these 14 individuals were for illegitimate transactions nor does it state these purchases were not substantiated by receipts and approved for payment. The purchases made this year by these individuals are irrelevant but are present in such a way as to imply that they were improper. LPSB requests KS&C provide the documentation to support the implication or modify its findings to remove such implications.

B. CORRECTIVE ACTIONS

The School Board current policies and procedures ensure that purchasing cards are not issued without complete authorization and approval forms. Therefore, there is no corrective action needed. Nevertheless, to ensure completeness of its records, the 14 individuals identified will fill out new applications and receive new cards. A record of these applications will be maintained and stored electronically.

2025-008 Employees Exceeded Authorized Spending Limits on Purchasing Cards

Recommendation:

The School Board should ensure that purchasing card limits are properly monitored and enforced. Management should implement a review process designed to identify and address spending-limit violations, including transaction splitting. Additional training should be provided to cardholders and approving officials regarding allowable transactions, spending limits, and the consequences of noncompliance. The School Board should investigate the transactions that violated limits to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

A. OBJECTIONS

(1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

The policy of LPSB regarding Purchase Cards is detailed in Policy: DJE – Purchasing. This policy does not mandate that employees “possess a cardholder agreement, nor does it establish a monthly spending limit”. Furthermore, LPSB does not have a “purchase card procedure manual” that prohibits splitting transactions as stated in the finding. The auditor appears to be referring to an outdated guideline issued by a previous administrator that was based on prices that are no longer reflective of current market conditions. Prior to the issuance of these Findings, an examination of card transaction limits revealed to LPSB that the limits for a significant majority of cardholders were exceedingly outdated and had not kept pace with inflation or current market pricing. These limits have been adjusted accordingly. Furthermore, the auditor’s assertion that the splitting of transactions could lead to “unauthorized, inappropriate, or fraudulent spending” has no basis in fact and is merely unsupported opinion that chooses to ignore the root cause of the situation, i.e. the extremely low transaction limits on purchase cards that hindered cardholders from making purchases for essential items such as maintenance and repairs. The amount of \$271,724 reported by the auditor as exceeding the transaction limits was not only approved but fully substantiated by receipts and validated by staff as legitimate purchases made during the 2024-2025 audit period. If there is any deficiency, it occurred when LPSB failed to regularly review and update the spending limits quickly enough to account for changes in the market. For this, LPSB takes responsibility.

(2) Recommendation by Auditor Is Beyond the Auditor’s Scope of Responsibility When Conducting Financial Audits.

According to La. R.S. 24:516(A)(2), audit reports must provide specific recommendations aimed at the future “**avoidance**” of any reported irregularities or deficiencies. The auditor’s recommendation that "employees or approving officials be held accountable when policy violations are confirmed" has no connexity to the prevention or avoidance of irregularities or deficiencies and falls well outside of the auditor's responsibilities in making recommendations.²⁹ Rather, through this recommendation, the auditor seems to imply that LPSB fails to address violation of policies and procedures, which is inherently false, particularly in the context of this finding, which is not predicated on a policy violation at all but rather on the auditor's reference to a set of antiquated guidelines that have since been revised to align with current conditions. This recommendation should be stricken, as it’s obvious that its sole purpose is to cast LPSB in an unfavorable light.

B. CORRECTIVE ACTIONS

LPSB’s current staff conducted a review of purchase card guidelines and determined them to be outdated, failing to represent contemporary business operations. Consequently, LPSB’ Chief Financial Officer has raised the transaction limits to reflect modern pricing while eliminating unnecessary obstacles for essential purchases. The increased transaction limits have effectively addressed any issue the auditor may have found regarding split transactions, as cardholders can now make necessary purchases with the enhanced spending limits.

²⁹ La. R.S. 24:516; LGAG 500-1100, Independence of the CPA Firm Performing the Audit

2025-009 Unauthorized Purchases Made Using Check Requests

Recommendation:

The School Board should enforce policies prohibiting the use of check requests for unauthorized items, implement a review process to verify that all purchases comply with the School Board procurement rules and provide training to employees and all approving officials on proper purchase order procedures and restrictions. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-010 Purchasing Goods and Services Prior to Purchase Order Approval

Recommendation:

The School Board should reinforce policies and procedures requiring that all purchase orders be approved prior to purchases being made, implement management review procedures to ensure that purchases are not made before purchase order approval, and provide training to employees responsible for approving purchase orders on procurement policies and procedures. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-011 Invoices Paid Without Sufficient Supporting Detail

Recommendation:

The School Board should establish and enforce policies requiring invoices to include itemized details of materials, labor, and pricing before payment is authorized, implement management review procedures to verify that invoices are complete, accurate, and reasonable prior to processing payments, and provide training to employees responsible for approving and processing payments on proper invoice documentation and verification procedures. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

A. OBJECTIONS

- (1) Recommendation by Auditor Is Beyond the Auditor's Scope of Responsibility When Conducting Financial Audits

According to La. R.S. 24:516(A)(2), audit reports must provide specific recommendations aimed at the future "**avoidance**" of any reported irregularities or deficiencies. In relation to this finding, the auditor recommends, "The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight." The implication from this recommendation is that LPSB has failed to address a violation of policies and procedures is blatantly false, and possibly defamatory, particularly in the context of this finding, when one considers the auditor's invoice for \$138,770.00 states, the amounts are for "**progress billing**". Moreover, the auditor's recommendation that "employees or approving officials be held accountable when policy violations are confirmed" has no connexity to the prevention or avoidance of irregularities or deficiencies and falls outside the auditor's responsibilities in making recommendations.³⁵ This recommendation should be stricken from the Audit Report before finalizing, as its sole purpose is to cast LPSB in an unfavorable light.

B. CORRECTIVE ACTIONS

Most vendors adhere to listing standard elements on their respective invoices. However, there are some vendors that provide only limited descriptive information, such as “For Professional Services”. District staff generally have an understanding of the vendors’ services despite the generic description based upon the contracts or purchase order on file. However, staff will begin providing vendors with a list of invoice requirements. Invoice will not be accepted without a clear description of items or services provided, quantity and unit of measure, unit price, service periods if applicable, itemized charges (parts, materials, labor, fees, etc.), shipping or additional fees and the total amount due clearly reflected on the invoices. By requiring this condition there would be no reason to investigate and hold staff accountable for a vendor’s failure to provide adequate information on invoices they do not author.

³⁵ La. R.S. 24:516; LGAG 500-1100, Independence of the CPA Firm Performing the Audit

2025-012 School Board Conducting Business with an Employee-Owned Business

Recommendation:

The School Board should establish and enforce policies prohibiting transactions with businesses owned or controlled by employees, implement management review and approval procedures to detect and prevent conflicts of interest in procurement activities, and provide training on Louisiana ethics laws. The School Board should establish and maintain a list of businesses owned/operated by employees, as well as board members and their families, to avoid contracting with these entities in the future.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding is Based Upon Auditor’s Misunderstanding of the Law.

The criteria outlined in finding (School Board Conducting Business with an Employee-Owned Business (IC & C)) states that “Louisiana law, including the Louisiana Code of Governmental Ethics (La. R.S. 42:1101 et seq.), prohibits public employees from participating in government decisions that yield financial benefits to themselves, their family members, or businesses they control.” This assertion illustrates another misunderstanding of the law by the auditor.³²

La. R.S. 42:1113 prohibits any employee (or legal entity in which he holds a controlling interest) from entering into contracts or transactions that fall under the supervision or jurisdiction of **the agency** of the public servant. The term “agency” is not a reference to the entire governmental entity as the finding suggests; rather, it is a reference to any department, office, division, agency, commission, board, committee, or other organizational unit of a governmental entity.³³ The Ethics Board has generally applied this definition of “agency” in a narrow context. For instance, a captain within the City of Lafayette's Fire Emergency Department is not restricted from selling and servicing computers to the City of Lafayette (the governmental entity), provided that such transactions do not fall under the supervision or jurisdiction of its agency, the Fire Emergency Operations Department.³⁴

The \$144,382 in invoices reported by the auditor as payments to Marc Services LLC, a small engine repair business owned by an Auto Mechanics instructor assigned to the WD Mary Baker Career Center, were made through purchase orders issued by the LPSB Maintenance Department. The employee's agency is the WD Mary Baker Career Center. Neither the Career Center nor the employee have ever been subject to the supervision or jurisdiction of the LPSB Maintenance Department.

B. CORRECTIVE ACTIONS

Nevertheless, as part of the corrective measures implemented in response to Findings (Fraudulent Vendor Quotes (IC & C)) and (Fraudulent Vendor Quotes (IC & C)) that began during the 2024-25 audit period, the purchasing checklist created includes a verification for compliance with the Code of Governmental Ethics.

³² GAO-24, Section 6.29; LGAG 400-1210, Writing Findings

³³ La. R.S. 42:1102

³⁴ See La. Commission on Ethics for Public Employees, Opinion 1996-050

2025-013 Use of Vendors Outside Normal Business Scope

Recommendation:

Management should develop and implement formal policies requiring evaluation of vendor qualifications before contracting for services outside a vendor's standard business operations, require documentation supporting the selection of vendors and justification when services fall outside the vendor's typical scope, and train procurement staff and supervisors on these policies to ensure consistent compliance with internal control standards.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding is Based Upon Auditor's Misunderstanding of the Law, and Current Policies and Procedures Comply with Louisiana Law, and Auditors Recommendation Are Unnecessarily Burdensome.

This finding states that LPSB regularly engages vendors to perform services outside vendor's normal scope of business, which can lead to waste, misuse, or inefficient use of resources. Examples given include a pressure washing company cutting grass and a vacuum service company moving furniture. It is uncertain as to how the auditor ascertained exactly what the normal course of business is for any particular company and whether they are qualified to perform the work for which the company submitted quotes. A limited liability company and corporation may be organized under Louisiana law and may conduct business for any lawful purpose, unless restricted by statute or by its own internal governing documents.⁴⁶ No specific license, certifications or degrees is required to mow grass or move furniture.

Louisiana Public Bid Law requires materials and supplies purchased over \$60,000.00 to be advertised and let out for public bid. Apart from declaring bidders non-responsible under La. R.S. 38:2212(X), the Public Bid Law requires the public entity to accept the lowest responsive and responsible bidder. When awarding a procurement contract for materials under the Public Bid Law, there is no requirement that the procurement file contain documented evidence of a vendor's qualifications being reviewed.

This same methodology is carried over by LPSB into all areas of procurement as part of LPSB's commitment to reduce cost and cut waste. While allowing for the freedom to request references and proof of past performances in an effort to gauge the reliability and quality of work performed, it is not necessary, illegal, or unethical, to obtain the best prices from all vendors when soliciting for labor-driven services such as mowing grass or moving furniture. Employing the auditor's logic, only physical books may be purchased from Amazon and Play-Doh could only be used as a cleaner to remove coal residue.

