MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Annual Financial Report

Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Deborah Finlay, Fiscal Administrator,
and Members of the Madison Parish School Board
Tallulah, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish School Board (the School Board), as of and for the year ended June 30, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 13 to the financial statements, the School Board restated fund balance of the custodial fund, general fund, debt service fund, school food service fund, and nonmajor governmental funds and net position of the governmental activities. Our opinion is not modified with respect to this matter.

Member of:
AMERICAN INSTITUTE OF
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Member of:
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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial

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

The School Board has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying combining nonmajor fund financial statements, schedules of compensation, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of compensation and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2026 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 31, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2025

ASSETS	
Cash and interest-bearing deposits	$ 2,559,220
Receivables	692,922
Inventory	12,341
Due from other governments	1,701,653
Prepaid items	121,050
Capital assets:	
Non-depreciable	936,308
Depreciable, net	26,418,631
Total assets	32,442,125
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	664,287
Deferred outflows related to pensions	6,800,085
Total deferred outflows of resources	7,464,372
LIABILITIES	
Cash overdraft	701,215
Accounts, salaries and other payables	1,876,263
Interest payable	54,833
Due to other governments	366,771
Long-term liabilities:	
Long-term liabilities due within one year	1,881,262
Long-term liabilities due in more than one year	7,156,787
Other post employment benefits payable	21,040,885
Net pension liability	16,452,345
Total liabilities	49,530,361
DEFERRED INFLOWS OF RESOURCES	
Derferred inflows related to OPEB	1,864,682
Deferred inflows related to pensions	689,928
Total deferred inflows of resources	2,554,610
NET POSITION	
Net investment in capital assets	19,591,294
Restricted for:	
School food service	2,320,730
Other grants	609,841
Debt service	593,401
Unrestricted	(35,293,740)
Total net position	$ (12,178,474)

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Activities
Governmental Activities
For the year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:				
Instruction:				
Regular programs	$ 8,016,503	$ -	$ 1,057,017	$ (6,959,486)
Special education programs	871,895	-	62,984	(808,911)
Other instructional programs	3,801,177	-	3,161,033	(640,144)
Support services:				
Student services	1,281,455	-	615,305	(666,150)
Instructional staff support services	4,652,886	-	1,936,978	(2,715,908)
General administration	2,014,925	-	1,101,169	(913,756)
School administration	885,941	-	56,521	(829,420)
Business services	701,632	-	325	(701,307)
Plant services	2,667,446	-	719,953	(1,947,493)
Student transportation services	1,092,104	-	167,687	(924,417)
Central services	294,998	-	104,764	(190,234)
Non-instructional service:				
Food services	1,190,453	2,184	1,243,172	54,903
Community service programs	13,650	-	-	(13,650)
Facilities acquisition and construction	1,466,795	-	-	(1,466,795)
Other LEA services	159,028	-	-	(159,028)
Interest on long-term debt	328,809	-	-	(328,809)
Total governmental activities	$ 29,439,697	$ 2,184	$ 10,226,908	(19,210,605)
Taxes:				
Ad valorem taxes				2,576,009
Sales and use taxes				3,766,697
State revenue sharing				25,928
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				8,506,368
Interest and investment earnings				104,018
Miscellaneous				2,537,610
Total general revenues				17,516,630
Change in net position				(1,693,975)
Net position - beginning, as restated				(10,484,499)
Net position - ending				$ (12,178,474)

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

FUND FINANCIAL STATEMENTS (FFS)

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Title 1	School Food Service
ASSETS			
Cash and interest-bearing deposits	$ -	$ -	$ 1,470,870
Receivables	288,031	-	-
Due from other governments	-	750,747	42,816
Interfund receivables	1,934,837	-	1,107,011
Inventory	-	-	12,341
Prepaid	121,050	-	-
Total assets	$ 2,343,918	$ 750,747	$ 2,633,038
LIABILITIES AND FUND BALANCES			
Liabilities:			
Cash overdraft	$ 701,215	$ -	$ -
Accounts payable	10,813	3,529	-
Accrued salaries and related benefits	1,172,058	153,615	241,940
Due to other governments	255,756	-	-
Interfund payables	2,301,092	593,603	58,027
Total liabilities	4,440,934	750,747	299,967
Fund balances:			
Nonspendable	121,050	-	12,341
Restricted	-	-	2,320,730
Unassigned	(2,218,066)	-	-
Total fund balances	(2,097,016)	-	2,333,071
Total liabilities and fund balances	$ 2,343,918	$ 750,747	$ 2,633,038

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

ESSER	Debt Service	Formerly Non-Major 21st Century	Nonmajor Governmental	Total
$ -	$ 377,818	$ -	$ 647,497	$ 1,794,970
-	265,453	-	139,438	692,922
-	-	624,521	283,569	1,701,653
-	57,948	-	4,076	1,943,483
-	-	-	-	12,341
-	-	-	-	121,050
$ -	$ 701,219	$ 624,521	$ 1,074,580	$ 6,266,419
$ -	$ -	$ -	$ -	$ -
-	-	-	116,854	131,196
-	-	210,371	76,307	1,854,291
-	-	-	-	255,756
-	107,818	414,150	271,578	2,585,879
-	107,818	624,521	464,739	4,827,122
-	-	-	-	133,391
-	593,401	-	609,841	3,523,972
-	-	-	-	(2,218,066)
-	593,401	-	609,841	1,439,297
$ -	$ 701,219	$ 624,521	$ 1,074,580	$ 6,266,419

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

Total fund balances for governmental funds		$ 1,439,297
Capital assets, net		27,354,939
Long-term liabilities:		
Accrued interest payable	$ (54,833)	
Bonds payable	(8,335,000)	
Bond premium	(92,932)	
Compensated absences payable	(600,117)	(9,082,882)
Deferred charge on bond refunding		664,287
Net position of the internal service fund		693,640
Pension:		
Net pension liability	(16,452,345)	
Deferred outflows of resources	6,800,085	
Deferred inflows of resources	(689,928)	(10,342,188)
Other Post Employment Benefits (OPEB):		
Net OPEB obligation	(21,040,885)	
Deferred inflows of resources	(1,864,682)	(22,905,567)
Net position		$ (12,178,474)

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2025

	General	Title 1	School Food Service	ESSER
Revenues				
Local sources -				
Taxes:				
Ad valorem taxes	$ 1,253,456	$ -	$ -	$ -
Sales taxes	1,512,148	-	-	-
Interest	70,593	-	18,243	-
Other	1,833,814	-	8,372	-
State sources -				
Equalization	8,493,445	-	12,923	-
Other	565,368	-	-	-
Federal sources	-	2,990,467	1,243,172	2,426,461
Total revenues	13,728,824	2,990,467	1,282,710	2,426,461
Expenditures				
Current:				
Instruction -				
Regular programs	7,455,530	131,260	-	37,933
Special education programs	837,514	-	-	4,321
Other instructional programs	1,177,805	1,458,182	-	2,222
Support services -				
Student services	702,401	356,883	-	-
Instructional staff support services	1,127,114	961,455	-	1,291,817
General administration	923,873	-	-	1,088,613
School administration	862,022	-	-	1,230
Business services	697,284	-	-	325
Plant services	1,340,319	-	-	-
Student transportation services	868,228	-	-	-
Central services	202,283	82,687	-	-
Food services	249,518	-	943,507	-
Community service programs	13,650	-	-	-
Facilities acquisition and construction	293,316	-	-	-
Debt service	-	-	-	-
Total expenditures	16,750,857	2,990,467	943,507	2,426,461
Excess (deficiency) of revenues over expenditures	(3,022,033)	-	339,203	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(3,022,033)	-	339,203	-
Fund balances, beginning, as restated	925,017	-	1,993,868	-
Fund balances, ending	$ (2,097,016)	$ -	$ 2,333,071	$ -

