

**Union Parish School Board
Farmerville, Louisiana**



Annual Financial Report

For the fiscal year ended June 30, 2025

**Union Parish School Board
Farmerville, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2025**

**Union Parish School Board
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Independent Auditor's Report

Board Members
Union Parish School Board
Farmerville, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Union Parish 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.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Union Parish School Board, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Downsville Community Charter, Inc., which represents 100% of the assets, net position, and revenues of the aggregate discretely presented component unit as of June 30, 2025. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it is related to the amounts included for Downsville Community Charter, Inc., is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matters

As described in Note 19 to the financial statements, the School Board adopted new accounting guidance, GASB Statement No.101- *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled upon separation from employment. The adoption of this standard had no impact on the School Board's financial statements or notes to the financial statements. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by Title 2, *U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by Title 2, *U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2026, on our consideration of the Union Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Allen, Green & Williamson LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

February 23, 2026

REQUIRED SUPPLEMENTARY INFORMATION:

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

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

We offer readers of the Union Parish School Board's financial statements this narrative overview and analysis of the financial activities of the Union Parish School Board for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2024-2025 fiscal year include the following:

- Statement of Net Position – The Union Parish School Board's net position was \$(28,303,978) on June 30, 2025. Of this amount, \$(38,662,033) was an unrestricted deficit that was \$762,622 more than the prior year. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the School Board's ability to use that net position for day-to-day operations.
- Statement of Activities – The total net position of the Union Parish School Board increased by \$4,648,991 for the year ended June 30, 2025. This is a 14.1% increase from the last fiscal year and is due to increases in property and sales tax as well as reduction in expenses due to changes in OPEB and pension liabilities.

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipality owned utility system. They are supported by user fees and charges for services, such as a municipality owned utility system. The government activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The school Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the Union Parish School Board's governmental funds reported a combined ending fund balance of \$9,619,514, a decrease of \$1,442,188 in comparison with the prior fiscal year and a prior period correction of an error of \$130,490. This decrease can be attributed to the General Fund that decreased \$363,921 or 5.7%, a decrease in Capital Projects fund balance of \$1,528,355 or 66.2%, offset by an increase in Debt Service fund balance of \$383,478 or 25.6%.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2025, for the governmental funds of the Union Parish School Board amounted to \$41,226,536. Approximately 90.4% of this amount is received from four major revenue sources: (1) \$11.5 million from Minimum Foundation Program, (2) \$8.2 million from Federal educational grants, (3) \$10.7 million from local sales and use taxes, and (4) \$6.8 million from local ad valorem taxes.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, fund balance for the General Fund, a major fund, was \$6,027,569, or 20.6% of total General Fund expenditures. Approximately \$4.4 million is committed for future claims and contingencies, equipment replacement, and specific projects, while \$1.6 million is unassigned and available for spending at the Board's discretion.

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

NEW GASB STANDARDS

In the current fiscal year, the School Board implemented Statement No. No. 101- *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled upon separation from employment. The adoption of this standard had no impact on the School Board's financial statements or notes to the financial statements. However, the School Board is reporting an error correction for the 2025 fiscal year end; see note 20 for additional information.

USING THIS ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds: the General Fund, ESSA Programs, 21st Century, Debt Service and Capital Projects.

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

Financial Section

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios
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Schedule of Employer's Proportionate Share of the Net Pension Liability
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Budgetary Information for Major Funds
Notes to the Budgetary Comparison Schedules

Supplementary Information

Nonmajor Funds Combining Statements
Schedule of Compensation Paid Board Members
Schedule Of Compensation, Benefits And Other Payments To Agency Head
(Superintendent)

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statements

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

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

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

THE SCHOOL BOARD AS A WHOLE The School Board's net position was \$(28,303,978) at June 30, 2025. Of this amount \$(38,662,033) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position
June 30,

	Governmental Activities		
	2025	2024	Variance
Other assets	\$ 11,105,572	\$ 13,588,702	\$ (2,483,130)
Capital assets	40,785,347	39,532,769	1,252,578
Total assets	<u>51,890,919</u>	<u>53,121,471</u>	<u>(1,230,552)</u>
Deferred outflows of resources	<u>5,360,060</u>	<u>5,644,298</u>	<u>(284,238)</u>
Other liabilities	1,833,975	3,028,023	(1,194,048)
Long-term liabilities	80,787,342	82,455,803	(1,668,461)
Total liabilities	<u>82,621,317</u>	<u>85,483,826</u>	<u>(2,862,509)</u>
Deferred inflows of resources	<u>2,933,640</u>	<u>6,365,402</u>	<u>(3,431,762)</u>
Net position			
Net investment in capital assets	7,940,787	4,526,989	3,413,798
Restricted	2,417,268	1,814,207	603,061
Unrestricted	<u>(38,662,033)</u>	<u>(39,424,655)</u>	<u>762,622</u>
Total net position	<u><u>\$(28,303,978)</u></u>	<u><u>\$(33,083,459)</u></u>	<u><u>\$ 4,779,481</u></u>

The \$(38,662,033) in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its non-capital liabilities such as other post-employment benefits (OPEB), net pension liability and compensated absences, there would be a shortfall of \$38,662,033.

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

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

Table 2
Changes in Net Position
For the Year Ended June 30,

	Governmental Activities		
	2025	2024	Variance
Program revenues:			
Charges for services	\$ 10,270	\$ 18,929	\$ (8,659)
Operating grants and contributions	10,865,209	12,195,421	(1,330,212)
General revenues			
Property taxes	6,780,700	5,880,808	899,892
Sales taxes	10,745,474	10,356,657	388,817
Minimum Foundation Program	11,519,342	12,519,084	(999,742)
Other general revenues	1,305,541	1,434,990	(129,449)
Total revenues	<u>41,226,536</u>	<u>42,405,889</u>	<u>(1,179,353)</u>
Functions/Program Expenses:			
Instruction			
Regular programs	18,869,572	17,806,350	1,063,222
Special education programs	838,332	1,156,745	(318,413)
Other instructional programs	4,145,417	5,159,252	(1,013,835)
Support services			
Pupil support	2,073,509	2,306,668	(233,159)
Instructional staff support	2,532,755	3,325,329	(792,574)
General administration	1,056,505	983,624	72,881
School administration	649,787	973,997	(324,210)
Business services	602,643	656,168	(53,525)
Plant services	1,469,358	1,525,328	(55,970)
Student transportation services	1,946,316	2,431,649	(485,333)
Central services	7,527	3,519	4,008
Food services	1,320,619	1,782,396	(461,777)
Interest on long-term debt	1,065,205	1,124,519	(59,314)
Total expenses	<u>36,577,545</u>	<u>39,235,544</u>	<u>(2,657,999)</u>
Increase (decrease) in net position	4,648,991	3,170,345	1,478,646
Net position – beginning	<u>(33,083,459)</u>	<u>(35,996,875)</u>	<u>2,913,416</u>
Change due to accounting error	130,490	(256,929)	387,419
Net position – beginning, restated	<u>(32,952,969)</u>	<u>(36,253,804)</u>	<u>3,300,835</u>
Net position – ending	<u>\$ (28,303,978)</u>	<u>\$ (33,083,459)</u>	<u>\$ 4,779,481</u>

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was only \$36,577,545. The amount that taxpayers ultimately financed for these activities through School Board taxes was \$25,702,066 because some of the cost was paid by those who benefited from the program \$10,270 or by other governments and organizations who subsidized certain programs with grants and contributions \$10,865,209. The remaining balance was paid by MFP funds of \$11,519,342 and other revenues which are mainly ad valorem taxes, sales and use taxes, and miscellaneous revenues.

In the table below we have presented the cost of each of the School Board's seven largest functions - Regular programs, Special education programs, Other instructional, Pupil support, Instructional staff support, Student transportation services, and Food Services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<u>2025</u>	<u>2024</u>	<u>Variance</u>	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Regular programs	\$ 18,869,572	\$ 17,806,350	\$ 1,063,222	\$ 18,868,048	\$ 17,806,350	\$ 1,061,698
Special education programs	838,332	1,156,745	(318,413)	682,202	1,049,013	(366,811)
Other instructional programs	4,145,417	5,159,252	(1,013,835)	(1,116,314)	134,763	(1,251,077)
Pupil support	2,073,509	2,306,668	(233,159)	1,667,638	1,818,343	(150,705)
Instructional staff support	2,532,755	3,325,329	(792,574)	476,459	692,609	(216,150)
Student transportation services	1,946,316	2,431,649	(485,333)	1,424,768	1,800,440	(375,672)
Food services	1,320,619	1,782,396	(461,777)	105,044	257,976	(152,932)
All others	4,851,025	5,267,155	(416,130)	3,594,221	3,461,700	132,521
Totals	<u>\$ 36,577,545</u>	<u>\$ 39,235,544</u>	<u>\$ (2,657,999)</u>	<u>\$ 25,702,066</u>	<u>\$ 27,021,194</u>	<u>\$ (1,319,128)</u>

For the fiscal year that ended June 30, 2025, total program expenses for the primary government of approximately \$36,577,545 exceeded total program revenues of approximately \$10,875,479. These net program expenses of \$25,702,066 were funded with other revenues sources of the School Board. The two programs that receive the most revenue are Instructional Staff Support and Special Education Programs.

Revenues generated by the School Board's programs are not sufficient to cover the costs. The School Board relies on property taxes, sales taxes, MFP, investment income and other general revenues to cover the costs associated with the various programs.

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

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

The fund balance of the General Fund decreased by \$363,921. This decrease is due mainly to a decrease in MFP funding and transfer to School Fund Service.

The ESSA Programs and 21st Century funds are cost reimbursement funds and do not carry a fund balance.

The fund balance of the Debt Service fund increased by \$383,478. This increase is due mainly to an increase in ad valorem taxes.

The fund balance of the Capital Projects fund decreased by \$1,528,355. This decrease is due mainly to increased capital improvement projects on all district facilities and buildings.

The fund balances for Nonmajor Governmental Funds increased by \$66,610 during 2025. The funds which are included are special revenue funds. The main changes in the nonmajor governmental fund balances are as follows:

- The School Food Service fund balance increased \$143,738 due to General Fund reimbursement for prior year expenditures.
- The Student Activity fund balance decreased \$77,128 due to Superintendent's request to use surplus funds from concessions to improve the school facility.

General Fund Budgetary Highlights As mentioned earlier, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results for the General Fund and major special revenue funds with legally adopted budgets are provided in the required supplemental information section of this report as Exhibits 1-4 through 1-6.)

The General Fund's actual revenues exceeded the budgeted revenue amounts by \$414,643 due to an increase in interest on investments and an increase in Medicaid revenue. Total actual expenditures for the General Fund were \$88,175 less than the budgeted expenditures due to conservative budgeting with reliance on a consulting financial agency for budget comparisons.

The General Fund budget was amended during the year. The significant change that was made to the budgeted revenue to reflect the increase of the original budget for a net result of \$1,149,110 which was due to conservative budgeting with reliance on a consulting financial agency for budget comparisons.

Expenditures were also amended to reflect an increase over the original budgeted amounts with a net result of changes being an overall increase of \$1,305,638, due to overstaffing. The Superintendent and CFO met with department heads and principals to correct the overstaffing issue during the 2025-2026 school year.