B. CORRECTIVE ACTIONS

No corrective action is required. LPSB will continue to procure public works, materials, supplies, and services in compliance with the law and its procurement policies, selecting the best prices amongst responsive vendors, using its discretion to determine whether the project requires pre-submission or post-submission of qualifications, before entering into a contract or purchase order with a vendor.

⁴⁶ La. R.S. 12-1-201; La. R.S. 12:1302

Significant Deficiency:

2025-014 Failure to Properly Notify Non-Responsible/Non-Responsive Bidders

Recommendation:

The School Board should establish and enforce policies and procedures to ensure all non-responsible and non-responsive bidders are properly notified in writing, implement management review and oversight procedures to verify that notifications are completed and documented for each bid, and provide training to procurement staff on proper notification procedures and Louisiana competitive bidding requirements.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist.

Upon receiving these draft Findings, LPSB sought the relevant audit documentation to aid in comprehending the conditions identified by the auditor during the evaluation of LPSB's prior activities. Similar to the other findings, this finding lacks adequate detail concerning the referenced activity or the potential impact these conditions may have on LPSB's financials. As a result, LPSB cannot devise corrective actions when the report does not clearly articulate the essential elements of the finding.⁴²

(2) Finding (Failure to Properly Notify Non-Responsible/Non-Responsive Bidders (IC & C)) Demonstrates an Insufficient Understanding of the Public Bid Law

The auditor claims, "Louisiana Revised Statute 38:2212 and standard procurement practices require that all bidders determined to be non-responsive or non-responsible must be promptly notified in writing of the decision." This assertion is incorrect. Under the Public Bid Law, a public entity has the right to reject a bid if the bidder is deemed non-responsive or if a bid is classified as non-responsive.

A bid is considered non-responsive if it does not comply with the Public Bid Law or the Bid Documents. The auditor is mistaken in asserting that the Public Bid Law necessitates that notice be provided to a bidder submitting a non-responsive bid.⁴³ A non-responsive bidder is not entitled to due process or an administrative hearing under the Louisiana Public Bid Law.⁴⁴ Bids are assessed for responsiveness, after which the apparent lowest bidder is announced, contingent upon the timely submission of required post-bid documentation. All bidder information must be made available upon request no earlier than nine working days following the bid opening or after the public entity or design professional recommends an award, whichever occurs first.⁴⁵

⁴² LGAG 400-1210, Writing Findings. GAO-24, Section 6.51-53

⁴³ Donald M. Clement Contractor, Inc. v. St. Charles Par., 524 So. 2d 86 (La. Ct. App. 1988).

⁴⁴ Lamar Contractors, L.L.C. v. City of New Orleans, 2021-0489 (La. App. 4 Cir. 12/15/21), 334 So. 3d 870

⁴⁵ La. R.S. 38:2212(H).

A public entity may determine a bidder's non-responsibility by evaluating several factors, including the bidder's financial capacity, skills, integrity, business acumen, experience, reputation, quality of previous work on contracts, and other relevant criteria that reflect the bidder's capability to successfully fulfill the contract. If a public entity intends to disqualify a bidder on the basis of non-responsibility, the Legislature, per La. R.S. 38:2212(X), grants bidders due process rights, which require notification of the proposed action and an opportunity for an informal hearing before any adverse action is taken. There is one instance that the vendor from the prior year, as a result of its failure to perform, was told that LPSB did not wish to continue its services in the future at the end of the contract. The vendor was informed of the decision. However, the opening of bids for this specific procurement was done by a purchasing agent that is no longer with LPSB and the specifics as to his notice to the vendor were not included in the file. The prior vendor did not lodge a protest or request an informal hearing.

B. CORRECTIVE ACTIONS

Auditing standards dictate that recommendations for corrective actions should only be made after the auditors have thoroughly developed the elements of a finding. Finding (Failure to Properly Notify Non-Responsible/Non-Responsive Bidders (IC & C)) not only offers no information as to conditions it claims it identified, but it also inaccurately states the law. The one vendor identified in LPSB's review of this finding was a vendor that had failed to properly perform under its contract the prior year, and continuation of its services would have been improper and wasteful. LPSB will continue its efforts to strengthen its policies and procedures in regard to complying with the Public Bid Law and ensure that the documentation notifying non-responsible vendors be maintained in the file. However, it will not create additional policies and procedures by providing disgruntled bidders with due process rights, where the Legislature and courts have not seen fit to do so.

Material Weakness:

2025-015 Noncompliance with Louisiana Public Bid Law

Recommendation:

Management should implement internal controls to ensure all purchases of materials, supplies, and public works projects exceeding statutory thresholds comply with competitive bidding requirements, proper documentation is maintained for all procurement decisions, including any exemptions, approvals or justifications, and provide training to procurement staff and management on public bid laws, thresholds, and internal control responsibilities.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-016 Lack of Required Written Contract for Public Works Project Over \$5,000

Recommendation:

Management should ensure all public works projects exceeding \$5,000 have a properly executed written contract prior to the start of work. Management should implement or strengthen internal controls over procurement to ensure compliance with Louisiana public bid law, including documented review and approval procedures for all contracts. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-017 Failure to Obtain Required Bonds for Public Works Projects Exceeding \$25,000

Recommendation:

Management should implement controls to ensure that performance and payment bonds are obtained for all public works projects exceeding \$25,000 in accordance with Louisiana law. No contractor should be allowed to begin work until the required bonds have been received, reviewed for completeness, and documented in the procurement file. Management should also provide training for procurement staff to reinforce public bid law requirements.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-018 Hiring Unlicensed Contractors to Perform Public Works Projects

Recommendation:

The School Board should implement an internal control process to ensure that all prospective contractors for public works projects are properly licensed according to Louisiana law before bids are accepted and contracts are awarded. This process should include mandatory verification to confirm active license status and appropriate classification for the project scope and documentation of this verification. Additionally, the School Board should provide training to all personnel involved in the procurement and contract management process regarding the requirements of the Louisiana Public Works Act and contractor licensing laws.

Corrective Action Plan:

See corrective action plan for **2025-004**.

Significant Deficiency:

2025-019 Unauthorized Use of School Board Equipment Without Written Agreement

Recommendation:

We recommend that the School Board require a written agreement or contract whenever a vendor is permitted to use School Board property or equipment; ensure all service contracts clearly document responsibilities, liability, insurance requirements, and use of School Board assets; strengthen internal controls to prevent verbal or undocumented arrangements with vendors; and provide staff training on Louisiana procurement requirements and School Board asset-use policies.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding is Not Based on Significant Deficiency or Material Weakness in Internal Controls

This Finding reports a single incident where a vendor performed services using School Board-owned equipment without a written contract or authorization. While no additional information is provided by the auditor, a subsequent review by LPSB identified a single incident wherein a contractor was allowed to use an LPSB-owned manlift that was on-site in an effort to save time and reduce costs. LPSB recognizes the issues involved, but questions whether the single incident represents a significant deficiency or material weakness in internal controls.

B. CORRECTIVE ACTIONS

In an effort to prevent any future deficiency, LPSB, as part of its other procurement-related corrective actions, will require provisions in the terms of conditions of all contracts and purchase orders for the conditions upon which LPSB-owned property may be used.

Material Weakness:

2025-020 Public Works Projects Performed Without Required Building, Electrical, and Plumbing Permits

Recommendation:

We recommend that the School Board strengthen its project management and compliance controls to ensure all required permits are obtained before construction activities begin. Specifically, the School Board should establish written procedures requiring verification of building, electrical, plumbing, and other applicable permits; require contractors to provide copies of all issued permits before work is authorized; and provide training to staff responsible for construction oversight on permit compliance requirements.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-021 Lack of Documented Evaluation and Inadequate Controls Over Architect Selection

Recommendation:

We recommend the School Board require that all architects be procured through a centralized, documented qualifications-based selection process performed by management in accordance with state law. Documentation supporting evaluations, rankings, and justifications for selection should be maintained for all professional services procurements.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding is Based Upon Auditor’s Misunderstanding of the Law.

In its Finding, the auditor asserts that Louisiana law mandates the LPSB employ a qualifications-based selection process and that LPSB select all architects through a centralized, documented ranking-based selection process. While La. R.S. 38:2318.1 requires that architects and engineers for public works projects be selected based on their competence and qualifications, it does not require a specific selection process. LPSB does not believe the additional restrictions would stiffen competition while increasing costs.

- (2) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist.

The policies and procedures established by the LPSB Board and followed by its management state that proposals "may" be utilized to procure engineering or architectural services; however, there is no obligation that proposals are necessary.⁴⁷ LPSB policy, in alignment with La. R.S. 38:2318.1, necessitates that LPSB negotiate every contract for architect or engineering services prior to the finalization of the contract. The competencies and qualifications of the firm are assessed during this period. The audit finding fails to reference or provide any specifics related to any architect/engineer that it found was incompetent or unqualified on any project. LPSB maintains that all designers of record were competent and qualified for the projects in which they were selected.

B. CORRECTIVE ACTIONS

As part of its commitment to enhancing all policies and procedures following the internal investigation referenced in response to finding (Fraudulent Vendor Quotes (IC & C)) and finding (Destruction of Public Records (IC & C)) and the recent amendments to La. R.S. 38:2318.1 that will take effect on August 1, 2025, LPSB is currently revising its policy, processes and procedures related to the selection and contract negotiations of future architects and engineer’s professional services, including LPSB Policy: DJED – Bids and Quotations. Under the revised policy, LPSB will maintain its practice of selecting only competent and qualified architects and engineers. Furthermore, it will implement a record of the investigation and evaluation of an architect or engineer's qualifications and will be preserved in the appropriate files. The process will continue to comply with state law; however, LPSB will refrain from incorporating the additional requirements suggested by the auditor that could lead to the monopolization of professional services by larger firms and marginalizing smaller or less experienced firms from offering services on less complex projects or preventing LPSB from retaining the original designer of record during renovations.

⁴⁷ See LPSB Policy – DJED – Bids and Quotations.

2025-022 Improper Delegation of Spending Authority and Noncompliance with Procurement Requirements

Recommendation:

We recommend the School Board discontinue the practice of allocating discretionary spending budgets to individual board members; ensure all expenditures follow the School Board's procurement policy, including required competitive pricing and documentation; require the purchasing department to reject any purchase requests that do not follow established approval processes; provide training to board members and School Board personnel on procurement requirements and appropriate roles in purchasing; and strengthen internal controls to ensure only authorized staff initiate and approve School Board expenditures.

Corrective Action Plan:

A. OBJECTIONS

- (1) Recommendations by Auditor Is Beyond the Auditor's Scope of Responsibility When Conducting Financial Audits.