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

Debt Service	Formerly Non-Major 21st Century	Nonmajor Governmental	Totals
$ 1,322,553	$ -	$ -	$ 2,576,009
1,499,447	-	755,102	3,766,697
7,777	-	1,200	97,813
-	-	605,589	2,447,775
-	-	-	8,506,368
-	-	348,599	913,967
-	1,446,055	1,232,714	9,338,869
2,829,777	1,446,055	2,943,204	27,647,498
372,911	-	348,384	8,346,018
-	-	58,663	900,498
63,864	706,453	724,966	4,133,492
-	-	258,422	1,317,706
-	719,648	665,009	4,765,043
-	-	12,556	2,025,042
-	19,954	35,337	918,543
-	-	-	697,609
626,347	-	719,953	2,686,619
-	-	167,687	1,035,915
-	-	22,077	307,047
-	-	-	1,193,025
-	-	-	13,650
-	-	-	293,316
1,883,518	-	-	1,883,518
2,946,640	1,446,055	3,013,054	30,517,041
(116,863)	-	(69,850)	(2,869,543)
-	-	285,796	285,796
(16,587)	-	(269,209)	(285,796)
(16,587)	-	16,587	-
(133,450)	-	(53,263)	(2,869,543)
726,851	-	663,104	4,308,840
$ 593,401	$ -	$ 609,841	$ 1,439,297

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2025

Net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		$ (2,869,543)
Capital assets:		
Capital outlay	$ 309,850	
Depreciation expense	(1,365,173)	(1,055,323)
Bond principal retirement		1,659,000
Change in accrued interest		10,157
Bond refunding amortization		(137,681)
Bond premium amortization		23,233
Change in compensated absences		82,439
Change in net OPEB obligation		637,143
Change in net position of the Internal Service Fund		(19,662)
Nonemployer pension contributions		92,019
Change in pension expense		(115,757)
Change in net position per Statement of Activities		$ (1,693,975)

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Proprietary Fund
Statement of Net Position
June 30, 2025

	Internal Service Fund
ASSETS	
Cash and interest bearing deposits	$ 63,035
Due from other funds	640,605
Total assets	703,640
LIABILITIES	
Current liabilities:	
Claims payable	10,000
NET POSITION	
Unrestricted	$ 693,640

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

	Internal Service Fund
Operating expenses:	
Claims	$ 14,772
Administration	11,095
Total operating expenses	25,867
Operating loss	(25,867)
Nonoperating revenues	
Interest income	6,205
Change in net position	(19,662)
Net position, beginning	713,302
Net position, ending	$ 693,640

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

	Internal Service Fund
Cash flows from operating activities:	
Claims paid	$ (4,772)
Administrative fees	(11,095)
Net cash used by operating activities	(15,867)
Cash flows from noncapital financing activities:	
Due from other funds	(640,605)
Cash flows from investing activities:	
Interest on investments	6,205
Net change in cash and cash equivalents	(650,267)
Cash and interest bearing deposits, beginning of period	713,302
Cash and interest bearing deposits, end of period	$ 63,035
Reconciliation of operating income to net cash used by operating activities:	
Operating loss	$ (25,867)
Claims payable	10,000
Net cash used by operating activities	$ (15,867)

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Fiduciary Net Position
June 30, 2025

	Custodial Fund
ASSETS	
Cash and interest bearing deposits	$ 216,399
Due from other funds	1,791
Total assets	218,190
NET POSITION	
Net position held for others	$ 218,190

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2025

	Custodial Fund
Additions	
Interest income	$ 8,314
Miscellaneous	811
Total additions	9,125
Net position, beginning, as restated	209,065
Net position, ending	$ 218,190

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

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements

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

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

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

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

The School Board reports the following major governmental funds:

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

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

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

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

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

The 21st Century Fund accounts for federal funds received for the 21st Century federal program.

Additionally, the School Board reports the following fund types:

Proprietary Funds

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

Internal Service Funds

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

Fiduciary Funds

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

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

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

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

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

Program revenues

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

Allocation of indirect expenses

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

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

Revenues

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

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

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

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

Federal commodities are recognized as revenues when used.

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

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

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

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

Expenditures

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

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

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

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

Other Financing Sources (Uses)

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

Proprietary Fund

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

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

Cash and Interest-Bearing Deposits

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

Investments

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

Receivables

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

Short-Term – Interfund Receivables/Payables

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

Inventory

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

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

Prepaid Expenses

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

Capital Assets

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

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

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

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

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

Unearned Revenue

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

Compensated Absences

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

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

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

Accounting standards provide that compensated absences should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

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

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

Long-term liabilities

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The School Board reported $3,523,972 of restricted net position, which is restricted by enabling legislation.

c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

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

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

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

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

Unassigned – all other spendable amounts.

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

	Nonspendable	Restricted
General Fund:		
Prepaid	$ 121,050	$ -
School Food Service Fund:		
Inventory	12,341	-
Food service	-	2,320,730
Debt Service Fund:		
Debt service	-	593,401
Nonmajor Governmental Funds:		
Other	-	609,841
Total	$ 133,391	$ 3,523,972

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

E. Interfund Transfers

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

F. Sales Tax

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

G. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are

recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

H. Postemployment Benefits Other than Pensions (OPEB)

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

I. Estimates

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

(2) Cash and Interest-Bearing Deposits

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

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The School Board does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

Bank balances	$ 3,644,566
Insured deposits	500,000
Collateral held by the pledging bank's trust department or agent	3,144,566
Total	$ 3,644,566

(3) Interfund Assets, Liabilities, and Operating Transfers

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

	Interfund Receivable	Infterfund Payable
Major Funds		
General Funds	$ 1,934,837	$ 2,301,092
Title 1	-	593,603
School Food Services	1,107,011	58,027
ESSER	-	-
Debt Service	57,948	107,818
21st Century	-	414,150
Total major funds	3,099,796	3,474,690
Nonmajor Governmental	4,076	271,578
Proprietary Fund	640,605	-
Fiduciary Fund	1,791	-
Total	$ 3,746,268	$ 3,746,268

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

B) Transfers consisted of the following:

	Transfers In	Transfers Out
Major Fund		
Debt service	$ -	$ 16,587
Nonmajor Funds	285,796	269,209
Total	$ 285,796	$ 285,796

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

(4) Capital Assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 936,308	$ -	$ -	$ 936,308
Other Capital assets:				
Building and improvements	47,497,160	-	-	47,497,160
Furniture and equipment	3,843,824	309,850	-	4,153,674
Total	52,277,292	309,850	-	52,587,142
Less accumulated depreciation				
Building and improvements	21,241,889	919,911	-	22,161,800
Furniture and equipment	2,625,141	445,262	-	3,070,403
Total	23,867,030	1,365,173	-	25,232,203
Net capital assets	$ 28,410,262	$ (1,055,323)	$ -	$ 27,354,939

Depreciation expense was charged to functions as follows:

Regular programs	$ 22,842
Special programs	18,811
Other instructional	28,312
Business services	19,786
Plant services	2,768
Student transportation services	88,001
Food services	11,174
Facilities acquisition	1,173,479
Total depreciation expense	$ 1,365,173

(5) Long-Term Liabilities

A summary of long-term debt follows:

	Original Issue	Interest Rate	Maturity Date	Outstanding Principal
Sales Tax Bond - Refunding Series 2015	$ 7,035,000	2.00-4.00%	3/15/2029	$ 2,330,000
General Obligation Bonds Refunding Series 2021	$ 8,544,000	1.680-2.080%	3/15/2030	$ 6,005,000

The amount of interest charged to expense for year is $328,809.

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Direct placement bonds payable:					
2015 Sales Tax Bond - Refunding	$ 2,865,000	$ -	$ 535,000	$ 2,330,000	$ 550,000
2021 General Obligation Refunding	7,129,000	-	1,124,000	6,005,000	1,148,000
Bond premium	116,165	-	23,233	92,932	23,233
Other liabilities					
Workers compensation claims	-	130,180	120,180	10,000	10,000
Compensated absences*	682,556	-	82,439	600,117	150,029
Governmental activities					
Long-term liabilities	$ 10,792,721	$ 130,180	$ 1,884,852	$ 9,038,049	$ 1,881,262

*The change in the compensated absences liability is presented as a net change.