Union Parish School Board
Management’s Discussion and Analysis (MD&A)
June 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2025, the School Board had \$40,785,347 invested in a broad range of capital assets, including land, construction in progress, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$1,252,578 or 3.2% from last year.

Capital Assets (net of accumulated depreciation) at June 30,

	Governmental Activities	
	2025	2024
Land	\$ 33,920	\$ 33,920
Construction in Progress	55,875	1,572,436
Land improvements	2,365,100	2,535,549
Buildings	35,730,861	33,449,108
Furniture and equipment	2,599,591	1,941,756
Totals	\$ 40,785,347	\$ 39,532,769

Major capital asset events during the fiscal year included the following:

- Construction in Progress decreased \$1,516,561 due to completion of information technology building, classroom building and stadium seating.
- Building, building improvements, and land improvements increased approximately \$2,111,304 due to addition of buildings noted above and safety fencing.
- Furniture, equipment, and vehicles increased approximately \$657,835 due to purchase of three buses and other equipment.

Long-Term Debt: At the end of the current fiscal year, the Union Parish School Board had total bonded debt of \$32,844,560. Of this amount, the General Obligation Bonds total \$30,310,000 and the Limited Tax Revenue Bonds are \$2,325,000. Both long-term debt issues are backed by the full faith and credit of the government. The following table summarizes bonds outstanding on June 30th for the past two fiscal years.

	Governmental Activities	
	2025	2024
General obligation debt	\$ 30,310,000	\$ 32,175,000
Limited tax revenue bonds	2,325,000	2,500,000
Premium on bonds	209,560	228,862
Totals	\$ 32,844,560	\$ 34,903,862

For additional information regarding capital assets and long-term debt, see Note 5 and Note 10 in the *Notes to the Financial Statements* section.

Union Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The following are currently known economic factors to be considered for the 2025-2026 fiscal year:

1. Monitoring of the employer costs for retirement and health insurance for employees.
2. MFP must continue to be monitored closely along with the student count.
3. Other major revenues such as property tax and sales tax must be closely monitored.

Requests for Information

This financial report is designed to provide a general overview of the Union Parish School Board's finances for all those with an interest in the School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent of the Union Parish School Board, 1206 Marion Highway, Farmerville, Louisiana 71241, or by calling (318) 368-9715.

Union Parish School Board

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BASIC FINANCIAL STATEMENTS:

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

UNION PARISH SCHOOL BOARD

STATEMENT OF NET POSITION

June 30, 2025

Statement A

	PRIMARY GOVERNMENT	COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	DOWNSVILLE COMMUNITY CHARTER, INC.
ASSETS		
Cash and cash equivalents	\$ 8,376,062	\$ 1,829,322
Restricted cash	-	105,694
Restricted investments	-	3,812,197
Interest receivables	-	12,440
Receivables	2,682,651	41,827
Inventory	46,859	-
Prepaid items	-	-
Due from primary government	-	41,130
Capital assets:		
Land and construction in progress	89,795	269,916
Depreciable assets, net of depreciation	40,695,552	11,722,449
TOTAL ASSETS	51,890,919	17,834,975
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	5,360,060	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,360,060	-
LIABILITIES		
Accounts, salaries and other payables	1,486,058	809,480
Retainage payable	-	166,391
Interest payable	347,917	33,249
Long-term liabilities:		
Long-term debt due within one year:		
Bonds, leases, claims, compensated absences	3,264,247	81,630
Long-term debt due within more than one year:		
Bonds, leases, claims, compensated absences	30,219,560	11,709,424
OPEB liability	31,030,099	-
Net pension liability	16,273,436	-
TOTAL LIABILITIES	82,621,317	12,800,174
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	2,294,607	-
Deferred inflows related to pensions	639,033	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,933,640	-
NET POSITION		
Net investment in capital assets	7,940,787	11,992,365
Restricted for:		
School Food Service	549,139	-
Student activity funds	332,893	127,326
Debt service	1,535,236	-
Unrestricted	(38,662,033)	(7,084,890)
TOTAL NET POSITION	\$ (28,303,978)	\$ 5,034,801

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

UNION PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT	COMPONENT UNIT
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 18,869,572	\$ -	\$ 1,524	\$ (18,868,048)	\$ -
Special education programs	838,332	-	156,130	(682,202)	-
Other instructional programs	4,145,417	-	5,261,731	1,116,314	-
Support services:					
Pupil support	2,073,509	-	405,871	(1,667,638)	-
Instructional staff support	2,532,755	-	2,056,296	(476,459)	-
General administration	1,056,505	-	288,993	(767,512)	-
School administration	649,787	-	6,015	(643,772)	-
Business services	602,643	-	3,280	(599,363)	-
Plant services	1,469,358	-	958,516	(510,842)	-
Student transportation services	1,946,316	-	521,548	(1,424,768)	-
Central services	7,527	-	-	(7,527)	-
Food services	1,320,619	10,270	1,205,305	(105,044)	-
Interest on long-term debt	1,065,205	-	-	(1,065,205)	-
Total Primary Government	<u>36,577,545</u>	<u>10,270</u>	<u>10,865,209</u>	<u>(25,702,066)</u>	<u>-</u>
Component Unit					
Downsville Community Charter, Inc.	<u>\$ 5,562,424</u>	<u>\$ 11,730</u>	<u>\$ 157,933</u>	<u>-</u>	<u>(5,392,761)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes				3,424,212	-
Property taxes, levied for debt services				3,356,488	-
Sales taxes, levied for general purposes				10,745,474	-
Grants and contributions not restricted to specific programs					
Minimum Foundation Program				11,519,342	5,814,219
State revenue sharing				66,110	-
Other grants				33,549	-
Interest and investment earnings				455,845	64,320
Miscellaneous				750,037	201,844
Total general revenues				<u>30,351,057</u>	<u>6,080,383</u>
Changes in net position				<u>4,648,991</u>	<u>687,622</u>
Net position - beginning, as originally stated				(33,083,459)	4,347,179
Prior period change due to error correction				<u>130,490</u>	<u>-</u>
Net position - beginning, as restated				<u>(32,952,969)</u>	<u>4,347,179</u>
Net position - ending				<u>\$ (28,303,978)</u>	<u>\$ 5,034,801</u>

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

Union Parish School Board

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BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

UNION PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2025

	<u>GENERAL</u>	<u>ESSA PROGRAMS</u>	<u>21st CENTURY</u>	<u>DEBT SERVICE</u>
ASSETS				
Cash and cash equivalents	\$ 4,788,021	\$ -	\$ -	\$ 1,857,439
Receivables	912,642	988,161	489,805	25,714
Interfund receivables	1,449,653	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>7,150,316</u>	<u>988,161</u>	<u>489,805</u>	<u>1,883,153</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,122,747	159,596	45,700	-
Interfund payables	-	828,565	444,105	-
TOTAL LIABILITIES	<u>1,122,747</u>	<u>988,161</u>	<u>489,805</u>	<u>-</u>
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	-	-	-	1,883,153
Committed	4,394,551	-	-	-
Unassigned	1,633,018	-	-	-
TOTAL FUND BALANCES	<u>6,027,569</u>	<u>-</u>	<u>-</u>	<u>1,883,153</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,150,316</u>	<u>\$ 988,161</u>	<u>\$ 489,805</u>	<u>\$ 1,883,153</u>

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

Statement C

CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL
\$ 838,287	\$ 892,315	\$ 8,376,062
22,082	244,247	2,682,651
-	-	1,449,653
-	46,859	46,859
<u>860,369</u>	<u>1,183,421</u>	<u>12,555,225</u>
80,468	77,547	1,486,058
-	176,983	1,449,653
<u>80,468</u>	<u>254,530</u>	<u>2,935,711</u>
-	46,859	46,859
-	882,032	2,765,185
779,901	-	5,174,452
-	-	1,633,018
<u>779,901</u>	<u>928,891</u>	<u>9,619,514</u>
<u>\$ 860,369</u>	<u>\$ 1,183,421</u>	<u>\$ 12,555,225</u>

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UNION PARISH SCHOOL BOARD

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

		Statement D
Total fund balances - governmental funds	\$	9,619,514
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	\$ 53,354,426	
Accumulated depreciation	<u>(12,569,079)</u>	
		40,785,347
<p>Deferred outflows/inflows related to pensions and OPEB are not due and payable in the current period and accordingly are not reported in the fund financial statements.</p>		
Deferred outflows related to pensions		5,360,060
Deferred inflows related to pensions		(639,033)
Deferred inflows related to OPEB		(2,294,607)
<p>Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.</p>		
Balances at June 30, 2025 are:		
Long-term liabilities		
Bonds payable	(32,635,000)	
Premium on bonds	(209,560)	
Compensated absences payable	(639,247)	
Net pension liability	(16,273,436)	
OPEB liability	(31,030,099)	
Interest payable	<u>(347,917)</u>	
		<u>(81,135,259)</u>
Net Position - Governmental Activities	\$	<u><u>(28,303,978)</u></u>

UNION PARISH SCHOOL BOARD

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

REVENUES	<u>GENERAL</u>	<u>ESSA PROGRAMS</u>	<u>21st CENTURY</u>	<u>DEBT SERVICE</u>
Local sources:				
Taxes:				
Ad valorem	\$ 3,424,212	\$ -	\$ -	\$ 3,356,488
Sales and use	10,023,378	-	-	289,053
Interest earnings	455,845	-	-	-
Food service	-	-	-	-
Other	344,802	-	-	-
State sources:				
Minimum Foundation Program	11,508,320	-	-	-
Other	2,729,951	-	-	-
Federal sources	-	3,031,890	1,078,881	-
 TOTAL REVENUES	 <u>28,486,508</u>	 <u>3,031,890</u>	 <u>1,078,881</u>	 <u>3,645,541</u>
 EXPENDITURES				
Current:				
Instruction:				
Regular programs	18,600,631	-	-	-
Special education programs	865,136	-	-	-
Other instructional programs	1,445,043	1,245,919	632,033	-
Support services:				
Pupil support	1,943,236	241,309	-	-
Instructional staff support	722,512	956,005	247,392	-
General administration	980,697	-	-	114,940
School administration	744,681	-	-	-
Business services	652,990	-	-	-
Plant services	1,549,986	10,331	18,484	-
Student transportation services	1,715,099	-	67,092	-
Central services	7,527	-	-	-
Food services	-	-	33,899	-
Facilities acquisition & construction	69,469	325,845	-	-
Debt service:				
Principal retirement	-	-	-	2,040,000
Interest and bank charges	-	-	-	1,107,123
 TOTAL EXPENDITURES	 <u>29,297,007</u>	 <u>2,779,409</u>	 <u>998,900</u>	 <u>3,262,063</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (810,499)</u>	 <u>\$ 252,481</u>	 <u>\$ 79,981</u>	 <u>\$ 383,478</u>

Statement E

CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 6,780,700
248,220	184,823	10,745,474
-	-	455,845
-	10,270	10,270
-	405,235	750,037
-	11,022	11,519,342
-	-	2,729,951
-	4,124,146	8,234,917
248,220	4,735,496	41,226,536
-	-	18,600,631
-	102,826	967,962
-	1,124,979	4,447,974
-	164,562	2,349,107
-	825,697	2,751,606
2,577	2,729	1,100,943
-	6,015	750,696
-	3,280	656,270
29,491	27,524	1,635,816
-	454,456	2,236,647
-	-	7,527
-	1,376,662	1,410,561
1,744,507	466,040	2,605,861
-	-	2,040,000
-	-	1,107,123
1,776,575	4,554,770	42,668,724
\$ (1,528,355)	\$ 180,726	\$ (1,442,188)