The auditor suggests that the LPSB cease the practice of allocating discretionary spending budgets to individual board members. This practice is not prohibited by state law or state purchasing requirements. Furthermore, a board member submitting a purchase request directly to the superintendent should not impact compliance with LPSB procurement policies. The allocation of an equal amount of funds to each district serves the public purpose for which LPSB was established and allows Board Members, who are actively engaged and present in their respective districts, to address the needs of their constituents while simultaneously ensuring that the overall system's requirements are collectively advanced through the Board. The auditor's assertion that this practice increases the risk of wasteful and inappropriate spending due to a lack of competitive pricing and insufficient oversight is not substantiated in its findings and fails to acknowledge the policies and procedures that have been established and are continuously revised in response to findings (Fraudulent Vendor Quotes (IC & C)) and finding (Destruction of Public Records (IC & C)). Moreover, it conflates the request to utilize allocated funds with the actual procedural operations of LPSB's procurement process. No board member or individual possesses the authority to misuse or influence purchasing guidelines or procurement procedures, as suggested by the auditor.

B. CORRECTIVE ACTIONS

There is a complete absence of information in the Finding regarding the conditions identified by the auditor. The audit documentation for all findings was requested, but this request was denied by the auditor. It remains unclear whether any of the conditions noted by the auditor are duplicative or related to policies and procedures that the LPSB found were not enforced during the tenure of the former director. To the extent that they are, corrective actions have been or are being implemented, as previously noted. The LPSB will enforce and ensure adherence to all internal controls at every level.

Significant Deficiency:

2025-023 Accounts Payable Not Properly Accrued

Recommendation:

The School Board should implement procedures to ensure all goods and services received before the fiscal year-end are properly accrued, strengthen management review and reconciliation procedures at fiscal year-end to ensure all liabilities are recorded in the correct period, and provide training to employees on proper accrual procedures and the importance of accurate financial reporting in accordance with GAAP.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist Apart from the aggregate total of "unrecorded accruals," there is minimal information available regarding the basis of the finding. In addition to the total value derived from "some accounts" that were examined, LPSB possesses insufficient information to comprehend the significance of this finding, to assess its internal controls, or to formulate corrective measures.
- (2) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period. Due to insufficient information reported in the finding, LPSB initiated its own investigation. LPSB identified two invoices amounting to \$213,880.24, which concern obligations that will not be accrued until fiscal year 2025-2026, rather than the fiscal year under audit. Assuming these are the same accounts referenced by the auditor, to the extent these two invoices constitute part of the unrecorded accrued accounts during the 2024-2025 audit period, the Findings are inaccurate.
- (3) Finding is Not Based on Significant Deficiency or Material Weakness in Internal Controls

A deficiency should only be reportable as a finding if it is deemed significant or contributes to a material weakness in a financial audit.³⁶ This evaluation is contingent upon the magnitude of impact, likelihood of occurrence, and the nature of the deficiency. At the conclusion of the fiscal year, an additional set of invoices totaling \$309,063.01 was received after the ledger had been closed and financial reporting to the state was already completed. LPSB communicated these overdue invoices to the auditor. Thus, it is inferred that this set of invoices forms a portion of the accounts "tested" by the auditor, which represent less than 0.001 percent of total district-wide expenditure.

B. CORRECTIVE ACTIONS

In an effort to prevent unreported liabilities in the year they occur, additional time will be given at year-end to accommodate the arrival of late invoices from vendors.

³⁶ LGAG 400-1210, Writing Findings

2025-024 Hiring Personnel Not Meeting Minimum Qualifications

Recommendation:

The School Board should ensure full adherence to hiring policies and procedures. Management review and approval of minimum qualifications should occur prior to extending employment offers. Personnel files should include complete documentation supporting an applicant's qualifications. Periodic internal reviews should be performed, and additional training should be provided on hiring requirements, minimum qualification verification, and internal control responsibilities.

Corrective Action Plan:

A. OBJECTIONS

- (1) Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

The auditor asserts that "school board policy mandates that applicants fulfill these minimum qualifications, which include education, certification, and experience prior to hiring." This assertion is inaccurate.²⁴ LPSB policy, the current job description of paraeducator, and the job description at the time of employment of the single individual identified all specify that a paraeducator "must secure and maintain" certain certification. Nowhere does it state that it must be secured pre-employment, and for good reasons. This particular type of certification in question can only be acquired through training that occurs after hiring, which the Finding admits occurred. The auditors' lack of understanding of LPSB' policies and procedures negate the need for corrective action.

²⁴ GAO-24, Section 6.25; LGAG 400-1210, Writing Findings

- (2) Finding Does Not Appear to Be Associated with Current Audit Period.

The finding inaccurately asserts that LPSB did not "adhere to its policies and procedures to ensure that all documentation supporting an applicant's qualifications was procured, verified, and retained in personnel files prior to the finalization of employment decisions." The sole instance cited in this finding pertains to a paraeducator who was hired in 2022. The finding indicates that the paraeducator was employed in 2022 without possessing the required certification, although the certification was subsequently obtained. This issue was not addressed by KS&C in the 2022-2023 audit despite its existence at that time. Instead, the auditor opted to address it in the 2024-2025 audit, following both the employment and the receipt of the certification, which does not align with audit standards.²⁵

²⁵ GAO-24, Sections 6.52; GAO-24, Section 6.48.

B. CORRECTIVE ACTIONS

This finding reports a single instance where a paraeducator was hired in 2022 without LPSB receiving pre-employment documents that could only be obtained after employment. There was never a failure by LPSB. Currently, LPSB employs 4,412 employees and is committed to ensuring full compliance with its hiring policies and procedures. Employee Services, both historically and presently, maintains a process to verify that minimum qualifications are satisfied prior to hiring an individual. This process includes, but is not limited to, the execution and maintenance of background checks, verification of education and other necessary certifications when applicable, and assessment of required years of experience when relevant. As the draft Finding fails to report any instance of a failure to follow policy during the current audit period (or prior periods), no corrective action is needed. Nevertheless, to enhance clarity and prevent potential future misunderstandings in future audits, LPSB intends to propose at a forthcoming board meeting that this specific training/certification be categorized in the job description under Essential Duties and Responsibilities section rather than the Qualifications section.

2025-025 Required Background Checks Not Performed

Recommendation:

The School Board should ensure that all hiring policies and procedures are followed consistently. Management review and approval of required background checks should occur prior to the hiring of any employee. Background check documentation should be properly maintained in personnel files, and periodic internal reviews should be implemented to ensure continued compliance. The School Board should conduct a background check for this employee to ensure that they are eligible to be employed by the School Board.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist

This finding indicates a situation related to background checks of one employee. The finding does not state an employee was hired without a background check. In reality the single employee's electronic file containing the criminal background check was corrupted and could not be accessed according to the software company. As explained during the audit, but omitted in this finding, the electronic file was likely corrupted during data importation.

- (2) Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

The Criteria Section of this finding asserts that “the Louisiana Revised Statute 17:15 requires background checks to be performed for all applicants prior to employment to verify eligibility and ensure the safety of students and staff.” This statement is incorrect and demonstrates the auditor’s lack of understanding of the law. La. R.S. 17:15 requires a school system to promulgate procedures consistent with La. R.S. 15:587.1 for determining an applicant’s teaching credentials or any arrest or conviction of an employee for criminal offenses. It mandates that policy includes a requirement for the submission of fingerprints in a format acceptable to LBCII prior to an individual’s employment. More importantly, La. R.S. 17:15 specifically states that “a criminal background check is not required for an applicant with a teaching credential or authorization issued by the board or department unless the applicant’s teaching certification or authorization has been denied, suspended, or revoked by the board or department.” Both individuals identified hold teacher certifications from the State Department of Education, as documented in their respective files.

Therefore, no criminal background check, FBI or otherwise, is required of these individuals under La. R.S. 17:15.

²⁶ GAO-24, Section 6.29; LGAG 400-1210, Writing Findings

²⁷ GAO-24, Section 6.25; LGAG 400-1210, Writing Findings

(3) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

LPSB Policy GBCA - Criminal History Record Information (CHRI) does not require an FBI background check. It does, however, require a request for a fingerprint-based background check on employment applicants be submitted to LBCII. There is no authority for LPSB to directly request a background check from the FBI. According to La. R.S. 15:587.1 (referenced in La. R.S. 17:15), LBCII, upon receipt of a background check request, makes a simultaneous request to the FBI for criminal history from other jurisdictions. The LBCII provides the school system thereafter with a written report regarding an individual's criminal history. Per La. R.S. 15:587.1, LBCII is required to provide “only such information as is necessary to specify whether or not that person has been arrested for or convicted of or pled nolo contendere to any crime or crimes, the crime or crimes of which he has been arrested or convicted or to which he has pled nolo contendere, and the date or dates on which they occurred.” LPSB has no control over how LBCII reports the information back to it. More importantly, neither La. R.S. 17:15 nor La. R.S. 15:587.1 states LPSB must have in its file documentation that the FBI has performed a background check. LPSB, at all times, complied with both the law and its policy by submitting a request to LBCII and obtaining the results prior to employment. Once obtained, the results reported by LBCII were maintained in the employee’s paper file as well as his or her electronic file.

(4) Finding Does Not Appear to Be Associated with Current Audit Period.

Even if LPSB's interpretation of the law was correct, La. R.S. 17:15 and LPSB Policy pertain to the request for criminal background checks **prior to** employment. The individual erroneously identified as lacking the required FBI background check was employed in 2004, and the individual associated with the corrupted file was hired in 2012. This finding makes no reference to LPSB failing to obtain any pre-employment background check during the 2024-2025 audit period. Notably, KS&C never issued a finding that LPSB failed to obtain the required background check **prior to employment** as to these individuals during the relative periods.

B. CORRECTIVE ACTIONS

LPSB's Employee Services follows a preemployment process on a daily basis. Initiating background checks is a mandatory aspect of the hiring process. Cleared background checks facilitate the progression of the hiring process, while negative background checks will impede it. All cleared background checks are retained within a document management system for record-keeping. Given that the findings reported are erroneous and stem from the auditor's misunderstanding of the law, LPSB sees no necessity for further corrective action and requests that the auditor amend its findings appropriately.

²⁸ GAO-24, Section 6.26

2025-026 Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues

Recommendation:

Management should develop and implement internal control policies and procedures for class fee collections at each school. These should include segregation of duties or compensating controls, along with management review procedures to ensure all revenues are completely and accurately recorded.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) should be consolidated.

The revenues generated from class fees and fundraisers are considered School Funds under La. R.S. 17:414.3. Both these revenues and the operations related to them are subject to the same management guidelines outlined in the LPSB policies adopted by the School Board in 2015, specifically DK – School Activity Fund Management and DIA – Accounting System. The procedures for the collection, receipt, and expenditure of these funds are consistent across the board for both sources of revenue. Therefore, to comply with auditing standards, the Audit Report should be appropriately revised prior to finalization to consolidate these two audit findings¹³. For the sake of clarity, Findings (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) will be combined in this response.

¹³ LGAG 400-1210, Writing Findings

- (2) Findings Fail to Provide Sufficient (or any) Details as to the Condition that Exists and Finding Ignores Prior Corrective Action Taken by LPSB.