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

Year Ending June 30,	Principal payments	Interest payments	Total
2026	$ 1,698,000	$ 188,584	$ 1,886,584
2027	1,746,000	152,798	1,898,798
2028	1,787,000	110,240	1,897,240
2029	1,847,000	66,532	1,913,532
2030	1,257,000	21,118	1,278,118
Totals	$ 8,335,000	$ 539,272	$ 8,874,272

(6) Retirement Systems

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

system issues a public report that includes financial statements and required supplementary information. Copies of these reports may be obtained at www.lsers.net and www.trsl.org.

General Information About the Pension Plans

Plan Description/Benefits Provided

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

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

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

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

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for

in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011 and July 1, 2015.

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

Members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

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

Deferred Retirement Option Program (DROP)

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

Cost of Living Adjustments

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

Pension Related Contributions, Liabilities, Expenses, and Deferred Items

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

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

	TRSL	LSERS
Employee contribution rate	8%	8%
Employer contribution rate	21.5%	25.8%
Net pension liability	$ 15,303,950	$ 1,148,395
Pension expense	$ 2,533,397	$ 119,959
Non-emplyer contribution	$ 92,019	$ -
Proportionate share	0.18%	0.23%
Change in proportion from prior year	0.01%	-0.03%

	Deferred Outflows			Deferred Inflows		
	TRSL	LSERS	Total	TRSL	LSERS	Total
Differences between expected and actual experiences	$ 868,626	$ 27,905	$ 896,531	$ -	$ -	$ -
Changes of assumptions	409,643	-	409,643	391,858	49,075	440,933
Net difference between projected and actual earnings on pension plan investments	1,162,616	-	1,162,616	-	109,562	109,562
Change in proportion and differences between employer contributions and proportionate share of contributions	1,793,693	-	1,793,693	11,182	128,251	139,433
Employer contributions subsequent to the measurement date	2,300,000	237,602	2,537,602	-	-	-
Total	$ 6,534,578	$ 265,507	$ 6,800,085	$ 403,040	$ 286,888	$ 689,928

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

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

Year Ending June 30,	TRSL	LSERS	Total
2026	$ 532,869	$ (187,355)	$ 345,514
2027	$ 2,463,739	$ (25,334)	$ 2,438,405
2028	$ 630,423	$ (25,579)	$ 604,844
2029	$ 204,507	$ (20,715)	$ 183,792

Actuarial Assumptions

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

	TRSL	LSERS
Valuation Date	June 30, 2024	June 30, 2024
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed
Expected Remaining Service Lives	5 years	3 years
Investment Rate of Return	7.25%, net	6.8%, net
Inflation Rate	2.4% per annum	2.5% per annum
Salary Increases	2.41% to 4.85%	3.75%
Cost of Living Adjustments	None	None
Morality Rates	Pub2010T Below Median Pub2010T Disability Table	Pub-2010 Sex Distinct Tables Pub-2010 Healthy Retiree Tables
Termination and disability	2018-2022 experience study	2017-2022 experience study

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	26.0%	0.97%
Equity	39.0%	2.66%
Alternatives	23.0%	1.81%
Real estate	12.0%	0.60%
Total	100.0%	6.04%
Inflation		2.40%
Expected arithmetic nominal return		8.44%

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.5%	4.45%
International equity	11.5%	4.29%
Domestic fixed income	8.0%	2.79%
International fixed income	6.0%	1.66%
Private equity	37.0%	8.24%
Other private assets	15.0%	4.51%

Discount Rate

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

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

	Discount Rate	Change from Prior Year	1% Decrease	Current Discount Rate	1% Increase
TRSL	7.25%	0.00%	$ 22,178,833	$ 15,303,950	$ 9,523,945
LSERS	6.80%	0.00%	$ 1,747,860	$ 1,148,395	$ 634,576

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

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

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	103
Inactive employees entitles to but not yet receiving benefit payments	-
Active employees	100
Employees with life insurance benefits but not medical benefits	58
	261

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

Valuation date	June 30, 2024
Measurement date	June 30, 2024
Actuarial method	Individual Entry Age Normal Cost Method
Service cost	Actuarial Present Value of Benefits allocated to the valuation year
Discount rate	3.54%
Inflation	2.5%
Salary increases	3.5%
Healthcare cost trend rates	4.5%

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

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

Changes in the Total OPEB Liability are as follows:

Balance, beginning of year	$ 20,355,298
Changes for the year:	
Service cost	704,565
Interest	867,950
Difference between expected and actual experience	-
Changes in assumption	-
Benefit payments and net transfers	(886,928)
Net changes	685,587
Balance, end of year	$ 21,040,885

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 experiences	$ -	$ 995,598
Changes of assumptions	-	869,084
Total	$ -	$ 1,864,682

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

Year Ending June 30,	
2026	$ (946,538)
2027	$ (918,144)

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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease	Current Trend 4.21%	1.0% Increase
Total OPEB Liability	$ 23,839,322	$ 21,040,885	$ 18,749,769

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

	1.0% Decrease	Current Trend 4.50%	1.0% Increase
Total OPEB Liability	$ 18,765,909	$ 21,040,885	$ 23,833,500

The School Board recognized OPEB expense of $249,785.

(8) Litigation, Claims, and Contingencies

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

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

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

(9) Risk Management

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

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

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

	June 30, 2025	June 30, 2024
Beginning of fiscal year liability	$ -	$ 35,000
Claims and changes in estimate	130,180	(25,954)
Benefit payments and claims	120,180	9,046
Ending of fiscal year liability	$ 10,000	$ -

(10) Economic Dependency

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

(11) On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the Parish Tax Collector for $127,565 to the Teacher's Retirement System of Louisiana for employee retirement benefits.

(12) Subsequent Events

In July 2025, the School Board was placed under fiscal administration by the Louisiana Department of Education in accordance with applicable state law. Fiscal administration occurs when the State assumes certain financial oversight and decision-making authority over the operations of a local education agency. The imposition of fiscal administration was the result of financial conditions that developed after the School Board's year-end and, accordingly, no adjustments have been made to the accompanying financial statements for this matter. Management is working with the State to address financial operations, budgetary controls, and long-term fiscal stability.

In October 2025, the School Board issued Revenue Anticipation Notes (RANs) in the amount of $2,500,000 for the purpose of providing short-term financing of operations until the receipt of budgeted revenues. The notes are anticipated to mature in 2027 and bear interest at a rate of 4.85%. The proceeds of the RANs are to be repaid from future revenues of the School Board. As the issuance occurred after fiscal year-end, no liabilities related to the RANs are reflected in the June 30, 2025 financial statements.

(13) Prior Period Adjustment

During the fiscal year, the School Board identified errors related to the prior year recordings. The effects of correcting these errors are as follows:

	Custodial Fund	General Fund	Debt Service	School Food Service	Nonmajor Governmental	Governmental Activities
Original balance, as reported:	$ 207,274	$ 296,164	$ 856,969	$ 1,899,919	$ 329,537	$ (11,410,750)
Prior period adjustment:						
Correction of error	1,791	628,853	(130,118)	93,949	333,567	926,251
Balance, as restated	$ 209,065	$ 925,017	$ 726,851	$ 1,993,868	$ 663,104	$ (10,484,499)

(14) Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*. GASB 103 is effective for fiscal years beginning after June 15, 2025, and will revise certain financial reporting requirements, including the management's discussion and analysis, the presentation of proprietary fund financial statements, budgetary comparisons, and reporting of unusual or infrequent items. The School Board has not yet determined the effect, if any, that the adoption of this standard will have on its financial statements.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*. GASB 104 is effective for fiscal years beginning after June 15, 2025, and enhances existing capital asset disclosure requirements. The statement clarifies disclosure requirements for lease assets, intangible right-to-use assets, subscription assets, other intangible assets, and capital assets held for sale. The School Board has not yet evaluated the effect, if any, that adoption of this statement will have on its financial statements.