(CONTINUED)

UNION PARISH SCHOOL BOARD

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

	<u>GENERAL</u>	<u>ESSA PROGRAMS</u>	<u>21st CENTURY</u>	<u>DEBT SERVICE</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 589,457	\$ -	\$ -	\$ -
Transfers out	(142,879)	(252,481)	(79,981)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>446,578</u>	<u>(252,481)</u>	<u>(79,981)</u>	<u>-</u>
Net Change in Fund Balances	<u>(363,921)</u>	<u>-</u>	<u>-</u>	<u>383,478</u>
FUND BALANCES - BEGINNING, AS ORIGINALLY STATED	6,391,490	-	-	1,499,675
Prior period change due to an error correction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - BEGINNING, AS RESTATED	<u>6,391,490</u>	<u>-</u>	<u>-</u>	<u>1,499,675</u>
FUND BALANCES - ENDING	<u>\$ 6,027,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,883,153</u>

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

Statement E

CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 142,879	\$ 732,336
-	(256,995)	(732,336)
-	(114,116)	-
(1,528,355)	66,610	(1,442,188)
2,308,256	731,791	10,931,212
-	130,490	130,490
2,308,256	862,281	11,061,702
\$ 779,901	\$ 928,891	\$ 9,619,514

(CONCLUDED)

UNION PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2025**

		Statement F
Total net change in fund balances - governmental funds	\$	(1,442,188)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:		
Depreciation expense	\$ (1,436,022)	
Capital outlays	<u>2,688,600</u>	1,252,578
The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Repayment of bond debt		2,040,000
Bond premiums are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, bond premiums increase long-term debt and are amortized over the life of the bonds.		
Amortization of bond premiums		19,302
In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned was less than amounts used.		
		51,851
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		
		798,816
The decrease in the OPEB liability, deferred inflows, and deferred outflows is reported in the Statement of Activities and does not require the use of current financial resources so it is not reported as expenditures in governmental funds.		
		1,906,016
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		<u>22,616</u>
Change in net position of governmental activities	\$	<u><u>4,648,991</u></u>

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

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Union Parish School Board
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Union Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

The School Board operates two schools within the parish with a total enrollment of approximately 1,050 pupils which does not include the enrollment of Downsville Community Charter, Inc. 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.

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

Downsville Community Charter, Inc., is included in the reporting entity because it is fiscally dependent on the school system for much of its revenue. Minimum Foundation Programs funds of \$5,814,219 were passed through to Downsville Community Charter, Inc. during the year ended June 30, 2025. The School Board has the authority to revoke the charter, and exclusion would cause the reporting entity's financial statements to be incomplete. Downsville Community Charter, Inc. was established as a 501(c)(3) not-for-profit organization to operate Downsville Community Charter School. As such, it follows the guidance of the Financial Accounting Standards Board (FASB). Copies of the audit report may be obtained from the School Board.

B. FUNDS 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 self-balancing set of 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 are maintained consistent with legal and managerial requirements.

The funds of the School Board are classified as governmental funds. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund The general fund is the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

ESSA Programs This fund accounts for federal sources to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

21st Century This fund accounts for federal sources to expand community learning centers that provide students with academic enrichment opportunities during non-school hours or periods when school is not in session.

Debt Service This fund accounts for resources for debt payments and principal and interest payments on debt.

Capital Projects This fund accounts for resources obtained from the sale of the former Downsville School to the Downsville Community Charter School and will be used to construct a new building at the Union Parish High School, to add more bleachers at the football stadium, and other capital projects to be approved by the Board.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 Accounting and Financial Reporting for Nonexchange Transactions.

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

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

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Fund Financial Statements (FFS)

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

Expenditures are recorded when the related liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability is incurred.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed 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.

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

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E. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the fund financial statements balance sheet.

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

G. INVENTORY AND PREPAID ITEMS Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when consumed; however, all inventory items are recorded as expenditures when purchased. Unused commodities at June 30 are reported as unearned revenues. All purchased inventory items are valued at cost using first in, first out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold for assets other than intangible assets, is \$5,000. Intangibles, such as software, with an initial individual cost of \$100,000 or more and an estimated useful life of one year or more are considered capital assets. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 50 years
Furniture and equipment	3 - 10 years
Intangibles – software	3 - 10 years

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

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

J. COMPENSATED ABSENCES 12-month full-time employees earn ten days or more of cumulative leave each year, based upon years of service. No more than 15 days of vacation leave may be accumulated as of June 30th. Upon termination, resignation, or retirement, any unused annual leave shall be paid at the employee's rate of pay. The maximum number of days the system shall pay an employee is 25 days.

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All 12-month employees earn from twelve to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay.

Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The School Board recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled upon separation from employment. Based on the criteria listed, annual and sick leave qualify for liability recognition. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Compensated absence liability is reported in governmental funds only if the liability has matured.

K. LONG-TERM LIABILITIES Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board.

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

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has two items that qualify as deferred outflows of resources which are related to pension obligations and other post-employment benefits. See notes 6 and 7 for additional information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has two items that qualify as deferred inflows of resources which are related to pension obligations and other post-employment benefits. See notes 6 and 7 for additional information.

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M. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use is either:

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position reported in the Statement of Net Position as debt service is restricted by enabling legislation.

N. FUND EQUITY OF FUND FINANCIAL STATEMENTS GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

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

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

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The Board is the highest level of decision making authority for the School Board that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

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

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

The School Board reduces unassigned amounts, followed by assigned amounts and then committed amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The School Board considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance is available. A minimum fund balance of 15% of total general fund expenditures shall be maintained.

O. INTERFUND ACTIVITY Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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P. SALES TAXES The School Board has the following three sales tax ordinances:

On May 19, 1979, the voters of Union Parish approved a one percent sales and use tax to be collected within Union Parish to be used for the payment of salaries and retirement benefits for school teachers and other school employees and/or maintaining and operating school buildings. The tax is for an indefinite period of time.

On January 20, 2001, the voter of Union Parish approved a one percent sales and use tax to be collected within Union Parish to be used 85% for paying salaries and benefits of teachers and other school employees and 15% to be used for constructing, improving, maintaining, and operating public schools, including authority to fund a portion of the sales tax into bonds. The tax is for an indefinite period of time.

On May 3, 2014, the voters of Union Parish approved a one percent sales and use tax to be collected within Union Parish to be used for the purpose of operating and maintaining schools and school related facilities, including paying salaries and benefits of teachers and other school personnel. The tax is for an indefinite period of time.

Q. BUDGETS

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

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

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level by fund; except for special revenue funds, which are controlled at the fund level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved by the Board.

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

One fund had actual expenditures over budgeted expenditures for the year ended June 30, 2025, as detailed below:

Fund	Budget	Actual	Variance
ESSA Programs	\$1,968,475	\$2,779,409	(\$810,934)

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

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

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

Property Tax Calendar

Levy date	October 13, 2024
Tax bills mailed	November 20, 2024
Due date	December 31, 2024
Lien date	May 11, 2025
Tax sale date - 2024 delinquent property	June 11, 2025

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

10% land	25% public service properties, excluding land
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2024. Total assessed value was \$221,207,557 in the calendar year 2024. Louisiana state law exempts the first \$75,000 of the assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$40,137,890 of the assessed value in calendar year 2024.

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

All property taxes are recorded in the general and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 3 property taxes occurs in December, and January and February of the next year.

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

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

	Adjusted Maximum Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	3.55	3.55	Statutory
Maintenance and operations	15.00	15.00	2032
Debt Service	Variable	19.00	2034

NOTE 3 - DEPOSITS AND INVESTMENTS Deposits are stated at cost, which approximated fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Risk: The School Board's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the school Board's carrying amount of deposits was \$8,376,062 and the bank balance was \$9,642,337. Of the bank balance, \$269,706 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. The School Board's policy does not address custodial risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES The balance of receivables at June 30, 2025, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	ESSA Programs	21st Century	Debt Service	Capital Projects	Nonmajor Governmental	Total
Taxes:							
Sales and use	\$ 891,695	\$ -	\$ -	\$ 25,714	\$ 22,082	\$ -	\$ 939,491
Ad valorem	897	-	-	-	-	-	897
Intergovernmental-grants:							
Federal	-	988,161	489,805	-	-	244,247	1,722,213
State	20,050	-	-	-	-	-	20,050
Total	<u>\$ 912,642</u>	<u>\$ 988,161</u>	<u>\$ 489,805</u>	<u>\$ 25,714</u>	<u>\$ 22,082</u>	<u>\$ 244,247</u>	<u>\$ 2,682,651</u>

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NOTE 5 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2025 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 33,920	\$ -	\$ -	\$ 33,920
Construction in Progress	1,572,436	1,505,432	3,021,993	55,875
Total nondepreciable capital assets	<u>1,606,356</u>	<u>1,505,432</u>	<u>3,021,993</u>	<u>89,795</u>
Depreciable capital assets				
Land Improvements	3,414,674	-	-	3,414,674
Buildings	40,425,291	3,231,059	-	43,656,350
Furniture and equipment	5,219,505	974,102	-	6,193,607
Total depreciable capital assets	<u>49,059,470</u>	<u>4,205,161</u>	<u>-</u>	<u>53,264,631</u>
Less accumulated depreciation				
Land Improvements	879,125	170,449	-	1,049,574
Buildings	6,976,183	949,306	-	7,925,489
Furniture and equipment	3,277,749	316,267	-	3,594,016
Total accumulated depreciation	<u>11,133,057</u>	<u>1,436,022</u>	<u>-</u>	<u>12,569,079</u>
Total depreciable capital assets, net	<u>37,926,413</u>	<u>2,769,139</u>	<u>-</u>	<u>40,695,552</u>
Governmental activities				
Capital assets, net	<u>\$ 39,532,769</u>	<u>\$ 4,274,571</u>	<u>\$ 3,021,993</u>	<u>\$ 40,785,347</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,034,577
Special education programs	2,299
Other instructional programs	75,813
Business services	3,449
Plant services	63,564
Student transportation services	231,660
Food services	24,660
Total depreciation expense	<u>\$ 1,436,022</u>

NOTE 6 - PENSION PLANS

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

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

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

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

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

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

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

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

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Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

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

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified handicapped child.

Deferred Retirement Option Program (DROP)

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

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Cost of Living Adjustments

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

Contributions

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

Employer contributions to LSERS for fiscal year 2025 were \$269,598 with active member contributions ranging from 7.5% to 8%, and employer contributions of 25.8%. Employer defined benefit plan contributions to TRSL for fiscal year 2025 were \$1,765,419, with active member contributions of 8%, and employer contributions of 21.51%. Non-employer contributions to TRSL, which are comprised of \$89,424 from ad valorem taxes and revenue sharing funds and \$333 from the State for PIP salaries, totaled \$89,757 for fiscal year 2025. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2025, the School Board reported liabilities of \$1,401,083 and \$14,872,353 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2024, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2024, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were .276266 %, or an increase of .017829% for LSERS and .17226% or an increase of .00739% for TRSL.