Neither finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) nor (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) describes an actual situation that exists or the act controls in place that ‘ensure revenue completeness’.¹⁴ Both findings present such a negligible amount of information that it hampers LPSB's ability to identify any deficiency, much less institute additional corrective measures. LPSB has formally requested the audit documentation to understand the findings and plan corrective action.¹⁵ Unfortunately, KS&C has not provided adequate information, making a response nearly impossible.¹⁶

The only detail in the Condition Section of both Findings is a hypothetical scenario that “could” occur if LPSB does not follow the auditor’s “best practice” recommendation to expend additional resources to “ensure revenue completeness”. In the past 33 years of conducting LPSB's audit, KS&C has not reported one instance of actual loss, misappropriated, or unrecorded Student Funds indicating that the situation for which the finding is based does not exist and the probability of such an occurrence is minimal.¹⁷ Also, not mentioned in the Findings are the actual controls in place that already “ensure revenue completeness” of Student Funds. Notably, the installation of new software that contains class logs and records funds received.

- (3) Findings Ignores Prior Corrective Action Taken by LPSB.

KS&C failed to take into consideration in its Findings corrective actions taken over the years, choosing instead to add an additional Finding and repeat, in Finding (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)), the same statement that it made in last year’s audit that, "There were inadequate controls over funds collected for various fundraisers and activities at the individual schools." While the absence of specific details inhibits LPSB's ability to understand the issue, LPSB, operating on assumption, strategized and implemented corrective action plans intended to rectify the deficiency throughout prior years, only to be informed in the subsequent audit report that the elusive deficiency remained unaddressed. In last year’s response to KS&C Audit, LPSB provided a comprehensive summary of the corrective actions taken each year since 2015, concluding its response by stating that "several outstanding issues will finally cease to exist" due to the "addition of new school accounting software," which generates class rosters and receipts electronically and provides reports for Student Funds received. The objective of investing in this software was to definitively resolve any concerns the auditors had with the collection of School Funds. Unfortunately, this year rather than the Finding being eliminated, it multiplied.

Findings (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)) deviate from audit standards by failing to reference the computer system and other corrective actions undertaken in prior years to address the current findings.¹⁸ LPSB cannot continue to expend resources and continue implementing corrective actions in the dark on a risk that is non-existent.

¹⁴ GAO-24 (rev), Section 6.26

¹⁵ GAO-24 (rev), Sections 6.51-6.53; LGAG 400-1210, Writing Findings

¹⁶ GAO-24 (rev), Section 6.31

¹⁷ GAO-24 (rev), Section 6.25, 6.29

¹⁸ GAO-24 (rev), Sections 6.11

- (4) Finding is Based Upon Auditor's Misunderstanding of the Law and the Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

The Findings references a "lack of segregation of duties" in the management of Student Funds and asserts that "policies and procedures were inadequate to ensure the completeness of revenue" for both findings. Concurrently, it notes that "Policies and procedures concerning the collection of funds for various fundraisers and activities within school activity funds at individual schools are not being enforced by the principals." These statements are not only contradictory but are also inaccurate, indicating the auditor's misunderstanding of the law and/or the internal controls ("criteria") already in place to guarantee "revenue completeness."¹⁹

La. R.S. 17:414.3 addresses the management, expenditure, and accounting of School Funds, which encompasses both finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) and (Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues (IC)). In enacting La. R.S. 17:414.3, the Legislature "ensure revenue completeness" by mandating controls be instituted within the schools and school system. Instead of burdening the school systems with an additional layer of bureaucracy through "segregation of duties", it opted to "ensure revenue completeness" by requiring school system's to implement policies and procedures to validate the receipt of School Funds through a monthly reconciliation of account statement with the school records, which are then signed by the principal of each school and reviewed again annually by the principal alongside another member of the administrative staff.

LPSB, through Policy: DK – School Activity Fund Management and Policy: DIA – Accounting System, both adopted in 2015, complied with La. R.S. 17:414.3’s mandate. During the 2024-2025 audit period, LPSB employed the following procedures to align with the policy and law. Initially, School Funds are deposited after a secretary and bookkeeper at each school logged the funds received into the computer program. Monthly, the school staff reviews and reconciles the School Funds’ bank accounts with the computer reports, which utilize the class logs for each school and the recorded fees paid for every student. The principal of each school subsequently signs off on the statements, which are reviewed annually and documented in the School Fund records for each school. During this process, the school accounting department validates all “fee waiver” entries, ensuring “revenue completeness”. Because a system ensuring revenue completeness is already in place as a matter of law and policy, there is no necessity to augment staff or hire additional personnel to duplicate what is already being done.

The criteria employed by the auditor in finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) is flawed as it creates its own criteria by claiming “best practices” and allocating further time and resources to “segregate duties” rather than addressing the law, policies and procedures, along with corrective measure put in place last year (software system) that already addressed “ensuring revenue completeness”. Audits are designed to uncover waste, not create them.

¹⁹ LGAG 400-1210, Writing Findings; GAO-24 (rev), Sections 6.25

(5) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

As noted in Section 2 above, the only “condition” cited in the two findings is the hypothetical scenario in finding (Lack of Policies and Procedures to Ensure Completeness of Class Fee Revenues (IC)) that claims an individual “could” “write off” amounts received. Not only is this statement conclusory, but it is also misleading. Class fees have never been “written off” except to remove “waive” identified duplicate fees or unneeded fees on various students based on software functionality. In the absence of specific details, LPSB can only surmise that the auditor’s conclusive statement pertains to entries in the new computer software that indicate a “fee waiver” for certain entries. During the audit examination, it was explained that secretaries and bookkeepers at each school are responsible for receiving and collecting funds for class fees, which are recorded as paid in the designated computer program. Unfortunately, following the implementation of the new software last year, duplicate or erroneous entries arose due to data migration and/or setup issues. The secretaries and bookkeepers were authorized to amend these erroneous entries, which appeared as “fee waivers” in the computer-generated reports. The monthly review and reconciliation of the Student Fund accounts conducted by the LPSB School Accounting Department ensures that the entries marked “fee waiver” are appropriate and the revenue for these entries has or will be collected.

B. CORRECTIVE ACTIONS

LPSB submits that it is compliance with both the law and its policies, which ensure revenue completeness. There is no deficiency. However, LPSB is always open to improvement. Since the issues involving the software implementation have nearly all been resolved, “fee waiver” entries have largely become unnecessary. Regardless, the LPSB has reached out to the software provider to configure a new user profile that would disallow the use of “fee waiver” functions in the future. The software company has neither approved or disapproved LPSB’s request at this time.

Material Weakness:

2025-027 Lack of Policies and Procedures to Ensure Completeness of Fundraiser Revenues

Recommendation:

Management should ensure internal control policies and procedures for fundraiser reconciliations are consistently performed at each school. Procedures should include documentation on revenue collection and independent management reviews to verify that all fundraiser revenue is complete and accurately recorded.

Corrective Action Plan:

See corrective action plan for **2025-026**.

2025-028 Inaccurate Fixed Asset Listing

Recommendation:

Management should strengthen internal controls over fixed assets by ensuring the fixed asset listing is updated timely for all additions, transfers, and disposals; requiring proper documentation and approval for all asset disposals or write-offs; performing and documenting periodic physical inventories with prompt investigation and resolution of discrepancies; and implementing supervisory review and reconciliation of fixed asset records to supporting documentation.

Corrective Action Plan:

A. OBJECTIONS

(1) Finding Fails to Provide Sufficient (or any) Details as to the Condition that Exist Currently, LPSB possesses \$ 742,503,992.87 in fixed assets. Although in reference to other findings, the auditor stated that they could not revise a finding, Finding No. 3 was revised on December 18, 2025, after receiving the Draft Finding. Instead of merely stating "the fixed asset listing maintained by the School Board was not accurate" without any further detail, it now adds that, "Assets that had been disposed of were not removed from the fixed asset listing until approximately six months after year-end." And it has identified 60 assets totaling \$716,950 that were removed from the fixed asset listing without proper supporting documentation. The revision still does not reference any detail about the newly identified 60 assets or what documentation it contends is missing. This finding presents such a negligible amount of information that it hampers LPSB's ability to employ corrective measures.²⁰ KS&C has not provided sufficient audit documents that would assist LPSB in understanding how the 60 items, making up less than .1% of the total fixed assets of LPSB supports the issuance of a Finding of a significant deficiency or material weakness in LPSB's internal controls.²¹ While not trivializing the value stated by the auditor or the need to have flawless inventory record, even the additional information provided in the amended post-audit finding is not enough.

(2) Finding Does Not Appear to Be Associated with Current Audit Period.

Over the years, fixed assets of various values have been continuously added and disposed of. For the past several years, KS&C has issued this same exact finding without citing any specific incidents or items. As a result, LPSB could not then and cannot now determine whether the condition arose as a result of failure to account for an asset transferred to its warehouse this year or if the unaccounted transfer occurred in previous years that KS&C is only now reporting it in a revised finding. LPSB has made countless efforts to rectify inaccuracies surrounding fixed assets each audit period. However, it is a moving target, even in the same audit year. While LPSB now has an appreciation of the value of the unaccounted assets, it is still left in the dark as to whether prior corrective actions have resolved, diminished, or exacerbated the existing Finding.

²⁰ GAO-24, Sections 6.53

²¹ GAO-24, Section 6.31

(3) Current Policies and Procedures Comply with Louisiana Law and Auditors Recommendation Are Unnecessarily Burdensome.

This finding asserts that LPSB lacked internal control policies and procedures to ensure compliance with La. R.S. 24:515(B) and recommends the implementation of such measures. This assertion is incorrect and does not take into account the current policies, procedures, and controls in place. LPSB adopted DIC-Inventories Policy in 1976, with its most recent revision occurring in 2021, while DFK- Sale of Surplus Equipment and Supplies Policy was adopted in 1989, with its latest revision in 2015. In addition to these policies, LPSB has implemented procedures and internal controls regarding the transfer and disposition of fixed assets that include:

- When a school disposes of an asset, the respective school's Capital Asset Coordinator prepares a capital asset transfer form, which is signed by the Coordinator and the School Principal. All equipment on the capital asset list and all federally funded equipment must be sent to the warehouse for disposal.
- The capital asset coordinator should schedule a warehouse pickup of the items to be transferred. The transfer form should be signed by the warehouse personnel, and the original goes with the equipment to the warehouse. The capital asset coordinator should keep a copy as proof of transfer. The warehouse sends the transfer form to the Capital Asset Team. Using this document, the asset is removed from the books. All assets sent to the warehouse are scheduled for auction and the warehouse supervisor maintains a comprehensive listing of all items to be sold. The items are photographed and posted on the auction website with a description. If the asset was purchased with Federal funds, and, if the asset has a fair market value of less than \$5,000, the asset may be sold or otherwise disposed of with no further responsibility to the Federal awarding agency. 2 CFR Part 200(e)(1). If the asset has a fair market value of greater than \$5,000, follow the procedures in 2 CFR Part 200.313 (e)(2). Once the items are sold, the check is sent to the Lafayette Parish School System. The price of all past items sold are available on the auction website.