REQUIRED
SUPPLEMENTARY INFORMATION

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

General Fund
Budgetary Comparison Schedule
For the year ended June 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Local sources:				
Taxes				
Ad valorem taxes	$ 1,220,724	$ 1,220,724	$ 1,253,456	$ 32,732
Sales taxes	1,495,826	1,495,826	1,512,148	16,322
Interest	8,002	8,002	70,593	62,591
Other	490,607	490,607	1,833,814	1,343,207
State sources:				
Equalization	8,447,147	8,447,147	8,493,445	46,298
Other	156,533	156,533	565,368	408,835
Federal sources	66,566	66,566	-	(66,566)
Total revenues	11,885,405	11,885,405	13,728,824	1,843,419
Expenditures				
Current:				
Instruction -				
Regular programs	5,201,306	5,201,306	7,455,530	(2,254,224)
Special education programs	285,394	285,394	837,514	(552,120)
Other instructional programs	912,668	912,668	1,177,805	(265,137)
Support services -				
Student services	671,754	671,754	702,401	(30,647)
Instructional staff support services	461,245	461,245	1,127,114	(665,869)
General administration	1,243,568	1,243,568	923,873	319,695
School administration	708,068	708,068	862,022	(153,954)
Business services	702,069	702,069	697,284	4,785
Plant services	578,533	578,533	1,340,319	(761,786)
Student transportation services	1,153,915	1,153,915	868,228	285,687
Central services	163,811	163,811	202,283	(38,472)
Food services	49,778	49,778	249,518	(199,740)
Community service programs	13,650	13,650	13,650	-
Facilities acquisition and construction	98,000	98,000	293,316	(195,316)
Total expenditures	12,243,759	12,243,759	16,750,857	(4,507,098)
Excess (deficiency) of revenues over expenditures	(358,354)	(358,354)	(3,022,033)	(2,663,679)
Other financing sources (uses):				
Transfers in	358,354	358,354	-	(358,354)
Total other financing sources (uses)	358,354	358,354	-	(358,354)
Net change in fund balance	-	-	(3,022,033)	(3,022,033)
Fund balances, beginning, as restated	925,017	925,017	925,017	-
Fund balances, ending	$ 925,017	$ 925,017	$ (2,097,016)	$ (3,022,033)

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Title I Fund
Budgetary Comparison Schedule
For the year ended June 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Federal sources	$ 2,353,394	$ 2,353,394	$ 2,990,467	$ 637,073
Expenditures				
Current:				
Instruction -				
Regular programs	333,103	333,103	131,260	201,843
Other instructional programs	1,439,621	1,439,621	1,458,182	(18,561)
Support services -				
Student services	76,389	76,389	356,883	(280,494)
Instructional staff support services	337,481	337,481	961,455	(623,974)
Central services	166,800	166,800	82,687	84,113
Total expenditures	2,353,394	2,353,394	2,990,467	(637,073)
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

School Food Service
Budgetary Comparison Schedule
For the year ended June 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Local sources:				
Interest	$ 14,915	$ 14,915	$ 18,243	$ 3,328
Other	3,569	3,569	8,372	4,803
State sources:				
Equalization	-	-	12,923	12,923
Federal sources	1,078,818	1,078,818	1,243,172	164,354
Total revenues	1,097,302	1,097,302	1,282,710	185,408
Expenditures				
Current:				
Food services	1,014,726	1,014,726	943,507	71,219
Net change in fund balance	82,576	82,576	339,203	256,627
Fund balances, beginning, as restated	1,993,868	1,993,868	1,993,868	-
Fund balances, ending	$ 2,076,444	$ 2,076,444	$ 2,333,071	$ 256,627

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

ESSER Fund
Budgetary Comparison Schedule
For the year ended June 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Federal sources	$ 3,548,797	$ 3,548,797	$ 2,426,461	$ (1,122,336)
Expenditures				
Current:				
Instruction -				
Regular programs	42,254	42,254	37,933	4,321
Special education programs	-	-	4,321	(4,321)
Other instructional programs	2,222	2,222	2,222	-
Support services -				
Instructional staff support services	2,414,478	2,414,478	1,291,817	1,122,661
General administration	1,088,613	1,088,613	1,088,613	-
School administration	1,230	1,230	1,230	-
Business services	-	-	325	(325)
Total expenditures	3,548,797	3,548,797	2,426,461	1,122,336
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

21st Century Fund
Budgetary Comparison Schedule
For the year ended June 30, 2025

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Federal sources	$ 1,311,000	$ 1,311,000	$ 1,446,055	$ 135,055
Expenditures				
Current:				
Instruction -				
Other instructional programs	706,453	706,453	706,453	-
Support services -				
Instructional staff support services	584,593	584,593	719,648	(135,055)
School administration	19,954	19,954	19,954	-
Total expenditures	1,311,000	1,311,000	1,446,055	(135,055)
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability*								
Service cost	$ 819,092	$ 850,873	$ 850,873	$ 948,433	$ 948,433	$ 770,308	$ 770,308	$ 704,565
Interest	901,052	929,912	875,677	551,063	534,590	814,991	840,116	867,950
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(3,237,020)	(570,149)	2,394,971	-	(2,006,356)	-
Changes of assumptions	-	235,476	2,261,378	(207,461)	(4,562,553)	-	(1,751,402)	-
Benefit payments	(1,035,941)	(980,241)	(947,209)	(918,488)	(896,184)	(832,819)	(918,286)	(886,928)
Net change in total OPEB liability	684,203	1,036,020	(196,301)	(196,602)	(1,580,743)	752,480	(3,065,620)	685,587
Total OPEB liability - beginning	22,921,861	23,606,064	24,642,084	24,445,783	24,249,181	22,668,438	23,420,918	20,355,298
Total OPEB liability - ending	$ 23,606,064	$ 24,642,084	$ 24,445,783	$ 24,249,181	$ 22,668,438	$ 23,420,918	$ 20,355,298	$ 21,040,885
Covered-employee payroll	$ 3,885,258	$ 3,885,258	$ 3,573,064	$ 3,573,064	$ 3,996,484	$ 3,996,484	$ 4,500,598	$ 4,500,598
Net OPEB liability as a percentage of covered-employee payroll	607.58%	634.25%	684.17%	678.67%	567.21%	586.04%	452.28%	467.51%

** Equal to Net OPEB Liability*

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the year ended June 30, 2025

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana (TRSL)					
2025	0.18%	$ 15,303,950	$ 9,941,988	154%	76.00%
2024	0.17%	$ 15,564,830	$ 9,735,345	160%	74.29%
2023	0.15%	$ 14,547,853	$ 8,784,921	166%	72.40%
2022	0.14%	$ 7,818,150	$ 7,343,502	106%	83.90%
2021	0.15%	$ 16,443,084	$ 6,925,045	237%	65.60%
2020	0.14%	$ 13,919,619	$ 6,320,783	220%	68.60%
2019	0.13%	$ 12,638,342	$ 6,029,551	210%	68.20%
2018	0.13%	$ 13,077,192	$ 6,187,541	211%	65.60%
2017	0.15%	$ 18,183,057	$ 7,392,466	246%	59.90%
2016	0.17%	$ 18,232,085	$ 9,140,137	199%	62.50%
Louisiana School Employees' Retirement System (LSERS)					
2025	0.23%	$ 1,148,395	$ 855,464	134%	82.06%
2024	0.26%	$ 1,555,642	$ 865,296	180%	78.48%
2023	0.24%	$ 1,618,224	$ 772,475	209%	75.52%
2022	0.22%	$ 1,058,873	$ 660,939	160%	82.50%
2021	0.20%	$ 1,575,860	$ 580,415	272%	69.67%
2020	0.22%	$ 1,542,334	$ 606,607	254%	73.49%
2019	0.21%	$ 1,413,344	$ 628,327	225%	74.40%
2018	0.17%	$ 1,132,370	$ 506,555	224%	75.03%
2017	0.23%	$ 1,721,481	$ 648,185	266%	70.09%
2016	0.26%	$ 1,667,877	$ 824,133	202%	74.49%

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedule of Employer Retirement Contributions
For the year ended June 30, 2025