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

For the year ended June 30, 2025, the School Board recognized a total pension expense of \$1,236,201 or \$(270,843) and \$1,507,044 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ 34,045	\$ 844,130	\$ 878,175	\$ -	\$ -	\$ -
Changes of assumptions	-	398,091	398,091	59,874	380,807	440,681
Net difference between projected and actual earnings on pension plan investments	-	1,129,828	1,129,828	133,670	-	133,670
Changes in proportion and differences between employer contributions and proportionate share of contributions	74,492	844,457	918,949	2,635	62,047	64,682
Employer contributions subsequent to the measurement date	269,598	1,765,419	2,035,017	-	-	-
Total	\$ 378,135	\$ 4,981,925	\$ 5,360,060	\$ 196,179	\$ 442,854	\$ 639,033

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	LSERS	TRSL	Total
2026	\$ (114,416)	\$ 196,566	\$ 82,150
2027	83,256	2,003,319	2,086,575
2028	(31,207)	349,027	317,820
2029	(25,275)	224,740	199,465
	\$ (87,642)	\$ 2,773,652	\$ 2,686,010

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LSERS	TRSL
Valuation Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	5 years
Investment Rate of Return	6.8%, net of investment expenses	7.25%, net of investment expenses
Inflation Rate	2.5% per annum	2.4% per annum
Mortality - Non-disabled	Active member: Pub2010 General below median sex distinct employee table with full generational RP2021 scale. Non-disabled retiree/inactive members - Pub 2010 Median healthy retiree tables with full generational RP2021 scale.	Active members – Pub2010T-Below Median Employee (amount weighted) tables for males and females, adjusted by 0.965 for males and by 0.942 for females. Non-Disabled retiree/inactive members – Pub2010T-Below Median Retiree (amount weighted) tables for males and females, adjusted by 1.173 for males and by 1.258 for females. Base tables are adjusted from 2010 to 2019 with continued future mortality improvement using the MP-2021 improvement table on a fully generational basis.
Mortality - Disabled	Disability retiree mortality - Pub2010 Non-safety disabled retiree sex distinct table with full generational RP2021 scale.	Disability retiree mortality – Pub2010T-Disability (amount weighted) tables for males and females, adjusted by factors of 1.043 for males and by 1.092 for females. Base tables are adjusted from 2010 to 2019 with continued future mortality improvement using the MP-2021 improvement table on a fully generational basis.
Termination, Disability, Retirement	2018-2022 experience study	2018-2022 experience study
Salary Increases	3.75%	2.41% - 4.85%
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

For LSERS the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The remaining service life of employees was changed from 2 years to 3 years in the 2024 actuarial valuation.

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

For TRSL, the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term geometric nominal expected rates of return are 8.68% for 2024. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized for each plan in the following table:

	<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>
TRSL (arithmetic)		
Domestic equity	22.50%	4.45%
International equity	11.50%	4.29%
Domestic fixed income	8.00%	2.79%
International fixed income	6.00%	1.66%
Private equity	37.00%	8.24%
Other private assets	15.00%	4.51%
Total	<u>100.00%</u>	
LSERS (arithmetic)		
Fixed income	26.00%	0.97%
Equity	39.00%	2.66%
Alternatives	23.00%	1.81%
Real estate	12.00%	0.60%
Total	<u>100.00%</u>	6.04%
Inflation		<u>2.40%</u>
Expected arithmetic nominal return		<u>8.44%</u>

Discount Rate. The discount rate used to measure the total pension liability was 6.8% for LSERS and 7.25% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS	\$ 2,132,451	\$ 1,401,083	\$ 774,205
TRSL	21,553,352	14,872,353	9,255,354

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

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

Payables to the Pension Plan. At June 30, 2025, the School Board had \$51,905 and \$314,422 in payables to LSERS and TRSL, respectively, for the June 2025 employee and employer legally required contributions.

Optional Retirement Plan

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits that are payable to participants are not the obligation of the State of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer equal to the contribution rates established for the regular retirement plan of TRSL. However, effective July 1, 2014, the employer contribution rate for amounts credited to the ORP participants who are not employed in higher education must be the greater of: (1) the employer normal cost contribution for the TRSL Regular Plan; or (2) 6.2%.

Employer ORP contributions to TRSL for fiscal year 2025 totaled \$15,861 which represents pension expense for the School Board. Employee contributions totaled \$5,742. The active member and employer contribution rates were 8% and 6.2% respectively, with an additional contribution of 15.9% made to the TRSL defined benefit plan described above.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

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

Benefits Provided and Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

Employees Covered by Benefit Terms - At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	190
Active employees	139
Total	329

Total OPEB Liability - The School Board's total OPEB liability of \$31,030,099 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2024.

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

Actuarial method	Entry age normal cost
Inflation rate	2.50%
Discount rate	4.21%
Healthcare trend	A level 4.50% trend rate was used for projecting medical costs
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates are unisex and based on age with a 3 year select period. The rates range from 9.00% in year 3 for age 25 to 4.20% in year 3 for age 55 and over
Retirement rates	Rates are unisex based on age and years of service. Rates range from 3.5% at age 50 with less than 25 years of service to 22.5% at age 66 with 30 years of service
Salary increase	None

The discount rate had no change from fiscal year 2024. No salary experience studies were conducted. The School Board contributed \$1,529,244 utilizing the pay-as-you-go basis.

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2024	\$ 30,394,098
Changes for the year:	
Service cost	880,764
Interest	1,284,481
Effect of economic/demographic gains and losses	-
Effect of assumptions changes or inputs	-
Benefit payments	(1,529,244)
Net changes	636,001
Balance at June 30, 2025	\$ 31,030,099

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 35,504,093	\$ 31,030,099	\$ 27,423,143

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 27,432,026	\$ 31,030,099	\$ 35,502,379

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 OPEB benefit of \$376,772. 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	\$ -	\$ (1,170,745)
Changes of assumptions	-	(1,123,862)
Total	\$ -	\$ (2,294,607)

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

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

Year Ended June 30:	
2026	\$ (1,738,337)
2027	(556,270)
	<u>\$ (2,294,607)</u>

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2025, are as follows:

	General	ESSA Programs	21st Century	Capital Projects	Nonmajor Governmental	Total
Salaries	\$ 749,188	\$ 107,370	\$ -	\$ -	\$ 76,994	\$ 933,552
Accounts	373,559	52,226	45,700	80,468	553	552,506
Total	<u>\$ 1,122,747</u>	<u>\$ 159,596</u>	<u>\$ 45,700</u>	<u>\$ 80,468</u>	<u>\$ 77,547</u>	<u>\$ 1,486,058</u>

NOTE 9 - COMPENSATED ABSENCES At June 30, 2025, employees of the School Board have accumulated and vested \$639,247 of employee leave benefits, including \$9,878 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation debt	\$ 32,175,000	\$ -	\$ 1,865,000	\$ 30,310,000	\$ 2,445,000
Limited tax revenue bonds	2,500,000	-	175,000	2,325,000	180,000
Premium on bonds	228,862	-	19,302	209,560	
Other liabilities:					
Compensated absences *	691,098	-	51,851	639,247	639,247
OPEB liability	35,503,428	(2,905,857)	1,567,472	31,030,099	-
Net pension liability	17,668,384	2,280,593	3,482,232	16,273,436	-
Governmental Activities					
Long-term liabilities	<u>\$ 88,766,772</u>	<u>\$ (625,264)</u>	<u>\$ 7,160,857</u>	<u>\$ 80,787,342</u>	<u>\$ 3,264,247</u>

* The change in compensated absences liability above is a net change for the year.

OPEB liability and Net pension liability will be liquidated by several of the School Board's governmental funds. In the past, approximately 80% was paid by the general fund. The general obligation bonds and the limited tax revenue bonds will be paid from the debt service fund.

The general obligation bonds were issued for the purpose of acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent within and for the District, and acquiring the necessary equipment and furnishings therefor, and specifically for those facilities, technology and security initiatives set forth in the Capital Improvement Plan approved by the School Board on January 13, 2014 and

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

paying the cost of issuance of the bonds. The limited tax revenue bonds were issued for the purpose of acquiring, constructing, improving, equipping, and furnishing school buildings and other school related facilities, including school buses and vehicles, and paying the cost incurred in connection with issuance of the bonds. These bonds are general obligation debt.

Pledged Revenues: Limited tax revenue bonds in the amount of \$3,600,000 were issued in January 2017. The School Board has pledged, as security for the bonds, a portion of the 3.55 mills constitutional ad valorem tax. The bonds are payable solely from the ad valorem tax collected and are payable through fiscal year end 2036. The total principal and interest remaining to be paid on the limited tax revenue bonds are \$2,325,000 and \$611,657, respectively. The School Board collected \$642,800 from the 3.55 constitutional ad valorem tax and paid \$175,000 in principal and \$102,875 in interest. The annual principal and interest payments are estimated to be 32.88% of the tax revenues of the next 11 years.

The individual bond issues for governmental activities are as follows:

<u>Bond issue - Public Offerings</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General obligation bonds						
Series 2014	7/24/2014	\$ 9,800,000	2-4%	3/1/2034	\$ 1,023,629	\$ 5,400,000
Series 2015	3/26/2015	15,000,000	2.25-5%	3/1/2035	1,808,508	9,560,000
Series 2016	3/22/2016	17,700,000	2.5-4.0%	3/1/2036	2,944,060	15,350,000
Limited tax revenue bonds						
Series 2017	1/11/2017	3,600,000	3-4.25%	3/1/2036	611,657	2,325,000
					<u>\$ 6,387,854</u>	<u>\$ 32,635,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and general operating funds of the School Board. At June 30, 2025, the School Board has accumulated \$1,713,177 in the debt service funds for future debt requirements. The bonds are due as follows:

	<u>General Obligation Bonds</u>		<u>Limited Tax Revenue Bonds</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
Year Ending June 30,				
2026	\$ 2,445,000	\$ 942,169	\$ 180,000	\$ 95,875
2027	2,545,000	881,189	185,000	88,675
2028	2,645,000	793,037	195,000	81,276
2029	2,750,000	719,288	200,000	73,476
2030	2,855,000	638,287	205,000	65,476
2031-2035	15,380,000	1,749,415	1,115,000	196,466
2036	1,690,000	52,812	245,000	10,413
Total	<u>\$ 30,310,000</u>	<u>\$ 5,776,197</u>	<u>\$ 2,325,000</u>	<u>\$ 611,657</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. On June 30, the statutory limit was \$77,422,645 and outstanding net bonded debt totaled \$28,596,823.

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

NOTE 11 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 828,565	ESSA Programs	\$ 828,565
	444,105	21st Century	444,105
	176,983	Nonmajor Governmental	176,983
	<u>\$ 1,449,653</u>		<u>\$ 1,449,653</u>

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received.

Interfund transfers:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
General	\$ 252,481	ESSA Programs	\$ 252,481
General	79,981	21st Century	79,981
General	256,995	Nonmajor Governmental	256,995
Nonmajor Governmental	142,879	General	142,879
	<u>\$ 732,336</u>		<u>\$ 732,336</u>

The purpose of the interfund transfers was to move indirect costs from federal programs to the general fund and reimburse expenditures to School Food Service.