The auditor's failure to acknowledge these policies, procedures, and internal controls and to instead claim that LPSB lacked internal control policies and procedures to ensure compliance with La. R.S. 24:515(B) is misleading.

B. CORRECTIVE ACTIONS

Audit documentation related to these findings have not been provided. Without such information, corrective measures, as with previous attempts, are fruitless. Nevertheless, in an effort to address some of these deficiencies, LPSB plans to allocate additional resources to ensure compliance with statutory requirements and its own policies and procedures. This will include increased site visits to verify that fixed assets are accurately recorded, along with audits of fixed assets at each property, as well as monitoring the transfer and disposal of its assets.

Significant Deficiency:

2025-029 Noncompliance with Budget Law

Recommendation:

We recommend that the School Board implement policies and procedures to ensure that fund budgets are reviewed regularly and amended as necessary to comply with Louisiana Revised Statute 39:1311(A).

Corrective Action Plan:

Throughout the duration of the fiscal year and up to the close of the fiscal year, budgets are routinely revised to reflect changes in financial resources as well as changes in expected expenditures. At the close of the fiscal year, certain budgetary line items within the On Track by 5 budget was not updated. The law states that an administrative officer shall advise the governing authority when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more. In this case the revision would have reflected more than a 5% change. Budgetary reporting for this program has been isolated and will be included in an internal checklist for budgetary reporting based on SAUP requirements.

2025-030 Noncompliance With Leave Reporting Requirements

Recommendation:

Management should strengthen internal controls over leave reporting by ensuring that employees are reminded of and trained on existing time and attendance requirements and supervisors strictly review and approve time sheets before payroll processing. The School Board should correct the compensated absences records to properly show time taken.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding is Not Based on Significant Deficiency or Material Weakness in Internal Controls;

During the audit period from 2024 to 2025, it was noted by the auditor that one employee was absent from work but did not record these absences in the timekeeping system. No records for annual leave, sick leave, or other approved leave were entered for the days missed. The finding states that the employee was compensated for the entire pay period as if they had worked all scheduled hours.

While LPSB does not condone an employee's failure to accurately record leave, the absence of one employee among the total LPSB workforce does not rise to the level of "significant deficiencies and material weaknesses in internal control" as defined by LPSB. Additional information was provided to the auditor concerning the initial notification and authorization.

- (2) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

Assuming the identity of the individual in question and the circumstances referenced, the employee was participating in a conference as both an LPSB employee and a public official for another entity. The other entity covered the employee's travel and related expenses, and LPSB did not incur any costs. The employee attended the conference alongside other LPSB employees and was requested to participate. He handled many LPSS work responsibilities while at the conference, so the employee did not need to submit a request for Professional Leave through LPSB's timekeeping system, which is the basis of this audit finding, because he was not on leave; he was working.

Typically, LPSB employees complete travel forms to obtain prior approval before travel begins. Since expenses such as mileage are generally incurred during travel, employees are prohibited from traveling until authorization is granted. In this case, the individual provided written notice to the supervisor and verbal authorization was given by the supervisor prior to attending the conference with the understanding that no travel expenses would be incurred by LPSB.

B. CORRECTIVE ACTIONS

LPSB asserts that its existing policies and procedures are effective. The solitary incident reported as a finding of significant deficiencies or material weaknesses in LPSB's internal controls is solely based on the auditor's misunderstanding of the events that transpired. The auditor should amend its Finding to align with the actual circumstances that occurred. Given that the reported condition does not exist, LPSB does not believe that corrective action is necessary. Assuming the employee identified above is the individual that the auditor is discussing in its finding, LPSB states that moving forward, requests for Professional Leave will be implemented regardless of whether travel expenses are incurred.

Material Weakness:

2025-031 Management Improper Relationships with Vendors

Recommendation:

The School Board should implement policies prohibiting management from engaging in personal or social relationships with vendors that could create the appearance of a conflict of interest, require all management and procurement staff to disclose any vendor-related travel, gifts, or other interactions that could influence procurement decisions, and provide training to management and staff on Louisiana ethics laws, conflict-of-interest requirements, and proper procurement practices to maintain transparency and public trust.

Corrective Action Plan:

A. OBJECTIONS

- (1) Findings (Management Improper Relationships with Vendors (IC & C)) and (Allegations of Vendor-Provided Meals and Travel Involving Board Members, Superintendent, and Management (IC & C)) Should Be Consolidated.

The findings mentioned above pertain to the same provisions of the Code of Government Ethics and should not be viewed as separate or distinct. While no specific details are provided regarding these findings, they appear to be identical in nature. Audit Report should be amended appropriately before finalizing to consolidate these audit findings. For the sake of clarity, Both findings will also be merged in this response in accordance with audit standards.

(2) Findings Fail to Provide Sufficient (or any) Details as to the Condition that Exist.

Finding (Management Improper Relationships with Vendors (IC & C)) indicates that the auditor has discovered instances where members of management engaged in improper relationships with vendors, including accepting trips or travel opportunities from them. However, it fails to reference any specific incidents or to provide details on how these "trips and travel opportunities" were funded. Alarming, the auditor acknowledges the absence of any existing situation, stating merely that there are "allegations that one or more school board members, the superintendent, and certain management members may have accepted meals, hospitality, or vendor-funded travel from individuals or companies currently engaged in business with or seeking to do business with the school board." How can LPSB take corrective measures based on findings rooted in hearsay? LPSB has requested audit documentation to substantiate this finding, but the auditor has refused to provide such evidence.

(3) Finding is Based Upon Auditor's Misunderstanding of the Law.

The Louisiana Code of Government Ethics is significantly more nuanced than the auditor's broad assertions that the Code "prohibits public employees from engaging in actions that create a conflict of interest, the appearance of favoritism, or compromise the independence of procurement decisions." For instance, the Ethics Code does not assert that "improper relationships between management and vendors, **even when management pays their own expenses**, result in noncompliance with state ethics laws and internal control policies." It is clear from the Ethics Code and previous ethics opinions that no prohibition, conflict of interest, or improper relationship exists when an employee funds their own expenses or when such expenses are covered by their agency.³⁷ Moreover, the Ethics Code allows for vendor-funded trips if they directly benefit the agency or enhance the knowledge or skills of the public servant, provided that both the public servant and their agency head comply with specific procedures before and after the trip.³⁸ Additionally, vendors may offer meals, provided that they fall under a specified monetary threshold.³⁹ The Ethics Code and the opinions of the Ethics Board establish clear guidelines regarding "gifts, meals, hospitality, travel, and vendor interactions".⁴⁰ Public servants are mandated by the Ethics Code to undergo annual ethics training, and, if there is a lack of clarity, a public servant may also seek an official opinion (refer to Finding (Vendor-Funded Meals and Alcohol Provided at Events Hosted by a Board Member's Business (IC & C)) below for an example).

B. CORRECTIVE ACTIONS

In its recommendations, the auditor insists that LPSB "should implement policies prohibiting management from **engaging in personal or social relationships** with vendors that could create the appearance of a conflict of interest." The auditor further suggests that "all management and procurement staff disclose any vendor-related travel, gifts, or other interactions that **could** influence procurement decisions and provide training to management and staff on Louisiana ethics laws, conflict-of-interest requirements, and proper procurement practices to maintain transparency and public trust." LPSB's existing policies and procedures are in compliance with the Code of Government Ethics.⁴¹ While numerous prohibitions exist within the Ethics Code, there is no restriction preventing public servants from engaging in personal and social relationships at their discretion. Additionally, there is no obligation for a public entity to oversee or require public servants to disclose their personal affairs regarding travel, unless, as previously stated, the travel expenses are paid for by the vendor. Lastly, the Code of Government Ethics mandates training in the areas suggested based on the current Ethics Code and its published opinions, which all public servants must follow. Instituting additional training based on the auditor's recommended policies and procedures that exceed legal requirements is unnecessary and may lead to confusion. Unless the auditor provides more specific details through its audit documentation, LPSB cannot develop an adequate corrective response to this finding.

³⁷ La. R.S. 42:1111(A)

³⁸ La. R.S. 42:1115.2

³⁹ Id.

⁴⁰ La. R.S. 42:1115; La. R.S. 42:1115.1; La. R.S. 42:1115.2

⁴¹ See LSB Policy DJE -PURCHASING, GAI – SOLICITATIONS, and GAJ - GIFTS

2025-032 Allegations of Vendor-Provided Meals and Travel Involving Board Members, Superintendent, and Management

Recommendation:

We recommend that the School Board develop and adopt a comprehensive Gifts, Hospitality, and Vendor-Sponsored Travel Policy aligned with Louisiana Code of Governmental Ethics; establish a centralized Gift/Benefit Disclosure Register requiring board members, the superintendent, and management to disclose all vendor contacts, meals, gifts, or travel offers—whether accepted or declined; implement a required pre-approval process for all out-of-district travel not fully paid by the district; provide annual ethics and conflict-of-interest training for all board members and employees with procurement or financial oversight duties; and enhance procurement controls to ensure that individuals who participate in contract or purchasing decisions have no unmonitored interactions with vendors.

Corrective Action Plan:

See corrective action plan for **2025-031**.

2025-033 Vendor-Funded Meals and Alcohol Provided at Events Hosted at a Board Member's Business

Recommendation:

We recommend that the School Board prohibit acceptance of meals, alcohol, and hospitality paid for by vendors that have or may seek business with the district, prohibit board members and employees from using their personal businesses as locations for vendor-funded events involving district personnel, adopt a comprehensive Gifts, Hospitality, and Vendor Interaction Policy aligned with the Louisiana Code of Governmental Ethics, establish a centralized disclosure log requiring reporting of all vendor-provided items of value, including meals, drinks, travel, or event costs—whether accepted or declined, require written pre-approval by an independent authority for any vendor-hosted event involving district officials or staff, provide additional ethics training for board members, the superintendent, and management on vendor interactions and conflict-of-interest rules, and review and investigate past vendor-funded events for potential ethics violations and take corrective action as appropriate.

Corrective Action Plan:

A. OBJECTIONS

- (1) Finding Misrepresents the Conditions, Criteria, or Cause during the Audit Period.

The auditor's presentation of the condition within this finding is misleading. A member of the school board has never utilized his privately owned business as "venues for functions attended by board members" where "vendors with current or potential contractual relationships with the School Board paid for the food, alcohol, and related hospitality costs.