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Teachers' Retirement System of Louisiana (TRSL)					
2025	$ 2,300,000	$ 2,300,000	-	$ 10,697,674	21.5%
2024	$ 2,512,673	$ 2,512,673	-	$ 10,131,746	24.8%
2023	$ 2,453,307	$ 2,453,307	-	$ 9,735,345	25.2%
2022	$ 2,213,800	$ 2,213,800	-	$ 8,580,620	25.8%
2021	$ 1,894,624	$ 3,186,039	-	$ 7,343,504	25.8%
2020	$ 1,800,512	$ 2,950,094	-	$ 6,925,046	26.0%
2019	$ 1,687,649	$ 2,937,414	-	$ 6,320,783	26.7%
2018	$ 1,686,317	$ 1,686,317	-	$ 6,022,561	28.0%
2017	$ 1,723,591	$ 1,723,591	-	$ 6,177,746	27.9%
2016	$ 2,054,589	$ 2,054,589	-	$ 7,390,608	27.8%
Louisiana School Employees' Retirement System (LSERS)					
2025	$ 237,602	$ 237,602		$ 920,938	25.8%
2024	$ 236,108	$ 236,108		$ 855,464	27.6%
2023	$ 248,340	$ 248,340		$ 865,296	28.7%
2022	$ 224,134	$ 224,134		$ 780,955	28.7%
2021	$ 189,381	$ 366,873	-	$ 659,864	28.7%
2020	$ 170,642	$ 368,291	-	$ 580,415	29.4%
2019	$ 169,850	$ 340,399	-	$ 606,607	28.0%
2018	$ 170,642	$ 170,642	-	$ 627,360	27.2%
2017	$ 151,609	$ 151,609	-	$ 507,054	29.9%
2016	$ 199,990	$ 199,990	-	$ 647,217	30.9%

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Required Supplementary Information

(1) Retirement Systems

Changes of assumptions –

Teachers' Retirement System of Louisiana (TRSL)

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

Louisiana School Employees' Retirement System (LSERS)

* Year Ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	7.00%	7.00%	2.75%	3	2.50% - 2.75%
2017	7.125%	7.125%	2.625%	3	3.075% - 5.375%
2018	7.125%	7.125%	2.625%	3	3.075% - 5.375%
2019	7.0625%	7.0625%	2.50%	3	3.25%
2020	7.00%	7.00%	2.50%	3	3.25%
2021	7.00%	7.00%	2.50%	3	3.25%
2022	6.90%	6.90%	2.50%	3	3.25%
2023	6.80%	6.80%	2.50%	3	3.25%
2024	6.80%	6.80%	2.50%	2	3.75%
2025	6.80%	6.80%	2.50%	3	3.75%

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to Required Supplementary Information

(2) Other Post-Employment Benefits

Changes of assumptions –

Year Ended June 30,	Discount Rate	Medical Trend Rate	Inflation Rate
2018	3.88%	5.50%	3.00%
2019	3.50%	5.50%	3.00%
2020	2.21%	4.50%	3.00%
2021	2.16%	4.50%	3.00%
2022	3.54%	4.50%	3.00%
2023	3.54%	4.50%	3.00%
2024	4.21%	4.50%	2.50%
2025	3.54%	4.50%	2.50%

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

(3) Budget Practices

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

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

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

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Title II

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

IDEA

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

Sales Tax Maintenance Fund

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

Student Activity Funds

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

Other Funds

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Title II	IDEA	Sales Tax Maintenance Fund	Student Activity Funds	Other Funds	Total
ASSETS						
Cash and interest-bearing deposits	$ -	$ 8,433	$ 26,805	$ 51,081	$ 561,178	$ 647,497
Receivables	-	-	139,438	-	-	139,438
Due from other governments	19,004	55,741	-	-	208,824	283,569
Interfund receivables	-	-	1,576	2,500	-	4,076
Total assets	$ 19,004	$ 64,174	$ 167,819	$ 53,581	$ 770,002	$ 1,074,580
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ 4,194	$ 1,645	$ -	$ 111,015	$ 116,854
Accrued salaries and related benefits	-	16,133	717	-	59,457	76,307
Interfund payables	19,004	43,847	52,299	-	156,428	271,578
Total liabilities	19,004	64,174	54,661	-	326,900	464,739
Fund balances:						
Restricted	-	-	113,158	53,581	443,102	609,841
Total liabilities and fund balances	$ 19,004	$ 64,174	$ 167,819	$ 53,581	$ 770,002	$ 1,074,580

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2025

	Title II	IDEA	Sales Tax Maintenance Fund	Student Activity Funds	Other Funds	Total
Revenues						
Local sources:						
Sales tax	$ -	$ -	$ 755,102	$ -	$ -	$ 755,102
Interest	-	-	1,200	-	-	1,200
Other	-	-	135	393,150	212,304	605,589
State sources:						
Other	-	-	-	-	348,599	348,599
Federal sources	71,820	494,221	-	-	666,673	1,232,714
Total revenues	71,820	494,221	756,437	393,150	1,227,576	2,943,204
Expenditures						
Current:						
Instruction -						
Regular programs	-	1,313	-	16,718	330,353	348,384
Special education programs	-	47,928	-	-	10,735	58,663
Other instructional programs	880	105,011	601	343,302	275,172	724,966
Support services -						
Pupil support services	-	63,314	-	-	195,108	258,422
Instructional staff support services	70,940	276,544	-	77	317,448	665,009
General administration	-	-	-	-	12,556	12,556
School administration	-	-	-	35,337	-	35,337
Business services	-	-	-	-	-	-
Plant services	-	111	719,767	75	-	719,953
Student transportation services	-	-	167,687	-	-	167,687
Central services	-	-	-	-	22,077	22,077
Total expenditures	71,820	494,221	888,055	395,509	1,163,449	3,013,054
Excess (deficiency) of revenues over expenditures	-	-	(131,618)	(2,359)	64,127	(69,850)
Other financing sources (uses)						
Transfers in	-	-	16,587	-	269,209	285,796
Transfers out	-	-	-	-	(269,209)	(269,209)
Total other financing sources	-	-	16,587	-	-	(521,831)
Net change in fund balances	-	-	(115,031)	(2,359)	64,127	(53,263)
Fund balances, beginning, as restated	-	-	228,189	55,940	378,975	663,104
Fund balances, ending	$ -	$ -	$ 113,158	$ 53,581	$ 443,102	$ 609,841

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedules of Compensation
For the Year Ended June 30, 2025

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

Shelly Crawford	$ 9,600
Eddie Fountain	9,800
Kathy Gultery	9,600
Oscar Hamilton	9,000
Paula Hamilton	9,600
Willie Patterson	1,600
Marguerite Hargrave	9,600
Lisa Johnson	9,856
Jeffery Wilson	9,600
	$ 78,256

A detail of compensation, benefits and other payments paid to Lucille Lovette, Interim Superintendent (November - April) is as follows:

Purpose	Amount
Salary	$ 47,436
Benefits- retirement	$ 10,203
Benefits- taxes	$ 688
Travel	$ 6,262
	$ 64,589

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

Purpose	Amount
Salary	$ 152,401
Benefits- insurance	$ 11,400
Benefits- retirement	$ 36,270
Benefits- taxes	$ 2,405
Dues	$ 1,984
Travel	$ 8,697
Car allowance	$ 13,200
	$ 226,357

INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS

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

Deborah Finlay, Fiscal Administrator,
and Members of the Madison Parish School Board
Tallulah, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish School Board, (the School Board) as of and for the year ended June 30, 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 August 31, 2026.

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.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-008 to 2025-012 to be material weaknesses.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 to 2025-007 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as described in the accompanying schedule of findings and questioned costs as items 2025-013 to 2025-018.