NOTE 12 - FUND BALANCE CLASSIFICATION DETAILS

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non spendable:					
Inventory	\$ -	\$ -	\$ -	\$ 46,859	\$ 46,859
Restricted for:					
School food service	-	-	-	549,139	549,139
Student activity funds	-	-	-	332,893	332,893
Debt service	-	1,883,153	-	-	1,883,153
Committed for:					
Property & casualty deductible	125,000	-	-	-	125,000
Severance pay	384,267	-	-	-	384,267
General liability deductible	250,000	-	-	-	250,000
Catastrophic costs	2,448,765	-	-	-	2,448,765
Other committed	1,186,519	-	-	-	1,186,519
Capital improvements	-	-	779,901	-	779,901
Unassigned	1,633,018	-	-	-	1,633,018
Total	<u>\$ 6,027,569</u>	<u>\$ 1,883,153</u>	<u>\$ 779,901</u>	<u>\$ 928,891</u>	<u>\$ 9,619,514</u>

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

NOTE 13 - RISK MANAGEMENT The School Board is at risk for property damage, liability, and theft which are covered by commercial insurance policies. The School Board has not made any significant reductions in insurance coverage. Settled claims resulting from those risks have not exceeded commercial insurance coverage in any of the past three years.

The School Board also participates in an entity risk pool for insurance coverage, including general liability, employee fidelity, vehicle collision and liability, officer's liability, and network/cyber security insurance and the reinsurance of such coverage, in order to provide a more efficient and effective way to acquire insurance coverage. The entity risk pool is known as Property Casualty Alliance of Louisiana (PCAL), which is established only for School Boards and is overseen by a board made up of School Board Members.

The responsibilities of the School Board are to pay contributions based upon a risk-funding plan developed by the Program as well as to have a loss prevention plan to make all reasonable efforts to eliminate and minimize hazards that would contribute to property/casualty losses. The pool is responsible for handling all claims after notice of loss has been received.

NOTE 14 - LITIGATION AND CLAIMS

Litigation Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

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

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

NOTE 15 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$333. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2025, the Tax Collector paid the Teacher's Retirement System of Louisiana \$147,173. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution to the TRSL pension plan.

Union Parish School Board
Notes to the Financial Statements
June 30, 2025

NOTE 16 - ECONOMIC DEPENDENCY The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$11,519,342 to the School Board, which represents approximately 29.5% of the School Board's total revenue for the year.

NOTE 17 - TAX ABATEMENTS The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2025 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Taxable Value</u>	<u>Taxpayer Exemption</u>
School - Bond	19.00	\$ 6,517,468	\$ 123,832
School Consolidated Dist. 1	15.00	6,517,468	97,762
School - Const.	3.55	6,517,468	23,137
			<u>\$ 244,731</u>

NOTE 18 - CHANGE IN PRESENTATION The fund, Education Stabilization, was presented as a major fund for the fiscal year ended June 30, 2024. In the current fiscal year, this fund did not meet the criteria to be presented as a major fund and was moved to a nonmajor special revenue fund.

NOTE 19 - NEW GASB STANDARDS In the current fiscal year the School Board implemented GASB Statement No. 101- *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled upon separation from employment. The adoption of this standard had no impact on the School Board’s financial statements or notes to the financial statements.

NOTE 20 - ACCOUNTING CHANGES AND ERROR CORRECTION An accounting error correction was made to net position and School Food Service fund balance for an increase of \$130,490. This error was a result of inaccurate reporting of wage accruals in prior years.

Union Parish School Board

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REQUIRED SUPPLEMENTARY INFORMATION

Union Parish School Board

**Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Last Eight Years**

Exhibit 1-1

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service costs	\$ 880,764	\$ 966,144	\$ 966,144	\$ 692,693	\$ 597,368	\$ 488,352	\$ 568,857	\$ 1,095,780
Interest	1,284,481	1,263,279	1,239,753	618,065	589,187	1,014,288	1,311,336	1,317,630
Effect of economic/demographic gains or (losses)	-	(2,944,599)	-	13,847,043	715,769	(6,735,877)	(2,870,829)	-
Effect of assumption changes	-	(2,826,682)	-	(7,579,524)	491,651	3,870,006	(2,754,934)	-
Benefit payments	(1,529,244)	(1,567,472)	(1,515,193)	(1,373,977)	(891,191)	(1,021,552)	(1,297,338)	(1,487,674)
Net change in total OPEB liability	636,001	(5,109,330)	690,704	6,204,300	1,502,784	(2,384,783)	(5,042,908)	925,736
Total OPEB liability - Beginning	30,394,098	35,503,428	34,812,724	28,608,424	27,105,640	29,490,423	34,533,331	33,607,595
Total OPEB liability - Ending	\$ 31,030,099	\$ 30,394,098	\$ 35,503,428	\$ 34,812,724	\$ 28,608,424	\$ 27,105,640	\$ 29,490,423	\$ 34,533,331
Covered employee payroll	7,720,147	7,720,147	6,736,885	6,736,885	4,798,825	6,537,332	8,735,894	7,495,423
Total OPEB liability as a percentage of covered employee payroll	401.94%	393.70%	527.00%	516.75%	596.15%	414.63%	337.58%	460.73%

Changes of Assumptions

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

2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.54%
2024	4.21%
2025	4.21%

Notes:

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

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

Union Parish School Board

**Schedule of Employer's Proportionate Share of the Net Pension Liability
For the Last Ten Years**

Exhibit 1-2

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2016	0.599898%	\$ 3,804,115	\$ 1,631,239	233%	74.49%
2017	0.550718%	4,154,326	1,556,008	267%	70.09%
2018	0.534283%	3,419,021	1,527,078	224%	75.03%
2019	0.492993%	3,293,870	1,423,448	231%	74.44%
2020	0.524176%	3,669,556	1,838,325	200%	73.49%
2021	0.440343%	3,537,966	1,322,390	268%	69.67%
2022	0.418030%	1,986,967	1,260,337	158%	82.51%
2023	0.339124%	2,255,166	1,112,328	203%	76.31%
2024	0.258437%	1,563,507	915,293	171%	78.48%
2025	0.276266%	1,401,083	1,027,801	136%	82.06%
Teacher's Retirement System of Louisiana					
2016	0.21349%	\$ 22,954,607	\$ 9,618,647	239%	62.5%
2017	0.20997%	24,644,621	9,822,997	251%	59.9%
2018	0.21266%	21,801,129	9,971,918	219%	65.6%
2019	0.19155%	18,825,179	9,783,582	192%	68.2%
2020	0.18191%	18,054,228	11,203,721	161%	68.6%
2021	0.16092%	17,899,493	7,868,476	227%	65.6%
2022	0.16327%	8,716,665	8,023,041	109%	83.9%
2023	0.16144%	15,413,218	8,448,755	182%	72.4%
2024	0.16487%	14,903,238	8,900,247	167%	74.3%
2025	0.17226%	14,872,353	9,865,718	151%	76.0%

Notes:

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

See accompanying notes to required supplementary information.

Union Parish School Board

**Schedule of Employer Contributions to Pension Plans
For the Last Ten Years**

Exhibit 1-3

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2016	\$ 469,914	\$ 469,914	\$ -	\$ 1,556,008	30.2%
2017	417,602	417,602	-	1,527,078	27.3%
2018	392,872	392,872	-	1,423,448	27.6%
2019	514,731	514,731	-	1,838,325	28.0%
2020	388,783	388,783	-	1,322,390	29.4%
2021	370,539	370,539	-	1,260,337	29.4%
2022	319,238	319,238	-	1,112,328	28.7%
2023	252,621	252,621	-	915,293	27.6%
2024	283,673	283,673	-	1,027,801	27.6%
2025	269,598	269,598	-	1,044,953	25.8%
Teacher's Retirement System of Louisiana					
2016	\$ 2,711,221	\$ 2,711,221	\$ -	\$ 9,822,997	27.6%
2017	2,661,271	2,661,271	-	9,971,918	26.7%
2018	2,600,954	2,600,954	-	9,783,582	26.6%
2019	2,991,394	2,991,394	-	11,203,721	26.7%
2020	2,045,804	2,045,804	-	7,868,476	26.0%
2021	2,087,620	2,087,620	-	8,023,041	26.0%
2022	2,129,086	2,129,086	-	8,448,755	25.2%
2023	2,207,286	2,207,286	-	8,900,347	24.8%
2024	2,377,638	2,377,638	-	9,865,718	24.1%
2025	1,765,419	1,765,419	-	8,207,434	21.5%

Notes:

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

See accompanying notes to required supplementary information.

Union Parish School Board

Notes to Required Supplementary Information for Pensions

Louisiana School Employees' Retirement System

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

Changes in Assumptions: The following is a detailed description of the changes in assumptions:

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Non-disabled Active	Mortality Non-disabled Retiree	Mortality Disabled	Termination, Disability, Retirement	Salary Increases
June 30,								
2016	2015	7.00% (net of investment and administrative expenses)	2.75% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.2% to 5.5%
2017 & 2018	2016 & 2017	7.125% (net of investments expenses)	2.625% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.075% to 5.375%
2019	2018	7.0625% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%
2020	2019	7.00% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%
2021	2020	7.00% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%
2022	2021	6.90% (net of investment expenses)	2.5% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2013-2017 experience study	3.25%
2023	2022	6.8% (net of investment expenses)	2.5% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2013-2017 experience study	3.25%
2024 & 2025	2023 & 2024	6.80% (net of investment expenses)	2.5% per annum	Pub2010 General Below Median Sex Distinct Employee Table with full generational RP2021 scale	Pub-2010 Median Healthy Retiree Tables with full generational RP2021 scale	Pub-2010 Non-Safety Disabled Retiree Sex Distinct Table with full generational RP2021 scale	2018-2022 experience study	3.75%

Note: Remaining service life of employees changed from 3 years to 2 years in the 2024 report date. For report dates prior to 2024, the remaining service life of employees was 3 years. For report date 2025, the remaining service life was 3 years.

(Continued)

Union Parish School Board

Notes to Required Supplementary Information for Pensions

Teacher's Retirement System of Louisiana

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011. For 2018 and later, amounts included a 1.5% COLA, effective July 1, 2016, as provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative session.

Changes in assumptions: The following is a detailed description of the changes in assumptions:

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Non-disabled Active	Mortality Non-disabled Retiree	Mortality Disabled	Termination, Disability, Retirement	Salary Increases
June 30,								
2016 & 2017	2015 & 2016	7.75% (net of investment expense)	2.50% per annum	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Disabled Lives Mortality Table	2008-2012 experience study	3.5% to 10.0%
2018	2017	7.70% per annum	2.50% per annum	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Mortality Table with projection to 2025 using scale AA	RP-2000 Disabled Lives Mortality Table	2008-2012 experience study	3.5% to 10.0%
2019	2018	7.65% per annum	2.50% per annum	RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females ***	RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females ***	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females ***	2012-2017 experience study	3.3% to 4.8%
2020	2019	7.55% per annum	2.50% per annum	RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females ***	RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females ***	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females ***	2012-2017 experience study	3.3% to 4.8%
2021	2020	7.45% per annum	2.30% per annum	RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females ***	RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females ***	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females ***	2012-2017 experience study	3.1% to 4.6%
2022	2021	7.40% per annum	2.30% per annum	RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females ***	RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females ***	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females ***	2012-2017 experience study	3.1% to 4.6%
2023	2022	7.25% per annum	2.30% per annum	RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females ***	RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females ***	RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females ***	2012-2017 experience study	3.1% to 4.6%
2024 & 2025	2023 & 2024	7.25% per annum	2.40% per annum	Pub2010T Below Median Employee (amount weighted) tables adjusted by .965 for males and .942 for females****	Pub2010T Below Median Retiree (amount weighted) tables adjusted by 1.173 for males and 1.258 for females****	Pub2010T Disability (amount weighted) tables adjusted by 1.043 for males and 1.092 for females****	2018-2022 experience study	2.41% to 4.85%

*** Base tables for active, non-disabled retirees, and disabled retirees are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

**** Base tables for active, non-disabled retirees, and disabled retirees are adjusted from 2018 to 2022 using the MP-2021 generational improvement table, with continued future mortality improvement projected using the MP-2021 generational mortality improvement tables.