The relevant facts can be found in Louisiana Board of Ethics Opinion, 2025-188, wherein School Board Member Jeremy Hidalgo sought an opinion regarding whether the Code of Government Ethics prohibits vendors of the LPSB from sponsoring customer appreciation nights at a bar owned by Mr. Hidalgo. The customer appreciation nights were held monthly. The events were publicly advertised and open to the public. There were no restrictions on attendance, allowing LPSB Board Members and employees to participate as any member of the public would. Local businesses collaborated with the bar by either volunteering to provide cooked or catered meals or sponsoring limited bar tabs accessible to all customers. In exchange, the sponsoring business received the publicity associated with being a sponsor. Some of these vendors also conduct business with LPSB. The Ethics Board stated that Mr. Hidalgo was prohibited, either directly or through his company, from soliciting and receiving any sponsorship from any individual who has or is seeking a contractual or other business or financial relationship with the Lafayette Parish School Board or any school under its jurisdiction. The business immediately ceased customer appreciation night.

B. CORRECTIVE ACTIONS

LPSB disagrees with the assertion that this finding constitutes a significant deficiency in internal control or an instance of noncompliance with laws, regulations, contracts, and policies. Mr. Hidalgo was elected to the School Board in October 2023 and took his oath of office in January 2024. Upon realizing that some sponsors were also vendors or possible vendors with LPSB and that his business' customer appreciation with their participation might pose an ethics issue, he immediately sought an ethics opinion, which was the appropriate course of action. Any internal controls present or implemented in the future will seek guidance from the Ethics Board and take the appropriate action based upon the Ethic's Board Opinion. After obtaining clarification from the Ethics Board, Mr. Hidalgo's business discontinued the customer appreciation night, thus demonstrating that the comprehensive standards outlined in the Ethics Code and the guidance and training already provided by the Ethics Board are sufficient.

The Ethics Code delineates the conditions under which a public servant may or may not accept meals, alcohol, and hospitality provided by vendors that have or may seek business with the district. Opinions from the Ethics Board clarify and assist public servants in understanding the parameters of the prohibitions outlined in the Ethics Code, as exemplified by the opinion requested by Mr. Hidalgo. LPSB is dedicated to transparency and compliance with all requirements established in the Code of Government Ethics. However, the recommendations proposed by the auditor exceed these standards and would impose an unnecessary burden on LPSB and its administrators. Moreover, differing standards have the possibility of creating confusion.

2025-034 Management Override of Established Internal Controls

Recommendation:

Management should strengthen oversight of internal control adherence and ensure that all employees, including management, follow established procedures without exception. Any necessary deviations should be documented, justified, and subject to independent review and approval. Management should also reinforce training on internal control policies and establish monitoring mechanisms to detect and prevent future overrides.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-035 Disclaimer of Opinion – Financial Statements

Recommendation:

We recommend that the School Board take immediate action to strengthen its internal control environment. Specifically, management should:

- Ensure that all accounting records and supporting documentation are complete, accurate, and readily available.

- Enforce oversight of financial reporting and internal control procedures.
- Promote transparency, accountability, and cooperation with auditors to facilitate future audits.
- Implement measures to mitigate the risk of management override, including additional supervisory review, approval requirements, and segregation of duties.

Corrective Action Plan:

A. OBJECTION

On December 29, 2025, following LPSB’s submission of its Response to the Draft Findings of Kolder, Slaven, and Company, LLC (“KS&C”) relating to its 2024-2025 Annual Audit, LPSB received two additional findings characterized as Disclaimers of Opinion. The issuance of these post-response Disclaimers of Opinion regarding the findings highlights KS&C’s apparent lack of objectivity and its failure to adhere to generally accepted government auditing standards in conducting the 24-25 audit.

A Disclaimer of Opinion “is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.”¹ According to LLA, “a local auditee that provides for an audit report with a disclaimer of opinion” is regarded as being in noncompliance with its reporting requirements to LLA under the audit law (Louisiana Revised Statute 24:513). LLA further expects the CPA to include in such a report a finding that provides a full explanation for the disclaimer of opinion.²

The two supplemental responses provided are, however, substantially lacking the “full explanation” mandated by the Legislative Auditors for the serious allegations being presented by KS&C. As with its other findings, these recent findings fail to cite any specific conditions present during the audit period that would have precluded KS&C from forming a conclusion. Therefore, as with the original findings, LPSB, on January 6, 2026, again requested that KS&C provide supporting evidence for its claim that it was unable to obtain “evidence regarding significant financial statement balances, transactions, and disclosures.” KS&C responded by stating that these new findings were based on Finding 16 - Invoices Paid Without Sufficient Supporting Detail (IC & C), Finding 26 - Management Override of Established Internal Controls (IC), Finding 31 - Unsupported Experience-Based Pay Increases (IC), and other undisclosed matters. Notably, none of these specific findings are instances where KS&C was prevented from forming a conclusion. To the contrary, the original findings identified by KS&C reflect otherwise. For instance, in Finding 16, KS&C notes it “tested 539 and identified 213 in which invoices were paid without sufficient documentation.”

Despite KS&C's assertions, LPSB has at no point failed to provide information to KS&C upon request (see Corrective Action sections below). In fact, KS&C issued 33 Findings, each purportedly substantiated by documentation. As stated in LPSB's Response, a request was made by LPSB for KS&C to produce the referenced specific supporting documentation. However, KS&C declined to provide the documentation. Auditing standards stipulate: "Auditors should document supervisory review, before the report release date, of the evidence that supports the findings and conclusions contained in the audit report."³ They further require: "Auditors should document any departures from the GAGAS requirements and the effect on the audit and on the auditors' conclusions when the audit is not in compliance with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit."⁴ Despite LPSB, in its Response and communications prior thereto pointing out erroneous references to the law and facts, KS&C refused to modify its findings. Instead, it introduced these two ambiguous Disclaimers of Opinion, alleging that LPSB failed to provide necessary information for KS&C to reach a conclusion. However, a cursory review of its original findings clearly reflect that KS&C did reach conclusions, which they assert were based upon conditions found during their investigation. Which is it? Are KS&C's findings supported or not?

KS&C's ex post Disclaimers of Opinion not only misrepresent LPSB's cooperation and full disclosure of information, but they are also predicated upon the unfounded assertion that LPSB's "representations, including written representations required under auditing standards, could not be relied upon due to concerns regarding the reliability of management representations." After 33 years of engagement with LPSB audits, KS&C has now made the unwarranted claim that LPSB's representations are unreliable, without pointing to a specific instance of unreliability. Ironically, it is the auditor's own representations that are demonstrated to be unreliable, as evidenced by the submission of these two vague and contradictory Disclaimers of Opinion. "[A] CPA cannot enter into the engagement with a pre-conceived notion that the local auditee is doing everything wrong. Going into an engagement with [this] attitude impairs the independence of the CPA firm."

The two findings, submitted after LPSB responded to its original findings, do not meet the standards set forth in the Louisiana Governmental Audit Guide. They contradict the original findings, misrepresent LPSB's cooperation throughout the audit, insert slanderous statements as to the reliability of LPSB's representations, and fail to provide a full explanation for the disclaimer of opinion. KS&C should remove these findings from its report.

¹ LGAG 400-1160, Types of Auditor's Opinions

² LGAG 400-1160, Types of Auditor's Opinions

³ GAO-24, Sections 6.31 (emphasis added)

⁴GAO-24, Sections 6.32

B. CORRECTIVE ACTION

Prior to the financial audit, Lafayette Parish School Board (LPSB) staff prepared reports and documentation for at least 185 requests that were made by the external auditors. These requests consisted of, but were not limited to, all General Ledger data and information on all Major and Non Major Funds (i.e. General Fund, Construction Funds, Debt Service Funds, and Special Revenue funds), worksheets, personnel records, copies of checks, copies of invoices, grant reimbursement requests, expenditure detail reports, capital asset data and reports, accounts payable data and reports, the type of computer equipment used (including the software and operating systems), construction related documents, copies of contracts, insurance invoices, schedules of judgments and agreements, check registers, calendars, securities pledged, accounts payable details, financial statements, schedule of construction contracts, retirement reports, listing of new hires, purchase orders, check requests, financial reconciliations, sales tax reports and documents, other insurance related documents, insurance policies, monitoring reports, AFR report, arbitrage documentation, copies of deposits receipts, copies of budgets, outstanding checks, revenue reports, expenditure reports, and balance sheet reports.

Under the Department of Education agreed upon procedures audit, LPSB staff provided Class size data, PEP data and a user guide.

Under the Statewide Agreed Upon procedure, LPSB staff provided proof of required trainings such as ethics, bond insurance policies, list of all bank accounts, a listing of employees, officials employed during the year, and a list of deposit and collection sites.

Other requests from our external auditors may come via email throughout the audit process and responses are provided likewise. All of the items listed above, and other items that were not listed above, are routinely provided each year. For several decades this has been the standard and nothing has changed in terms of provided supporting documentation within this particular audit.

Internal controls have been in place for many decades. The external auditors have been reviewing, studying and auditing our internal controls for three decades. Over the years, LPSB internal controls have been adjusted, strengthened or heighten to prevent operational deficiencies, fraud and/or non-compliance of which the auditors have contributed to its advancement. Substantially, there has been no change to internal controls as they are in place for a reason. Systematically, internal controls are planted and executed in various areas and departments for various functions and/or lawful requirements. The biggest threats to any organization are misappropriation or improper disbursement of funds. Neither have occurred, because internal controls such as the utilization of electronic requisitions and check request processes were in place to ensure goods and services were precured properly and vendor payments were substantiated.

LPSB stands by its management representations that have been provided to the auditors. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In addition to supporting documentation, the external auditors had complete access to our financial software to ascertain the completeness and accuracy of our financial records.

Significant Deficiency:

2025-036 Late Submission of Audit Report

Recommendation:

Management should strengthen its financial reporting and year-end closing processes to ensure that all necessary information is prepared and available in a timely manner.

Corrective Action Plan:

Management will continue to submit documentation, data and other information in a timely manner. Obtaining the additional legal information requested by our external auditors through the confirmation process was delayed due to certain attorneys not being present in the office due to vacationing and/or handling other court cases. Although these things are not within the control of the Lafayette Parish School Board, management will be proactive in coordinating efforts between both parties; auditors and attorneys.

Compliance Findings:

- 2025-037** See **2025-001.**
- 2025-038** See **2025-002.**
- 2025-039** See **2025-004.**
- 2025-040** See **2025-005.**
- 2025-041** See **2025-006.**
- 2025-042** See **2025-007.**
- 2025-043** See **2025-008.**
- 2025-044** See **2025-009.**
- 2025-045** See **2025-010.**
- 2025-046** See **2025-011.**
- 2025-047** See **2025-012.**
- 2025-048** See **2025-014.**

- 2025-049** See **2025-016**.
- 2025-050** See **2025-017**.
- 2025-051** See **2025-018**.
- 2025-052** See **2025-019**.
- 2025-053** See **2025-020**.
- 2025-054** See **2025-021**.
- 2025-055** See **2025-022**.