Madison Parish School Board's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 31, 2026

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

Deborah Finlay, Fiscal Administrator,
and Members of the Madison Parish School Board
Tallulah, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Madison Parish School Board's (the School Board) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2025. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions 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.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the School Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed 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 items 2025-019 through 2025-022. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response to the internal control over compliance and 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-023 and 2025-024 to be material weaknesses.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 31, 2026

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number		Federal Expenditures
United States Department of Agriculture-				
Passed through Louisiana Department of Education-				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A		$ 354,799
National School Lunch Program	10.555	N/A	$ 824,712	
Passed through Louisiana Department of Agriculture and Forestry-				
Food Distribution	10.555	N/A	63,661	
Total assistance listing number 10.555				888,373
Total Child Nutrition Cluster				1,243,172
Total United States Department of Agriculture				1,243,172
United States Department of Education-				
Passed through Louisiana Department of Education				
Title I Grants to Local Educational Agencies	84.010A	28-25-T1-33	2,990,467	
Title I Redesign 1003a	84.010A	28-23-RD19-33	124,129	
Total assistance lising number 84.010				3,114,596
Special Education Cluster				
Special Education Grants to States-IDEA Part B	84.027	28-25-B1-33	373,768	
Special Education Grants to States-IDEA 611 Set Aside	84.027	28-23-I1SA-33	79,853	
Total assistance lising number 84.027				453,621
Special Education-Preschool Grants	84.173	28-25-P1-33	32,687	
Special Education Grants to States-IDEA 619 Set Aside	84.173	28-22-I1SA-33	7,913	
Total assistance lising number 84.173				40,600
Total for Special Education Cluster				494,221
Title IV Student Support and Academic Enrichment Program	84.424	28-25-71-33		41,770
21st Century Community Learning Center	84.287	28-25-2C-33		1,446,055
CLSD K-5	84.371C	28-20-CCUK-33	162,636	
CLSD 6-8	84.371C	28-20-CCU6-33	92,196	
CLSD 9-12	84.371C	28-20-CCU9-33	97,122	
Total assistance lising number 84.371				351,954
Education Stabilization Fund - COVID 19-Homeless ARP	84.425U	N/A	26,736	
Education Stabilization Fund - COVID 19-ESSER III Formula	84.425U	28-21-ES3F-33	2,057,566	
Education Stabilization Fund - COVID 19-ESSER III Incentive	84.425U	28-21-ES3I-33	333,199	
Education Stabilization Fund - COVID 19-ESSER IIIEB	84.425U	28-21-ESEB-33	8,960	
Total assistance listing number 84.425				2,426,461
Supporting Effective Instruction State Grants - Title IIA	84.367A	28-25-50-33		71,820
Title V-B RLIS	84.358	28-25-RLIS-33		34,100
Total United States Department of Education				7,980,977
United States Department of Health and Human Services				
Passed through Louisiana Department of Education-				
Temporary Assistance for Needy Families-JAG Revenue	93.558	28-22-36-33		114,720
Total United States Department of Health and Human Services				114,720
TOTAL FEDERAL AWARDS				$ 9,338,869

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

(1) General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Madison Parish School Board under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Madison Parish School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Madison Parish School Board.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2025. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Noncash Programs

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

(4) Subrecipients

No amounts were provided to subrecipients.

(5) Indirect Cost Rate

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting		
Material weakness(es) identified?	X yes	____ no
Significant deficiencies identified?	X yes	____ none reported
Noncompliance material to financial statements noted?	X yes	____ no

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified	
Internal control over major programs		
Material weakness(es) identified?	X yes	____ no
Significant deficiencies identified?	____ yes	X none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	X yes	____ no

Major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund - COVID 19
84.010	Title I
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	____ yes	X no

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

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

A. Internal Control Findings –

2025-001 Capital Asset Reconciliations

Criteria: GASB standards and the Louisiana Legislative Auditor's financial policies require that capital asset records be maintained accurately and reconciled to the general ledger on a routine basis to ensure proper reporting of capital assets, accumulated depreciation, and related expenses.

Condition: During our audit of the School Board's capital asset records, we noted that the capital asset subsidiary ledger was not reconciled to the general ledger. Several additions, disposals, and depreciation calculations were not properly recorded or supported with adequate documentation.

Cause: Management did not perform periodic reconciliations between the capital asset records and the general ledger throughout the year, and there was insufficient supervisory review over capital asset activity.

Effect: As a result of these deficiencies, capital assets, accumulated depreciation, and depreciation expense were misstated prior to audit adjustments. These errors required material audit adjustments and increased the risk that the financial statements could be materially misstated without timely detection.

Recommendation: We recommend that management establish formal monthly or quarterly capital asset reconciliation procedures, including documented supervisory review. In addition, all capital asset additions, disposals, and depreciation entries should be supported by appropriate documentation and reviewed for accuracy.

Repeat Finding: Yes. 2024-001

View of Responsible Officials: An updated reconciliation of capital assets, including deletions and additions for FY26 will be provided to the auditor for the fiscal year along with the updated procedures for reconciliation on an annual basis.

2025-002 Student Activity Accounts

Criteria: Student activity funds are public funds and must be safeguarded in accordance with state law and sound internal control practices, including adequate segregation of duties, proper authorization, accurate recordkeeping, and independent review.

Condition: During our review of student activity accounts, we noted significant deficiencies in internal controls over cash receipts, disbursements, and reconciliations. Specifically, the same individuals were responsible for collecting funds, maintaining accounting records, preparing deposits, and in some instances reconciling bank accounts. Additionally, reports were not submitted timely to the central office and were not reviewed.

Cause: These deficiencies appear to be the result of limited staffing, lack of formal written procedures, and insufficient administrative oversight at the individual schools and central office.

Effect: The lack of adequate internal controls significantly increases the risk of errors, misappropriation of funds, and undetected irregularities. Because of these weaknesses, the School Board may be unable to ensure that student activity funds are properly safeguarded and used only for their intended purposes.

Recommendation: We recommend that the School Board implement additional controls over student activity funds, including segregation of duties where feasible, increased administrative oversight, periodic independent reviews of activity accounts, and standardized documentation requirements.

Repeat Finding: Yes. 2024-002

View of Responsible Officials: Due to the small nature of the school system, it is difficult to provide a separation of duties within the school offices. Separation of duties where possible with dual counts and intake of payments has been implemented. Further efforts to require increased administrative oversight, reviews, and updated standardized documentation requirements have been put into place with planned intensive training with principals, secretaries, central office personnel, and others involved in student activity fund processes scheduled for August 25, 2026.

2025-003 Internal Control Over Journal Entries

Criteria: Sound internal control requires that all journal entries be supported by adequate documentation, reviewed for accuracy and appropriateness, and approved by an individual independent of journal entry preparation.

Condition: During our audit procedures, we identified multiple journal entries recorded throughout the year, including at year-end, that lacked adequate supporting documentation and/or evidence of supervisory review. Certain entries affecting significant account balances were prepared and posted without documented independent approval.

Cause: These conditions were primarily caused by the absence of formal journal entry policies and insufficient segregation of duties within the accounting function.

Effect: Without adequate documentation and independent review of journal entries, there is an increased risk that errors, unauthorized transactions, or intentional misstatements could occur and not be detected in a timely manner. This increases overall financial reporting risk.

Recommendation: We recommend that management implement a formal journal entry policy requiring adequate written support for all entries and documented independent supervisory approval prior to posting.

Repeat Finding: Yes. 2024-003

View of Responsible Officials: The Fiscal Administrator has signed and approved journal entries beginning in FY26.

2025-004 Internal Controls Over Payroll Processes

Criteria: Effective internal control over payroll requires proper segregation of duties between personnel responsible for payroll preparation, approval, processing, and reconciliation, as well as appropriate supervisory review.

Condition: During our review of the payroll process, we noted that key payroll functions were not adequately segregated. Additionally, certain payroll changes were processed without sufficient documented supervisory approval.

Cause: These conditions were caused primarily by the absence of formalized payroll control policies.

Effect: The lack of adequate segregation of duties and review increases the risk that payroll errors, unauthorized payments, or fraudulent activity could occur and remain undetected. This also contributed to the payroll liability reconciliation issues noted in a separate finding.