(Concluded)

Union Parish School Board

Budgetary Comparison Schedule

General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets:

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

ESSA PROGRAMS This fund accounts for federal sources to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

21st CENTURY This fund accounts for federal sources to expand community learning centers that provide students with academic enrichment opportunities during non-school hours or periods when school is not in session.

UNION PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2025**

Exhibit 1-4

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,165,617	\$ 3,430,635	\$ 3,424,212	\$ (6,423)
Sales and use	9,597,209	9,802,316	10,023,378	221,062
Interest earnings	242,500	408,218	455,845	47,627
Other	277,755	346,674	344,802	(1,872)
State sources:				
Minimum Foundation Program	12,940,795	12,054,728	11,508,320	(546,408)
Other	698,879	2,029,294	2,729,951	700,657
TOTAL REVENUES	26,922,755	28,071,865	28,486,508	414,643
EXPENDITURES				
Current:				
Instruction:				
Regular programs	16,886,248	18,528,872	18,600,631	(71,759)
Special education programs	1,065,792	880,863	865,136	15,727
Other instructional programs	1,630,184	1,399,298	1,445,043	(45,745)
Support services:				
Pupil support	1,494,867	1,918,633	1,943,236	(24,603)
Instructional staff support	799,166	763,600	722,512	41,088
General administration	898,797	951,992	980,697	(28,705)
School administration	870,382	759,022	744,681	14,341
Business services	701,786	681,995	652,990	29,005
Plant services	1,603,252	1,558,803	1,549,986	8,817
Student transportation services	2,059,582	1,872,758	1,715,099	157,659
Central services	3,650	9,297	7,527	1,770
Facilities acquisition & construction	65,838	60,049	69,469	(9,420)
TOTAL EXPENDITURES	28,079,544	29,385,182	29,297,007	88,175
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,156,789)	(1,313,317)	(810,499)	502,818
OTHER FINANCING SOURCES (USES)				
Transfers in	731,889	731,889	\$ 589,457	(142,432)
Transfers out	-	-	(142,879)	(142,879)
TOTAL OTHER FINANCING SOURCES (USES)	731,889	731,889	446,578	(285,311)
Net Change in Fund Balances	(424,900)	(581,428)	(363,921)	217,507
FUND BALANCES - BEGINNING	6,789,341	6,391,490	6,391,490	-
FUND BALANCES - ENDING	\$ 6,364,441	\$ 5,810,062	\$ 6,027,569	\$ 217,507

SEE ACCOMPANYING NOTES TO BUDGETARY COMPARISON SCHEDULES.

UNION PARISH SCHOOL BOARD

**ESSA PROGRAMS
Budgetary Comparison Schedule
For the Year Ended June 30, 2025**

Exhibit 1-5

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Federal sources	\$ 2,153,575	\$ 2,153,575	\$ 3,031,890	\$ 878,315
TOTAL REVENUES	2,153,575	2,153,575	3,031,890	878,315
EXPENDITURES				
Current:				
Instruction:				
Other instructional programs	888,712	888,712	1,245,919	(357,207)
Support services:				
Pupil support	271,374	271,374	241,309	30,065
Instructional staff support	808,389	808,389	956,005	(147,616)
Plant services	-	-	10,331	(10,331)
Capital outlay	-	-	325,845	(325,845)
TOTAL EXPENDITURES	1,968,475	1,968,475	2,779,409	(810,934)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	185,100	185,100	252,481	67,381
OTHER FINANCING SOURCES (USES)				
Transfers out	(185,100)	(185,100)	(252,481)	(67,381)
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES TO BUDGETARY COMPARISON SCHEDULES.

UNION PARISH SCHOOL BOARD

**21st Century
Budgetary Comparison Schedule
For the Year Ended June 30, 2025**

Exhibit 1-6

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Federal sources	\$ 1,200,000	\$ 1,200,000	\$ 1,078,881	\$ (121,119)
TOTAL REVENUES	1,200,000	1,200,000	1,078,881	(121,119)
EXPENDITURES				
Current:				
Instruction:				
Other instructional programs	705,440	705,440	632,033	73,407
Support services:				
Instructional staff support	265,116	265,116	247,392	17,724
Plant services	12,444	12,444	18,484	(6,040)
Student transportation services	98,348	98,348	67,092	31,256
Food services	14,755	14,755	33,899	(19,144)
TOTAL EXPENDITURES	1,096,860	1,096,860	998,900	97,960
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	103,140	103,140	79,981	(23,159)
OTHER FINANCING SOURCES (USES)				
Transfers out	(103,140)	(103,140)	(79,981)	23,159
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES TO BUDGETARY COMPARISON SCHEDULES.

Union Parish School Board

Notes to Budgetary Comparison Schedule

A. BUDGETS

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

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

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

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

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

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

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

B. Excess of Expenditures over Appropriations in Individual Funds: The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2025:

Fund	Budget	Actual	Variance
ESSA Programs	\$1,968,475	\$2,779,409	(\$810,934)

SUPPLEMENTARY INFORMATION

Union Parish School Board

Nonmajor Special Revenue Funds

SCHOOL FOOD SERVICE To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

SPECIAL EDUCATION

FEDERAL GRANTS To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

PRESCHOOL GRANTS To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

EARLY CHILDHOOD DEVELOPMENT This fund accounts for federal sources to provide early childhood community networks with the funding to develop community level strategies and solutions to increase the supply of, and access to, early childhood care and education.

EDUCATION STABILIZATION The purpose of this grant is to provide local educational authorities with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation.

STUDENT ACTIVITY FUNDS This fund accounts for assets held by the School Board for individual schools and school organizations.

MISCELLANEOUS FUNDS This fund accounts for the following grants:

- Career and Technical Education (Carl Perkins)
- Comprehensive Literacy Development
- School Improvement Grants

UNION PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2025**

	SCHOOL FOOD SERVICE	SPECIAL EDUCATION	EARLY CHILDHOOD DEVELOPMENT
ASSETS			
Cash and cash equivalents	\$ 559,422	\$ -	\$ -
Receivables	46,236	196,646	1,365
Inventory	46,859	-	-
TOTAL ASSETS	652,517	196,646	1,365
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	56,519	21,028	-
Interfund payables	-	175,618	1,365
TOTAL LIABILITIES	56,519	196,646	1,365
FUND BALANCES:			
Nonspendable	46,859	-	-
Restricted	549,139	-	-
TOTAL FUND BALANCES	595,998	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 652,517	\$ 196,646	\$ 1,365

Exhibit 2

<u>EDUCATION STABILIZATION</u>	<u>STUDENT ACTIVITY FUNDS</u>	<u>MISCELLANEOUS FUNDS</u>	<u>TOTAL</u>
\$ -	\$ 332,893	\$ -	\$ 892,315
-	-	-	244,247
-	-	-	46,859
-	332,893	-	1,183,421
-	-	-	77,547
-	-	-	176,983
-	-	-	254,530
-	-	-	46,859
-	332,893	-	882,032
-	332,893	-	928,891
\$ -	\$ 332,893	\$ -	\$ 1,183,421

UNION PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2025**

	SCHOOL FOOD SERVICE	SPECIAL EDUCATION	EARLY CHILDHOOD DEVELOPMENT
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 184,823	\$ -	\$ -
Interest earnings	-	-	-
Food service	10,270	-	-
Other	-	-	-
State sources:			
Minimum Foundation Program	11,022	-	-
Federal sources	1,162,574	939,594	106,530
TOTAL REVENUES	1,368,689	939,594	106,530
EXPENDITURES			
Current:			
Instruction:			
Regular programs	-	-	-
Special education programs	-	102,826	-
Other instructional programs	-	-	-
Support services:			
Pupil support	-	151,561	-
Instructional staff support	-	579,875	97,989
General administration	1,919	-	-
School administration	-	-	-
Business services	-	-	-
Plant services	30	-	-
Student transportation services	-	30,061	-
Central services	-	-	-
Food services	1,365,881	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	1,367,830	864,323	97,989
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	859	75,271	8,541
OTHER FINANCING SOURCES (USES)			
Transfers in	142,879	-	-
Transfers out	-	(75,271)	(8,541)
TOTAL OTHER FINANCING SOURCES (USES)	142,879	(75,271)	(8,541)
Net Change in Fund Balances	143,738	-	-
FUND BALANCES - BEGINNING AS ORIGINALLY STATED	321,770	-	-
Prior period change due to an error correction	130,490	-	-
FUND BALANCES - BEGINNING, AS RESTATED	452,260	-	-
FUND BALANCES - ENDING	\$ 595,998	\$ -	\$ -

Exhibit 3

EDUCATION STABILIZATION	STUDENT ACTIVITY FUNDS	MISCELLANEOUS FUNDS	TOTAL
\$ -	\$ -	\$ -	\$ 184,823
-	-	-	-
-	-	-	10,270
-	405,235	-	405,235
-	-	-	11,022
1,915,448	-	-	4,124,146
<u>1,915,448</u>	<u>405,235</u>	<u>-</u>	<u>4,735,496</u>
-	-	-	-
-	-	-	102,826
642,616	482,363	-	1,124,979
13,001	-	-	164,562
147,833	-	-	825,697
810	-	-	2,729
6,015	-	-	6,015
3,280	-	-	3,280
27,494	-	-	27,524
424,395	-	-	454,456
-	-	-	-
10,781	-	-	1,376,662
466,040	-	-	466,040
<u>1,742,265</u>	<u>482,363</u>	<u>-</u>	<u>4,554,770</u>
173,183	(77,128)	-	180,726
-	-	-	142,879
<u>(173,183)</u>	<u>-</u>	<u>-</u>	<u>(256,995)</u>
<u>(173,183)</u>	<u>-</u>	<u>-</u>	<u>(114,116)</u>
-	(77,128)	-	66,610
<u>-</u>	<u>410,021</u>	<u>-</u>	<u>731,791</u>
-	-	-	130,490
-	410,021	-	862,281
<u>\$ -</u>	<u>\$ 332,893</u>	<u>\$ -</u>	<u>\$ 928,891</u>

Union Parish School Board

Exhibit 4

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2025**

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$550 per month, and the president receives \$600 per month for performing the duties of their office.