2025-056 Fuel Purchases Exceeding \$60,000 Annually Without Competitive Bidding

Recommendation:

The School Board should implement policies and procedures to ensure that all purchases exceeding statutory bid thresholds are procured through a competitive bidding process and provide training to staff responsible for procurement on Louisiana competitive bidding laws and internal control requirements. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-057 Propane Purchases Made Outside of Competitive Bid

Recommendation:

The School Board should ensure that all purchases exceeding statutory bid thresholds are made only from the approved vendor in the competitive bid, unless properly justified and documented, strengthen management review and monitoring procedures to verify compliance with bid awards before purchases are made, and provide training to staff responsible for procurement on Louisiana competitive bidding laws and internal controls. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-058 Splitting Public Works Projects to Avoid Competitive Bidding

Recommendation:

Management should implement internal controls and procedures to ensure that public works projects are not intentionally divided to circumvent competitive bidding thresholds and provide training to procurement staff and management on Louisiana public bid laws, project thresholds, and proper documentation requirements. The School Board should investigate the transactions that violated policy to determine if there was misuse or intentional circumvention, hold employees or approving officials accountable when policy violations are confirmed, and document corrective actions to demonstrate management oversight.

Corrective Action Plan:

A. OBJECTIONS

- (1) This finding related to Vestibules Does Not Accurately Reflect the Law or Facts
The finding states that several projects, totaling \$1,223,359, which would have required competitive bidding, were awarded without adhering to statutory bid requirements. References are made to two instances: (a) Vestibules and (b) Carencro Ag Shop.

Upon reviewing its records, LPSB has identified only two projects for vestibules that were bid during the 2024-2025 auditing period. LPSB disagrees with the auditor's legal opinion asserting that these projects should have been bid collectively and notes that the legal basis for its opinion is not given. It could be that the auditor's position is based on a 1989 opinion of the Attorney General, which asserts that fourteen identical buildings constructed simultaneously from the same plans must be considered one public work and bid under a single contract to the lowest responsible bidder, even if situated on different sites or intended for different uses. LPSB's legal counsel, citing the text of the Public Bid Law and more recent opinions of the Attorney General advised, has advised, "The statute's text supersedes the Attorney General's opinion. The Public Bid Law mandates that all public works exceeding \$250,000.00 must be advertised and publicly bid. A 'public work' is defined in La. R.S. 2211 as 'the erection, constructarrion, alteration, improvement, or repair of any public facility or immovable property owned, used, or leased by a public entity.' This definition does not imply that construction, located at multiple distinct sites and each requiring unique designs and specifications, should be classified as a singular public work (see La. Att'y Gen. Op. No. 08-0067 (July 18, 2008)).

This finding asserts that "Documentation justifying this practice was either insufficient or absent." However, there is no statutory requirement for LPSB to document why separate projects at different locations do not conform to the statutory definition of a "public work". In response to the same previous misinterpretations of the Public Bid Law by KS&C, LPSB took the precaution of documenting its rationale in this case, primarily to defend against this specific finding. In an internal email dated February 14, 2024, between Darren Hughes, LPSB Supervisor of Expansion and Development, and Heidi LeBourgeois, LPSB' Construction Accountant, Mr. Hughes stated:

These were not bid out as a single group due to the following key factors:

- Unique Existing Conditions: Each school has a different build, and existing conditions vary significantly across locations. A group bid would not have accounted for these differences effectively.
- Customized Design & Specification: All vestibule designs were individually drawn and specified to meet the distinct needs of each school. No two projects were identical, requiring tailored solutions rather than a one-size-fits-all approach.
- Competitive Bidding Process: Three bids for each individual project were obtained to ensure a fair and competitive pricing process.

To the extent that the auditor's findings rely on a 39-year-old advisory opinion from the Attorney General, rather than the statute's text, and overlook a more recent and relevant Attorney General Opinion, the findings are erroneous as a matter of law and should be revised.

(2) This finding related to Carencro Ag Shop Incorrectly States the Facts

The reference to the Carencro Ag Shop is confusing as it does not relate to the division or separation of a public works project into smaller components to evade the Public Bid Law. On the contrary, it pertains to a single public work project that never surpassed the \$250,000.00 contractual limits prescribed by the Public Bid Law. The "Contract limit" for a public works project is determined prior to bidding and is comprised of the contractor's labor, materials, equipment, and administrative overhead (not exceeding fifteen percent). Prior to entering into a contract, the probable construction costs for the Carencro Ag Shop Project were estimated to be under the threshold established by the Public Bid Law, and the contractual lump sum for the public work confirmed when it came in at \$210,000.00. After the contract was executed, a large size trailer was donated to the Ag Shop. To accommodate the trailer, a change order was necessary. Additionally, modifications to the electrical system were identified. The contractor provided quotes for the subsequent change order work. It would have increased the contract cost by \$39,600.00, bringing the total contract to \$249,600.00. Because the contract value never exceeded nor was it anticipated to exceed the contract limit established by the Public Bid Law, the reference to the Carencro Ag Shop does not support the Finding.

B. CORRECTIVE ACTIONS

Given that both references provided by the auditor are within the scope of the Public Bid Law, LPSB is unable to ascertain the basis of this finding or develop corrective measures to address the issues raised. LPSB fully complies with the provisions of La. R.S. 38:2212(V) and does not, under any circumstances, divide or separate public work, as defined in La. R.S. 38:2211, into smaller projects that would circumvent the requirements for advertising and awarding contracts to the lowest responsive and responsible bidder.

2025-059 Noncompliance with Procurement Policy for Obtaining Three Quotes

Recommendation:

Management should enforce the existing policy requiring at least three quotes, ensure procurement staff maintain documentation supporting all quotes obtained, including justification for exceptions, and provide training to staff and supervisors on the importance of following procurement procedures and internal controls.

Corrective Action Plan:

See corrective action plan for **2025-004**.

2025-060 See **2025-023**.

2025-061 See **2025-024**.

2025-062 See **2025-025**.

2025-063 See **2025-028**.

2025-064 See **2025-029**.

2025-065 See **2025-030**.

2025-066 See **2025-031**.

2025-067 See **2025-032**.

2025-068 See **2025-033**.

2025-069 See **2025-035**.

2025-070 See **2025-036**.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

DEPARTMENT OF EDUCATION

Special Education Cluster (84.027 and 84.173)

Material Weakness:

2025-071 Vendor Eligibility Verification

Recommendation:

The School Board should implement and enforce policies and procedures to ensure that all vendors are verified for eligibility before engaging in business transactions.

Corrective Action Plan:

The Lafayette Parish School Board has a defined process in place to ensure debarment verifications are being performed. As new vendors are setup, a debarment verification is performed when federal funds are to be associated with a vendor. In addition, many vendors are utilized year after year, which is after an initial debarment verification is performed. In this case, debarment verifications for three vendors could not be found, and despite key personnel turnover, staff will ensure that debarment verifications are being performed and stored digitally.

2025-072 Insufficient Documentation of Asset Disposals

Recommendation:

The School Board should strengthen and enforce policies and procedures to ensure that all grant-funded and other assets are properly accounted for and disposed of in accordance with federal and state requirements.

Corrective Action Plan:

During the recent audit, several assets were randomly selected for review by the auditors. Four of the assets selected were supposed to have been removed from the capital asset listing, but were not removed because the required documentation was not remitted to the Accounting Department. Going forward, accounting staff will visit all schools to conduct a capital asset audit to ensure the capital asset listing is accurate and to provide additional training to school based staff.

All major programs.

2025-073 Disclaimer of Opinion – Single Audit

Recommendation:

We recommend that the School Board take immediate action to strengthen its internal control environment. Specifically, management should:

- Ensure that all accounting records and supporting documentation are complete, accurate, and readily available.
- Enforce oversight of financial reporting and internal control procedures.
- Promote transparency, accountability, and cooperation with auditors to facilitate future audits.
- Implement measures to mitigate the risk of management override, including additional supervisory review, approval requirements, and segregation of duties.
- Ensure compliance documentation for federal programs is complete, accurate, and available for audit.

Corrective Action Plan:

A. OBJECTION

On December 29, 2025, following LPSB’s submission of its Response to the Draft Findings of Kolder, Slaven, and Company, LLC (“KS&C”) relating to its 2024-2025 Annual Audit, LPSB received two additional findings characterized as Disclaimers of Opinion. The issuance of these post-response Disclaimers of Opinion regarding the findings highlights KS&C’s apparent lack of objectivity and its failure to adhere to generally accepted government auditing standards in conducting the 24-25 audit.

A Disclaimer of Opinion “is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.”¹ According to LLA, “a local auditee that provides for an audit report with a disclaimer of opinion” is regarded as being in noncompliance with its reporting requirements to LLA under the audit law (Louisiana Revised Statute 24:513). LLA further expects the CPA to include in such a report a finding that provides a full explanation for the disclaimer of opinion.²

The two supplemental responses provided are, however, substantially lacking the “full explanation” mandated by the Legislative Auditors for the serious allegations being presented by KS&C. As with its other findings, these recent findings fail to cite any specific conditions present during the audit period that would have precluded KS&C from forming a conclusion. Therefore, as with the original findings, LPSB, on January 6, 2026, again requested that KS&C provide supporting evidence for its claim that it was unable to obtain “evidence regarding significant financial statement balances, transactions, and disclosures.” KS&C responded by stating that these new findings were based on Finding 16 - Invoices Paid Without Sufficient Supporting Detail (IC & C), Finding 26 - Management Override of Established Internal Controls (IC), Finding 31 - Unsupported Experience-Based Pay Increases (IC), and other undisclosed matters. Notably, none of these specific findings are instances where KS&C was prevented from forming a conclusion. To the contrary, the original findings identified by KS&C reflect otherwise. For instance, in Finding 16, KS&C notes it “tested 539 and identified 213 in which invoices were paid without sufficient documentation.”

Despite KS&C's assertions, LPSB has at no point failed to provide information to KS&C upon request (see Corrective Action sections below). In fact, KS&C issued 33 Findings, each purportedly substantiated by documentation. As stated in LPSB's Response, a request was made by LPSB for KS&C to produce the referenced specific supporting documentation. However, KS&C declined to provide the documentation. Auditing standards stipulate: "Auditors should document supervisory review, before the report release date, of the evidence that supports the findings and conclusions contained in the audit report."³ They further require: "Auditors should document any departures from the GAGAS requirements and the effect on the audit and on the auditors' conclusions when the audit is not in compliance with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit."⁴ Despite LPSB, in its Response and communications prior thereto pointing out erroneous references to the law and facts, KS&C refused to modify its findings. Instead, it introduced these two ambiguous Disclaimers of Opinion, alleging that LPSB failed to provide necessary information for KS&C to reach a conclusion. However, a cursory review of its original findings clearly reflect that KS&C did reach conclusions, which they assert were based upon conditions found during their investigation. Which is it? Are KS&C's findings supported or not?