Recommendation: We recommend that management implement additional compensating controls over payroll processing, including independent review of payroll registers, documented approval of payroll changes, and periodic reconciliations performed by individuals independent of payroll preparation.

Repeat Finding: Yes. 2024-004

View of Responsible Officials: Preliminary independent review of payroll registers and comparison reports began with the October 2025 payroll run. In the month of January 2026, some disproportions in benefits were discovered. Further review led to a complete reassignment of payroll responsibilities. Following the reassignment, more extensive reviews were completed throughout 2025-2026 school year. A comprehensive revision to payroll activities has been put into place for the 2026-2027 school year including implementation of thorough training for the new payroll accountant. Additional procedures for review and document approval along with periodic reconciliation by others have been implemented.

2025-005	Financial Statement Oversight
Criteria:	The School Board is responsible for governance and oversight of financial reporting, including documented review of financial statements.
Condition:	There was no documented evidence that information was provided to the Board in a timely manner for the Board to review interim or year-end financial statements during the fiscal year.
Cause:	Board financial review procedures were not formalized.
Effect:	Without documented oversight, the risk of undetected financial misstatements and control breakdowns is increased.
Recommendation:	We recommend that the Board formally adopt and document a periodic financial statement review process.
Repeat Finding:	Yes. 2024-005

View of Responsible Officials: Due to the intensity of the financial and related issues, additional board meetings have occurred for many months in the 2025-2026 school year. Beginning with October 2026, and the resumption of one regular board meeting per month, monthly finance committee meetings will resume.

2025-006	Record Retention
Criteria:	State law requires public entities to maintain adequate records to support financial transactions and compliance activities.
Condition:	During the audit, management was unable to provide supporting documentation requested for audit procedures.
Cause:	These conditions were caused by inadequate record retention practices.

Effect: The inability to produce supporting documentation limits audit verification, weakens accountability, and increases the risk of undetected errors or noncompliance.

Recommendation: We recommend that the School Board implement secure document storage procedures with appropriate backup controls.

Repeat Finding: Yes. 2024-006

View of Responsible Officials: Due to the turnover in personnel, it was difficult to locate some prior records. The Fiscal Administrator will ensure that the procedures are in place for record retention in the future.

2025-007 Incomplete PEP Data

Criteria: Accurate student and personnel data must be maintained and reported in the PEP system in accordance with Louisiana Department of Education requirements.

Condition: The School Board was unable to provide complete and accurate PEP records. Significant discrepancies were noted between internal records and data reported within the PEP system.

Cause: This condition appears to be caused by inadequate data verification procedures and insufficient coordination between departments responsible for reporting.

Effect: Inaccurate PEP data may result in funding errors, reporting inaccuracies, and potential noncompliance with state reporting requirements.

Recommendation: We recommend that management implement formal data validation procedures and require periodic reconciliation between internal records and PEP submissions.

Repeat Finding: Yes. 2024-007

View of Responsible Officials: The District has experienced inconsistencies between the PEP reporting systems. There has been turnover in some of these areas and new employees are working diligently to rectify any errors beginning in FY2026.

2025-008 Material Journal Entries

Criteria: Governmental accounting standards require that financial records be maintained accurately throughout the year, and that material correcting entries be minimized through effective monthly and year-end closing procedures.

Condition: During the audit, we identified material correcting journal entries that were required to properly state the School Board's financial records. These entries affected significant account balances throughout all of the School Board's funds.

Cause: These conditions were caused by inadequate monthly reconciliations and insufficient review of financial activity throughout the year.

Effect: As a result, the School Board's financial statements were materially misstated prior to audit adjustments. This increases audit risk and reduces the reliability of financial information used by management and the Board during the year.

Recommendation: We recommend that management strengthen month-end and year-end closing procedures, including completion of timely reconciliations and supervisory financial statement reviews.

Repeat Finding: Yes. 2024-008

View of Responsible Officials: The Fiscal Administrator is working to correct the records and has a consistent path forward of accurate reporting that will not require these types of entries in the future beginning in FY2026.

2025-009 Bank Account Reconciliation

Criteria: Bank accounts including CDs should be reconciled monthly, and all differences should be investigated and resolved timely in accordance with sound accounting practices.

Condition: During the audit, we noted that multiple bank reconciliations were not prepared timely and contained unresolved reconciling items. In addition, supporting documentation for certain reconciling differences was unavailable.

Cause: These issues appear to be caused by insufficient supervisory oversight of the reconciliation process.

Effect: Untimely or inaccurate bank reconciliations significantly increase the risk that errors, fraud, or unauthorized transactions could occur and not be detected in a timely manner.

Recommendation: We recommend that all bank reconciliations be prepared and reviewed monthly, with documented investigation and resolution of all reconciling items.

Repeat Finding: Yes. 2024-009

View of Responsible Officials: the Fiscal Administrator has worked to comply with future bank reconciliation processes. Duplicated and triplicated deposit entries and disbursement entries required lengthy research in early 2025-2026 fiscal year; however, these have been cleared and reconciled near mid-2026.

2025-010	Reconciliation of Payroll Liabilities
Criteria:	Payroll liability accounts should be reconciled monthly to ensure all withholdings, employer contributions, and payments are accurately recorded and remitted timely.
Condition:	At year-end, several payroll liability accounts contained unreconciled balances. Supporting documentation was not available for certain differences, and prior-period discrepancies remained unresolved.
Cause:	Monthly payroll liability reconciliations were not consistently performed or reviewed.
Effect:	Unreconciled payroll liabilities increase the risk that payroll expenses and liabilities are misstated and that required remittances may not be made timely.
Recommendation:	We recommend that management perform and document monthly payroll liability reconciliations with independent supervisory review.
Repeat Finding:	Yes. 2024-010

View of Responsible Officials: The Fiscal Administrator has worked to address this issue beginning with FY2025 and will continue with this in 2026.

2025-011	Cash Management (Cash Overdrafts)
Criteria:	Sound cash management requires that cash balances be monitored to ensure sufficient liquidity exists prior to initiating disbursements.
Condition:	During the year, cash overdrafts occurred in multiple funds due to expenditures exceeding available cash balances.
Cause:	Inadequate daily cash flow monitoring and insufficient forecasting of cash needs.
Effect:	Cash overdrafts expose the School Board to potential banking fees, borrowing violations, and increased financial instability.

Recommendation: We recommend that management implement daily cash monitoring and short-term cash forecasting procedures.

Repeat Finding: Yes. 2024-012

View of Responsible Officials: The Fiscal Administrator has implemented short-term and long-term cash management projections beginning in FY2026. The District received a Revenue Anticipation Note in mid-October 2025 that has put the School Board in a position to maintain a positive cash flow.

2025-012 Grant Reconciliations

Criteria: Federal and state grant agreements, along with sound internal control practices, require that grant revenues and expenditures be accurately recorded, monitored, and reconciled on a periodic basis to ensure compliance with grant requirements and timely submission of reimbursement requests.

Condition: During our audit, we noted that the School Board did not perform routine reconciliations of grant expenditures to grant awards and reimbursement activity. As a result, grant-related expenditures were not adequately monitored throughout the year. Specifically, certain grant expenditures were recorded in excess of allowable or reimbursable amounts, while in other instances, reimbursement requests were not submitted for eligible expenditures incurred during the fiscal year.

Cause: This condition was caused by the absence of formal grant reconciliation procedures and insufficient coordination between accounting personnel responsible for tracking grant activity.

Effect: Failure to reconcile grant activity increases the risk that grant expenditures are overstated, unallowable costs are charged to grant programs, or eligible reimbursement requests are not submitted timely. This may result in loss of grant revenue, repayment of questioned costs, or increased scrutiny by granting agencies.

Recommendation: We recommend that management implement formal grant reconciliation procedures, including periodic reconciliation of grant expenditures to grant awards and reimbursement requests. In addition, management should ensure timely communication between accounting personnel to identify and resolve discrepancies.

Repeat Finding: Yes. 2024-013

View of Responsible Officials: The Fiscal Administrator has implemented formal grant reconciliation procedures, including monthly reconciliation of grant expenditures along with monthly submission for reimbursement requests effective since July 1, 2025. In addition, monthly communication between accounting personnel to identify and resolve discrepancies has been implemented.