<u>Board Member</u>		<u>District Served</u>	<u>Compensation</u>
Sharon	Dixon, Vice-President	1	\$ 6,900
Roger	Reeves, Jr	2	6,600
Tommy	Bennett	3	6,600
Judy	Mabry	4	6,600
Shannon	Barkley, President	5	6,900
Donna	Cranford	6	6,600
Sharon	Stewart	7	6,600
Eula	Collins	8	6,600
Cassandra	Neal	9	6,600
			<u>\$ 60,000</u>

Union Parish School Board

Exhibit 5

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2025**

Dr. Cathy Stockton, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,816
Benefits - Insurance	9,017
Benefits - Retirement	16,953
Benefits - Medicare	1,109
Travel	3,064
	<u>\$ 108,959</u>

Dr. Cynthia Gatson, Interim Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 7,500
Benefits - Retirement	1,613
Benefits - Medicare	109
	<u>\$ 9,222</u>

Kristy Fine, Former Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 7,100
Benefits - Insurance	654
Benefits - Retirement	1,527
Benefits - Medicare	270
Annual Leave Severance	11,833
	<u>\$ 21,384</u>

Union Parish School Board

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Union Parish School Board

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

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Margie Williamson, CPA
Jennie Henry, CPA, CFE

Supervisor: Sandra Harper, CPA, CFE

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board Members
Union Parish School Board
Farmerville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Union Parish 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 February 23, 2026. Our report includes reference to other auditors who audited the financial statements of the aggregate discretely presented component unit, as described in our report of the School Board's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

material weaknesses. We identified a certain deficiency in internal control as described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-002 and 2025-003.

The School Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan for Current Year 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.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 23, 2026



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Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board Members
Union Parish School Board
Farmerville, Louisiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Union Parish School Board's 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 Union Parish 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.

Qualified Opinion on the Child Nutrition Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2025.

Unmodified Opinion Each of the Other Major Federal Programs

In our opinion, the School Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended 2025.

Basis for Qualified and Unmodified

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Matter Giving Rise to Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the School Board did not comply with the requirements regarding the Child Nutrition Cluster as described in finding number 2025-004 Internal Control over Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

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 or grant agreements applicable to the School Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance 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 item 2025-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response 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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan for Current Year 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 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.

Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 23, 2026

Union Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	AL <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
<i>Passed through Louisiana Department of Education</i>			
Child Nutrition Cluster:			
Non Cash Assistance (Commodities):			
National School Lunch Program	10.555	N/A	\$ 97,172
Cash Assistance:			
School Breakfast Program	10.553	N/A	\$ 274,049
National School Lunch Program	10.555	N/A	716,970
Summer Food Program	10.559	N/A	<u>29,794</u>
Total Child Nutrition Cluster			1,020,813
Child and Adult Care Food Program	10.558	N/A	<u>44,589</u>
Total United States Department of Agriculture			<u>1,162,574</u>
United States Department of Education			
<i>Passed Through Louisiana Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010A	28-25-T1-56	2,286,613
	84.010A	28-24-RD19-56	<u>200,256</u>
			2,486,869
Special Education Cluster:			
Special Education Grants to States	84.027A	28-25-B1-56	615,852
	84.027A	28-24-IISA-56	12,409
Special Education Preschool Grants	84.173A	28-25-P1-56	<u>35,253</u>
Total Special Education Cluster			663,514
21st Century Community Learning Centers	84.287C	28-25-2C-56	1,078,881
Rural Education Achievement Program Title V	84.358B	28-25-RLIS-56	42,024
English Language Acquisition State Grants	84.365A	28-25-S3-56	7,025
		28-25-60-56	<u>10,801</u>
			17,826
Supporting Effective Instruction State Grants Title IIA	84.367A	28-25-50-56	138,902
Disability Innovation Fund (DIF)	84.421	28-24-SWDI-56	276,080
Student Support and Academic Enrichment Program Title IV	84.424A	28-25-71-56	346,269
Coronavirus Aide, Relief, and Economic Security Act (CARES ACT)			
COVID-19 Education Stabilization Fund	84.425U	28-21-ES3F-56	1,407,873
	84.425U	28-21-ESEB-56	456,132
	84.425U	28-21-ES3I-56	<u>51,443</u>
			1,915,448
Total United States Department of Education			<u>6,965,813</u>
United States Department of Health & Human Services			
<i>Passed Through Louisiana Department of Education:</i>			
Child Care and Development Fund Cluster:			
Child Care and Development Fund	93.596	28-23-CORP-56	99,967
Child Care and Development Block Grant	93.596	28-23-CNDF-56	<u>6,563</u>
			106,530
Total Child Care and Development Fund Cluster:			<u>106,530</u>
Total United States Department of Health & Human Services			<u>106,530</u>
TOTAL FEDERAL AWARDS			<u>\$ 8,234,917</u>

The accompanying notes are an integral part of this schedule.

Union Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1 - BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Union Parish School Board under programs of the federal government for the year ended June 30, 2025. The Union Parish School Board (the School Board) reporting entity is defined in Note 1 to the School Board's basic financial statements. 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). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule. 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 and changes in net assets of the Union Parish School Board.

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

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

	<u>Federal Sources</u>
Major:	
ESSA Programs	\$ 3,031,890
21st Century	1,078,881
Nonmajor Special Revenue:	
School Food Service	1,162,574
Special Education	939,594
Early Childhood Development	106,530
Education Stabilization	1,915,448
Total	\$ 8,234,917

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

NOTE 5 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 6 - INDIRECT COST RATE The School Board has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Union Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

PART I - Summary of the auditor's results

Financial statement audit

- i. The type of audit report issued was unmodified.
- ii. There was one significant deficiency identified that is required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency was not considered to be a material weakness.
- iii. The audit disclosed two instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There was one significant deficiency that is required to be disclosed by the Uniform Guidance. The significant deficiency 2025-004 was considered to be a material weakness.
- v. The type of report the auditor issued on compliance of major federal awards was unmodified except for the Child Nutrition Cluster, which was qualified.
- vi. The audit disclosed one audit finding which the auditor is required to report under the Uniform Guidance (2 CFR 200).
- vii. The major federal programs are:
 - Child Nutrition Cluster:
 - School Breakfast Program AL #10.553
 - National School Lunch Program AL #10.555
 - Summer Food Program AL #10.559
 - Title I AL #84. 010A
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

Union Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Part II-Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2025-001** **Internal Controls over Financial Reporting**

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: Sound internal controls over financial reporting require that accounting records contain accurate, complete, and up-to-date information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board.

Condition found: Budget to actual comparisons were not presented at two of the twelve School Board or finance committee meetings.

In the testing of March 2025 bank reconciliations, bank reconciliations for four accounts were not performed within two months of the related statement closing date. None of the four bank account reconciliations included written evidence that a member of management or a board member reviewed the bank reconciliation within one month of the date the reconciliation was prepared. Bank reconciliations of operating and payroll accounts were performed by fee accountant with no review by School Board administration.

Context: The exceptions noted above were identified when testing minutes of board meetings and bank reconciliations for Statewide Agreed-Upon Procedures.

Possible asserted effect (cause and effect):

Cause: The issues noted with the bank reconciliations were mainly caused by the lack of timeliness of the reconciliations.

Effect: Accounting records were not current, and the school board was not provided with current financial information.

Recommendation to prevent future occurrences: Bank reconciliations should be completed within 30 days of the end of the month. Reconciliations should be reviewed by someone other than the preparer. The reviewer should be knowledgeable of the bank reconciliation program and ensure that the reconciled cash balances per the reconciliations, agree with the general ledger cash balances and that all expenditures and revenues were accurately recorded. Budget to actual reports should be presented to the School Board on a monthly basis.

Origination date and prior year reference (if applicable): A finding for internal control over financial reporting was first reported in the fiscal year ended June 30, 2019.

View of responsible official: See Corrective Action Plan.

**Union Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Part II-Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2025-002** **Misappropriation of Assets**

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: Sound internal controls over School Board assets requires review of all legal documents by management and legal counsel.

Condition found: In November 2024 , the School Board began investigating a Supervisor for having an employee forge a signature on a lease of land owned by the School Board . The Supervisor admitted to having the employee forge the signature and use of a camp on the land. The utilities to the property billed to the School Board are estimated to be \$1,500 to \$2,000. The District Attorney and the Louisiana Legislative Auditor were notified in writing of the suspected theft. No restitution has been made by employee, and an insurance claim has not been filed. The employee retired and is currently under investigation by law enforcement.

Context: Documentation was provided to the auditor by School Board management. The notification of the misappropriation was provided to the Louisiana Legislative Auditor, Union Parish Sheriff, and District Attorney by the School Board.

Possible asserted effect (cause and effect):

Cause: Fraudulent activity of employee.

Effect: School board assets were improperly used.

Recommendation to prevent future occurrences: The School Board and legal counsel should continue to monitor all lease agreements.

Origination date and prior year reference (if applicable): This finding originated in the fiscal year ended June 30, 2025.

View of responsible official: See Corrective Action Plan.

**Union Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Part II-Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 2025-003 Bid Law

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: In accordance with La. Revised Statute 38:2212.1, all purchases of materials or supplies exceeding the sum of sixty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest bidder who has bid according to the specifications as advertised. Purchases of thirty thousand dollars or more, but less than sixty thousand dollars, shall be made by obtaining not less than three quotes.

Condition found: Single purchase of computers for \$70,000 was not bid.

Quotes were not obtained for purchase of mobile kitchen. Sole source documentation was provided by the manufacturer and was used as support for procurement.

Context: The exceptions were noted when testing large and unusual vendor disbursements.

Possible asserted effect (cause and effect):

Cause: Information technology department assumed computers were purchased using a prior year piggybacking agreement. Supervisor was not aware of needing quotes for mobile kitchen purchase.

Effect: The School Board did not meet state requirements regarding public bid law.

Recommendation to prevent future occurrences: The School Board should establish quality control procedures to ensure that purchases meet bid-law requirements. Additional training to staff on state bid law requirements should be provided.

Origination date and prior year reference (if applicable): This finding originated in the fiscal year ended June 30, 2025.

View of responsible official: See Corrective Action Plan.

**Union Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Part III-Findings and question costs for federal awards which are required to be reported under the Uniform Guidance:

<u>Reference # and title:</u>	<u>2025-004</u>	<u>Internal Control over Allowable Costs</u>
<u>Federal program and specific federal award identification:</u>	<u>AL #</u>	<u>Grant Year</u>
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME <i>Passed through Louisiana Department of Education</i> Child Nutrition Cluster:		
School Breakfast Program	10.553	2025
National School Lunch Program	10.555	2025
Summer Food Program	10.559	2025

Criteria or specific requirement: 2 CFR section 200.430(g) requires that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must support the distribution of the employee’s salary or wages among specific activities or cost objectives if the employee works on a Federal award and a non-Federal award.

Condition found: No time certification was completed by Child Nutrition Supervisor for six months of the year. The Child Nutrition Supervisor retired in December 2024.

Context: There was no documentation of time spent on the Child Nutrition Program by the Supervisor when the payroll expenditures were tested.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Unallowable costs may have been paid by federal program.

Known questioned costs: The known questioned amount of unallowable cost for salary and benefits is \$62,078. Known questioned costs were taken from employee’s payroll history for salary and benefits charged to federal program.

Recommendation to prevent future occurrences: Monthly and semi-annual certifications of time spent on a federal program should be maintained and verified by program supervisors.

Origination date and prior year reference (if applicable): This finding originated in the fiscal year ended June 30, 2025.

View of responsible official: See Corrective Action Plan.