KS&C's ex post Disclaimers of Opinion not only misrepresent LPSB's cooperation and full disclosure of information, but they are also predicated upon the unfounded assertion that LPSB's "representations, including written representations required under auditing standards, could not be relied upon due to concerns regarding the reliability of management representations." After 33 years of engagement with LPSB audits, KS&C has now made the unwarranted claim that LPSB's representations are unreliable, without pointing to a specific instance of unreliability. Ironically, it is the auditor's own representations that are demonstrated to be unreliable, as evidenced by the submission of these two vague and contradictory Disclaimers of Opinion. "[A] CPA cannot enter into the engagement with a pre-conceived notion that the local auditee is doing everything wrong. Going into an engagement with [this] attitude impairs the independence of the CPA firm."

The two findings, submitted after LPSB responded to its original findings, do not meet the standards set forth in the Louisiana Governmental Audit Guide. They contradict the original findings, misrepresent LPSB's cooperation throughout the audit, insert slanderous statements as to the reliability of LPSB's representations, and fail to provide a full explanation for the disclaimer of opinion. KS&C should remove these findings from its report.

¹ LGAG 400-1160, Types of Auditor's Opinions

² LGAG 400-1160, Types of Auditor's Opinions

³ GAO-24, Sections 6.31 (emphasis added)

⁴ GAO-24, Sections 6.32

B. CORRECTIVE ACTION

Prior to the financial audit, Lafayette Parish School Board (LPSB) staff prepared reports and documentation for at least 185 requests that were made by the external auditors. These requests consisted of, but were not limited to, all General Ledger data and information on all Major and Non Major Funds (i.e. General Fund, Construction Funds, Debt Service Funds, and Special Revenue funds), worksheets, personnel records, copies of checks, copies of invoices, grant reimbursement requests, expenditure detail reports, capital asset data and reports, accounts payable data and reports, the type of computer equipment used (including the software and operating systems), construction related documents, copies of contracts, insurance invoices, schedules of judgments and agreements, check registers, calendars, securities pledged, accounts payable details, financial statements, schedule of construction contracts, retirement reports, listing of new hires, purchase orders, check requests, financial reconciliations, sales tax reports and documents, other insurance related documents, insurance policies, monitoring reports, AFR report, arbitrage documentation, copies of deposits receipts, copies of budgets, outstanding checks, revenue reports, expenditure reports, and balance sheet reports.

Under the Department of Education agreed upon procedures audit, LPSB staff provided Class size data, PEP data and a user guide.

Under the Statewide Agreed Upon procedure, LPSB staff provided proof of required trainings such as ethics, bond insurance policies, list of all bank accounts, a listing of employees, officials employed during the year, and a list of deposit and collection sites.

Other requests from our external auditors may come via email throughout the audit process and responses are provided likewise. All of the items listed above, and other items that were not listed above, are routinely provided each year. For several decades this has been the standard and nothing has changed in terms of provided supporting documentation within this particular audit.

Internal controls have been in place for many decades. The external auditors have been reviewing, studying and auditing our internal controls for three decades. Over the years, LPSB internal controls have been adjusted, strengthened or heightened to prevent operational deficiencies, fraud and/or non-compliance of which the auditors have contributed to its advancement. Substantially, there has been no change to internal controls as they are in place for a reason. Systematically, internal controls are planted and executed in various areas and departments for various functions and/or lawful requirements. The biggest threats to any organization are misappropriation or improper disbursement of funds. Neither have occurred, because internal controls such as the utilization of electronic requisitions and check request processes were in place to ensure goods and services were procured properly and vendor payments were substantiated.

LPSB stands by its management representations that have been provided to the auditors. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In addition to supporting documentation, the external auditors had complete access to our financial software to ascertain the completeness and accuracy of our financial records.

2025-074 Late Submission to the Federal Audit Clearinghouse

Recommendation:

Management should strengthen its financial reporting and year-end closing processes to ensure that all necessary information is prepared and available in a timely manner to facilitate completion of the audit within required reporting deadlines.

Corrective Action Plan:

Management will continue to submit documentation, data and other information in a timely manner. Obtaining the additional legal information requested by our external auditors through the confirmation process was delayed due to certain attorneys not being present in the office due to vacationing and/or handling other court cases. Although these things are not within the control of the Lafayette Parish School Board, management will be proactive in coordinating efforts between both parties; auditors and attorneys.

DEPARTMENT OF EDUCATION

Special Education Cluster (84.027 and 84.173)

Compliance:

2025-075 See **2025-072.**

All major programs.

2025-076 See **2025-073.**

2025-077 See **2025-074.**

If the U.S. Department of Agriculture has questions regarding this plan, please call Anthony Mouton, Chief Financial Officer at 337-521-7307.

Sincerely,

Anthony Mouton

**Anthony Mouton, CPA, CLSBO
Chief Financial Officer**

LAFAYETTE PARISH SCHOOL BOARD

SPECIAL AGREED-UPON PROCEDURES
REPORT ON SCHOOL BOARD
PERFORMANCE MEASURES

Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures		1 - 3
Schedules Required by State Law		4
General Fund instructional and support expenditures and certain local revenue sources	1	5
Class size characteristics	2	6

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*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

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.KCSRPCAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

To the Lafayette 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 Lafayette Parish School Board for the fiscal year ended June 30, 2025; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the Lafayette Parish School Board is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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

Four of the 25 transactions selected for testing were not classified correctly in the general ledger expenditure account.

Class Size Characteristics (Schedule 2)

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

There were no exceptions noted.

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

3. We obtained October 1st PEP data submitted to the Department of Education, 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 prepared by management.

Nineteen of the 25 individuals selected for testing had an incorrect amount reported in the PEP data for the years of experience, and one of the 25 individuals selected for testing had an incorrect education level reported in the PEP data.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education 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.

Six of the 25 individuals selected for testing had incorrect amounts of extra compensation reported in the PEP data, and three of the 25 individuals selected for testing had incorrect full-time equivalents reported in the PEP data.

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

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

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

Kolder, Slaven & Company, LLC

Certified Public Accountants

Lafayette, Louisiana
March 31, 2026

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)

As of and for the Year Ended June 30, 2025

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

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

Schedule 2 – Class Size Characteristics

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

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

SCHEDULE 1

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2025

General Fund Instructional and Equipment Expenditures

General Fund instructional expenditures:

Teacher and student interaction activities -

Classroom teacher salaries	\$ 87,181,655
Other instructional staff activities	15,414,641
Instructional staff employee benefits	44,354,693
Purchased professional and technical services	33,583
Instructional materials and supplies	4,174,162
Instructional equipment	<u>864,584</u>

Total teacher and student interaction activities \$ 152,023,318

Other instructional activities 1,077,052

Pupil support services 21,420,135

Less: Equipment for pupil support services -

Net pupil support services 21,420,135

Instructional staff services 13,777,620

Less: Equipment for instructional staff services (639)

Net instructional staff services 13,776,981

School administration 22,815,789

Less: Equipment for school administration (44,313)

Net school administration 22,771,476

Total General Fund instructional expenditures \$ 211,068,962

Total General Fund equipment expenditures \$ 939,943

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 13,571,550
Renewable ad valorem tax	84,587,481
Debt service ad valorem tax	-
Up to 1% of collections by the Sheriff on taxes other than school taxes	2,506,124
Sales and use taxes	<u>104,195,250</u>
Total local taxation revenue	<u>\$ 204,860,405</u>

Local earnings on investment in real property:

Earnings from 16th section property	\$ 163,162
Earnings from other real property	<u>450,564</u>
Total local earnings on investment in real property	<u>\$ 613,726</u>

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 311,490
Revenue sharing - other taxes	1,941,783
Revenue sharing - excess portion	-
Other revenue in lieu of taxes	<u>-</u>
Total state revenue in lieu of taxes	<u>\$ 2,253,273</u>

Nonpublic textbook revenue \$ 229,210

Nonpublic transportation revenue \$ -

LAFAYETTE PARISH SCHOOL BOARD
Lafayette, Louisiana

SCHEDULE 2

Class Size Characteristics
As of October 1, 2025

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	72.9%	3322	25.3%	1154	1.7%	76	0.0%	2
Elementary activity classes	74.1%	1279	23.0%	396	1.8%	31	1.1%	19
Middle/Junior high	71.1%	1384	23.0%	447	5.8%	113	0.1%	2
Middle/Junior high activity classes	73.3%	344	10.4%	49	10.4%	49	5.8%	27
High	64.9%	2761	23.8%	1013	11.2%	475	0.1%	5
High activity classes	74.2%	493	12.5%	83	9.5%	63	3.8%	25
Other activity classes	100.0%	6	0.0%	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 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

LAFAYETTE PARISH SCHOOL BOARD

Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2025

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*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* 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

Mr. Francis Touchet, Superintendent
And Members of the Lafayette Parish School Board
Lafayette, Louisiana 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, 2024 through June 30, 2025. The Lafayette Parish School Board (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, 2024 through June 30, 2025. 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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

1. We obtained and inspected the School Board's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the School Board's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4)

controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase 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).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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 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) **Prevention of 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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- 2. We obtained and inspected 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) Observed 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) Observed 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.

- c) Obtained the prior year audit report and observed 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, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.
- d) Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

- 3. We obtained a listing of the School Board's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the School Board's main operating account. We selected the School Board's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date of the 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 electronic fund transfers)

- 4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed 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 also 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 custodial fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was in force during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed 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) Traced the actual deposit per the bank statement to the general ledger.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed 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; and
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the School Board's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the School Board's main operating account and the month selected in Bank Reconciliations procedure #3, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that did include electronic disbursements.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed 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.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to inspection). For each transaction, we observed 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, we described the nature of the transaction and observed 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)

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

15. We obtained 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. We randomly selected 5 reimbursements, we obtained 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, we observed 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, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).
- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- 16. We obtained 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) We observed 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) We observed 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), we observed 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) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- 17. We obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, we obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) We observed that supervisors approved the attendance and leave of the selected employees or officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the School Board's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agreed to the authorized salary/pay rate found within the personnel file.

19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees or officials and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the School Board's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee's or official's personnel files, and agreed the termination payment to the School Board's policy.
20. We obtained 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

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) We observed whether 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.
 - c) We inquired and/or observed whether the entity has an appointed ethics designee as required by R.S. 42:1170.

Debt Service

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

22. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
23. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

24. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the School Board reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the School Board is domiciled as required by R.S. 24:523.

25. Observed that the School Board 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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

26. We performed the following procedures, verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”
- a) We obtained and inspected the School Board’s most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - b) We obtained and inspected the School Board’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) We obtained a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrated 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.
27. We randomly selected 5 terminated employees, or all terminated employees if less than 5, using the list of terminated employees obtained in procedure #19, we observed evidence of terminated employees being removed or disabled from the network.
28. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S.42:126725. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. We observed the School Board has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the School Board’s premises if the entity does not have a website).
31. We obtained the School Board’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed 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.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Cash Collection

1. Of the 5 deposits selected, 2 deposits were not made within one business day of receipt at the collection location.

Sexual Harassment

2. The sexual harassment report issued was not dated on or before February 1.

Management's response to exceptions: Management has taken measures to ensure these exceptions will not occur in the future.

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 from 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