Union Parish School Board

OTHER INFORMATION

Union Parish School Board

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Dr. Cathy Stockton
Superintendent

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

Reference # and title: **2024-001** **Internal Controls over Financial Reporting**

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: Sound internal controls over financial reporting require that accounting records contain accurate, complete, and up-to-date information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that transactions are properly recorded and classified in the accounting records.

Condition found: Budget to actual comparisons were not presented at five of the twelve school board or finance committee meetings.

In the testing of December bank reconciliations, the master operating account and payroll account were reconciled more than two months after closing date. Date of reconciliation was not documented on June bank reconciliations for these same accounts. Bank reconciliations of operating and payroll accounts were performed by fee accountant and no review by School Board administration.

Corrective action taken: See current year finding 2025-001.

Respectively submitted,


Dr. Cathy Stockton, Superintendent

Union Parish School Board

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Superintendent

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Corrective Action Plan for Current Year Findings and Questioned Costs For the Year Ended June 30, 2025

Reference # and title: **2025-001** **Internal Controls over Financial Reporting**

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: Sound internal controls over financial reporting require that accounting records contain accurate, complete, and up-to-date information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board.

Condition found: Budget to actual comparisons were not presented at two of the twelve School Board or finance committee meetings.

In the testing of March 2025 bank reconciliations, bank reconciliations for four accounts were not performed within two months of the related statement closing date. None of the four bank account reconciliations included written evidence that a member of management or a board member reviewed the bank reconciliation within one month of the date the reconciliation was prepared. Bank reconciliations of operating and payroll accounts were performed by fee accountant with no review by School Board administration.

Corrective action plan: Management relied heavily on an external service provider from August 2022 through September 2025 to reconcile bank statements in a timely manner. During this period, it became evident that financial records were not current. Meetings were held with representative of the service provider and the finance committee to address the delays and the outstanding items. Bank reconciliations and financial statements are now being handled internally by the CFO and are expected to be completed and presented within the required timeframe.

Person responsible for corrective action: CFO/Business Manager

Anticipated completion date: At the March 16, 2026 board meeting, CFO Nevala will provide board members with available monthly budget to actual financials and bank reconciliations. In the future, current monthly financials will be provided at the finance committee meetings and board meetings.

Reference # and title: **2025-002** **Misappropriation of Assets**

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: Sound internal controls over School Board assets requires review of all legal documents by management and legal counsel.

Condition found: In November 2024 , the School Board began investigating a Supervisor for having an employee forge a signature on a lease of land owned by the School Board . The Supervisor admitted to having the employee forge the signature and use of a camp on the land. The utilities to the property billed to the School Board are estimated to be \$1,500 to \$2,000. The District Attorney and the Louisiana Legislative Auditor were notified in writing of the suspected theft. No restitution has been made by the employee, and an insurance claim has not been filed. The employee retired and is currently under investigation by law enforcement.

Corrective action plan: Spreadsheet of leased lots will be reviewed. Payments are due January of each year. The present spreadsheet will go to the finance committee each January and June for review. The present spreadsheet will be presented to the finance committee at the March 4, 2026 meeting for the first time for the 2025-2026 school year.

Person responsible for corrective action: Superintendent

Anticipated completion date: March 2026

Reference # and title: **2025-003** **Bid Law**

Entity-wide or program/department specific: This finding is entity wide.

Criteria or specific requirement: In accordance with La. Revised Statute 38:2212.1, all purchases of materials or supplies exceeding the sum of sixty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest bidder who has bid according to the specifications as advertised. Purchases of thirty thousand dollars or more, but less than sixty thousand dollars, shall be made by obtaining not less than three quotes.

Condition found: Single purchase of computers for \$70,000 was not bid.

Quotes were not obtained for purchase of mobile kitchen. Sole source documentation was provided by the manufacturer and was used as support for procurement.

Corrective action plan: At the March 2, 2026, Educational Leader meeting supervisors, coordinators, facilitators, and principals will receive a copy of the procurement policy. A sign-in sheet, agenda and hard copy of the policy will be provided as documentation of the activity. The Superintendent will include a copy of the procurement policy in the Educational Leader Handbook.

Person responsible for corrective action: CFO/Superintendent

Anticipated completion date: March 2, 2026

Reference # and title: 2025-004 Internal Control over Allowable Costs

Federal program and specific federal award identification: AL #

Grant Year

FEDERAL GRANTOR/

PASS-THROUGH GRANTOR/PROGRAM NAME

Passed through Louisiana Department of Education

Child Nutrition Cluster:

School Breakfast Program	10.553	2025
National School Lunch Program	10.555	2025
Summer Food Program	10.559	2025

Criteria or specific requirement: 2 CFR section 200.430(g) requires that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must support the distribution of the employee’s salary or wages among specific activities or cost objectives if the employee works on a Federal award and a non-Federal award.

Condition found: No time certification was completed by Child Nutrition Supervisor for six months of the year. The Child Nutrition Supervisor retired in December 2024.

Corrective action plan: Make a list of all employees who are paid by two budgets and require them to complete and sign time and effort sheets monthly.

Person responsible for corrective action: Supervisors

Anticipated completion date: Time and effort reports are to be reviewed monthly by supervisor and time and effort reports are to be kept on file by individual supervisors beginning school year 2025-2026.

Respectively submitted,


Dr. Cathy Stockton, Superintendent



ALLEN, GREEN & WILLIAMSON, LLP

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Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

Board Members
Union Parish School Board
Farmerville, Louisiana

In planning and performing our audit of financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish School Board as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the School Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated February 23, 2026, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

2025-M1 Student Activity Funds

Comment: During testing of Student Activity Funds at Union Parish High School it was found that the school did not have a detailed Student Activity Fund manual. The bookkeeper and Principal had not received training during the year, and the school did not submit reports for beginning of fiscal year.

Recommendation: The School Board should develop a Student Activity Fund manual, prepare periodic training and monitor financial reports monthly.

Management's response: CFO will create a student activity fund board approved manual by May 2026. The Superintendent will discuss the manual at the annual Educational Leaders workshop held each July. CFO will conduct two workshops on fiscal management of student activity funds with school bookkeepers, once in July and will review again in January 2027. School administration and bookkeepers will sign a checklist of approved procedures that are being used in July and January.

We believe that the implementation of these recommendations will provide the School Board with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

Also included is management's response to our current year management letter. We have performed no audit procedures to verify the content of the response.

This report is intended solely for the information and use of the board members, management, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana

February 23, 2026

Union Parish School Board

AGREED-UPON PROCEDURES



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

Board Members
Union Parish School Board
Farmerville, Louisiana

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 year ended June 30, 2025. Union Parish School Board's 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 year ended 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:

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether 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.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- iv. Observe whether the board/finance committee received written updates of progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Comment: Monthly budget-to-actual comparisons were not presented at two of the board or finance committee meetings. Corrective actions for prior year audit findings were not discussed in the meetings for March or April.

Management's Response: Monthly budget-to-actual comparisons will be presented to the finance committee and the regular board meetings beginning March 2026.

3) Bank Reconciliations

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

Comment: Three out of four reconciliations tested were not completed within two months of the statement closing date, and all four were not reviewed within a month of completion by appropriate personnel. Two of the reconciliations had items outstanding for over a year that had not been investigated.

Management's Response: Management previously relied heavily on an external provider to perform bank reconciliations. During this period, reconciliations were not consistently completed within the required timeframe, and financial records were not maintained in a current status. After identifying concerns, management met with the service provider and the finance committee to address the deficiencies.

Management has since taken steps to improve over sight of the reconciliation process. Bank reconciliations are being done internally and are now expected to be completed within the required timeframe and reviewed promptly by appropriate personnel. Monitoring procedures have been strengthened to ensure reconciliations are accurate, properly documented, and kept up to date on an ongoing basis.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - iii. 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.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Comment: There were three exceptions noted where the same person collected cash from the teachers, made the deposits, posted to the GL, and completed the reconciliation. One deposit was missing related collection documentation.

Management’s Response: Despite repeated training and oral/written dialogue regarding this procedure, the three exceptions were handled by the same employee. The employee will be written up and placed on an assistance plan.

5)Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe 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).
 - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1A(vii)).

- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

6)Ethics

- A. Using the 5 randomly selected employees/officials from procedure #9A under “Payroll and Personnel” above, obtain ethics documentation from management, and:
 - i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170;
 - ii. Observe 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;
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

7)Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe 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.
 - i. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
 - A. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

We were engaged by the Union 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 applicable standards of *Government Auditing Standards* issued by the United State 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 those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Allen, Green & Williamson LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 23, 2026



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(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES

Board Members
Union Parish School Board
Farmerville, Louisiana

We have performed the procedures enumerated below, on the performance and statistical data accompanying the annual financial statements of the School Board, for fiscal year ended June 30, 2025 to determine whether the specified schedules are free from obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514.I. The School Board’s management is responsible for the performance and statistical data accompanying the annual financial statements.

Management of the School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), have 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.

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

Comment: No exceptions were noted in applying the agreed upon procedures.

Class Size Characteristics (Schedule 2)

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

Comment: No exceptions were noted in applying the agreed upon procedures.

Education Levels/Experience of Public School Staff (No Schedule)

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

Comment: No exceptions were noted in applying the agreed upon procedures.

Public School Staff Data: Average Salaries (No Schedule)

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

Comment: No exceptions were noted in applying the agreed upon procedures.

We were engaged by Union Parish School Board to perform this agreed upon procedures engagement and we 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 Union Parish School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the 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 Legislative Auditor as a public document.

Allen, Green & Williamson LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 23, 2026

UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2025**

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 6,015,275	
Other Instructional Staff Salaries	521,594	
Instructional Staff Employee Benefits	3,203,162	
Purchased Professional and Technical Services	1,042,902	
Instructional Materials and Supplies	232,088	
Instructional Equipment	<u>6,400</u>	
Total Teacher and Student Interaction Activities		\$ 11,021,421
Other Instructional Activities		276,080
Pupil Support Services	2,070,514	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		2,070,514
Instructional Staff Services	722,903	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		722,903
School Administration	1,237,775	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>1,237,775</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 15,328,693</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>41,496</u>
 <u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Ad valorem Taxes		
Constitutional Ad Valorem Taxes		\$ 624,554
Renewable Ad Valorem Tax		3,342,593
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		147,173
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)		-
Sales Taxes		
Sales and Use Taxes - Gross		10,745,474
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		<u>-</u>
Total Local Taxation Revenue		<u>\$ 14,859,794</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		17,663
Earnings from Other Real Property		<u>5,622</u>
Total Local Earnings on Investment in Real Property		<u>\$ 23,285</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		12,652
Revenue Sharing - Other Taxes		53,458
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		<u>-</u>
Total State Revenue in Lieu of Taxes		<u>\$ 66,110</u>
Nonpublic Textbook Revenue		<u>\$ 3,423</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

Class Size Characteristics
As of October 1, 2024

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	51.1%	90	48.9%	86	0.0%	0	0.0%	0
Elementary Activity Classes	48.0%	12	52.0%	13	0.0%	0	0.0%	0
High	74.3%	220	10.8%	32	6.8%	20	8.1%	24
High Activity Classes	85.2%	46	1.9%	1	1.9%	1	11.1%	6
Combination	91.6%	241	8.4%	22	0.0%	0	0.0%	0
Combination Activity Classes	86.2%	25	13.8%	4	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.