B. Compliance Findings –

2025-013	General Obligation Bond Continuing Disclosure
Criteria:	Bond continuing disclosure requirements.
Condition:	The School Board did not make required continuing disclosures related to their outstanding bonds on the MSRB reporting website.
Cause:	The School Board failed submit required continuing disclosures.
Effect:	Continuing disclosure requirements were not met.
Recommendation:	The School Board should work with its bond counsel or other advisors to ensure the required disclosures are made.
Repeat Finding:	Yes. 2024-014

View of Responsible Officials: The Fiscal Administrator worked with the Board's bond counsel to bring this into compliance for FY2026.

2025-014	Late Report Issuance
Criteria:	R.S. 24:513 requires that audits be completed within six months of the close of the School Board's fiscal year.
Condition:	The School Board failed to submit its annual financial report to the Legislative Auditor's Office by the statutory deadline.
Cause:	The overall condition of the School Board's financial records prohibited the School Board's CPA consultant from providing timely and accurate information to the School Board's auditors.
Effect:	The School Board is not in compliance with R.S. 24:513.

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

Repeat Finding: Yes. 2024-015

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

2025-015 Local Government Budget Act

Criteria: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for adoption and amending the budget.

Condition: The School Board budgets were not properly amended during the year for identified changes in revenues or expenses in excess of statutory limits.

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

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

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

Repeat Finding: Yes. 2024-016

View of Responsible Officials: The Fiscal Administrator will ensure that the budget is properly amended as needed beginning with FY2026.

2025-016 Noncompliance with Act 370

Criteria: Act 370 of the Louisiana Legislature requires school boards to comply with specific transparency, financial reporting, and public disclosure requirements as prescribed by law.

Condition: The School Board did not fully comply with Act 370 requirements during the fiscal year.

Cause: This condition appears to be the result of insufficient monitoring of legislative requirements and a lack of formal compliance tracking procedures.

Effect: Noncompliance with Act 370 places the School Board in violation of state law and may subject it to public scrutiny, regulatory action, or other enforcement measures.

Recommendation: We recommend that management implement formal compliance monitoring procedures related to Act 370 and assign responsibility for ongoing legislative compliance.

Repeat Finding: Yes. 2024-017

View of Responsible Officials: The budget was placed on the District's website in FY2025. Although the District did not submit the 1st Act 370 submission required in FY2025, the final submission was made timely. The Fiscal Administrator will ensure that all Act 370 requirements are met beginning with FY2026.

2025-017 Open Meetings Publications

Criteria: State law requires that budgets, minutes, and related documents be properly published and adopted within prescribed timeframes.

Condition: Required financial publications were not completed timely and/or were not properly documented as adopted in accordance with legal requirements.

Cause: Failure to track statutory publication and adoption deadlines.

Effect: This condition places the School Board in noncompliance with state law and reduces public transparency.

Recommendation: We recommend that management establish a statutory compliance calendar for all publication and adoption deadlines.

Repeat Finding: Yes. 2024-018

View of Responsible Officials: The Fiscal Administrator will ensure that all publication requirements are met for public meetings beginning with FY2026.

2025-018 Louisiana Public Bid Law

Criteria: LSA-R.S. 38:2212.1(A)(1)(b) requires purchases of thirty thousand dollars or more, but less than sixty thousand dollars, to be made by obtaining not less than three quotes by telephone, facsimile, email, or any other printable electronic form. If telephone quotes are received, written confirmation of the accepted offers shall be obtained and made a part of the purchase file. If quotations lower than the

accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file.

Condition: The School Board made purchases from a vendor during the fiscal year that exceeded thirty thousand dollars in total but did not obtain or maintain documentation of at least three quotes prior to making the purchases.

Cause: The School Board did not have adequate procedures in place to monitor purchases by vendor and ensure that required quotes were obtained and retained.

Effect: The School Board did not comply with the requirements of LSA-R.S. 38:2212.1. Failure to obtain the required quotes may result in purchases being made without adequate competition and may prevent the School Board from demonstrating that goods were purchased at the most favorable price available.

Recommendation: The School Board should implement procedures to monitor vendor purchases throughout the fiscal year and ensure that required quotes are obtained and maintained in the purchase file before purchases are made in accordance with Louisiana Public Bid Law.

Repeat Finding: No.

View of Responsible Officials: The requisition and purchase order approval process requires review by a Principal/Supervisor, the Superintendent, and the Fiscal Administrator who are aware of bid law and Board Policy requirements. These controls should prevent inappropriate purchasing.

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

2025-019 Late Report Submission

Criteria: OMB Uniform Guidance requires submission of the Single Audit reporting package to the Federal Audit Clearinghouse within nine months after fiscal year-end.

Condition: The School Board did not submit its Single Audit reporting package by the required deadline.

Cause: Delays in financial reporting and audit completion contributed to the late submission.

Effect: Late submission places the School Board at risk of federal funding sanctions, increased monitoring, and potential withholding of future grant awards.

Recommendation: We recommend that management implement separate internal deadlines for Single Audit preparation and ensure coordination between financial reporting and grant compliance staff.

Repeat Finding: Yes. 2024-019

View of Responsible Officials: Management will implement separate internal deadlines for Single Audit preparation. Deadlines and procedures will require coordination between financial reporting and grant compliance staff.

2025-020 Compliance Over Procurement and Suspension and Debarment

U.S. Department of Agriculture (USDA)
Child Nutrition Cluster ALN 10.555

Criteria: 2 CFR 200.318(a) requires that non-Federal entities use their own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in 2 CFR 200.318 through 200.327. Accordingly, the entity is required to comply with the Louisiana Public Bid Law, LA R.S. 38:2211 et seq., which governs the procurement of goods and services using public funds. Under Louisiana Public Bid Law, purchases meeting applicable bid thresholds must be made by obtaining quotes or through a formal public bid process, as applicable, to ensure that public funds are expended through a transparent, competitive procurement process.

Condition: During our testing of Procurement and Suspension and Debarment for the Child Nutrition Cluster, we selected a sample of 5 vendors from a population of 14 vendors utilized during the fiscal year. For one vendor selected, the School Board made purchases totaling $33,000 without obtaining the required competitive bids or quotes in accordance with Louisiana Public Bid Law.

Cause: The School Board did not obtain competitive bids or quotes prior to making purchases from the vendor in question, as required under Louisiana Public Bid Law. This condition indicates a deficiency in the School Board's procurement controls, including the lack of an adequate review process to ensure that purchases meeting applicable bid thresholds are supported by the required quotes or subjected to a formal competitive bid process before a vendor is selected and a commitment is made.

Effect: By failing to obtain competitive bids or quotes as required, the School Board cannot demonstrate that the $33,000 in purchases from this vendor represent the best value to the program or that public funds were expended through a fair and open competitive process as required by Louisiana Public Bid Law and 2 CFR 200.318(a). The $33,000 represents known and questioned costs subject to a potential disallowance by the federal awarding agency.

Regarding likely questioned costs: our testing covered 5 of 14 vendors (35.7% of the vendor population). The exception was identified within the tested population; however, because procurement noncompliance in this context was vendor-specific rather than transaction-rate-based, the likely questioned costs are limited to the $33,000 associated with the identified vendor. No extrapolation to the untested vendor population has been made, as the noncompliance relates to a discrete procurement decision rather than a systemic per-transaction error.

Recommendation: We recommend that management implement a formal procurement review process to ensure that all purchases meeting or exceeding applicable bid thresholds under Louisiana Public Bid Law are supported by the required quotes or subjected to a competitive bid process prior to vendor selection and commitment of funds. Management should develop or strengthen written procurement policies and procedures that clearly identify bid thresholds, required procurement methods, and documentation retention requirements, consistent with 2 CFR 200.318-200.327. Management should also consult with legal counsel and the federal awarding agency regarding the appropriate disposition of the $33,000 in questioned costs identified.

Repeat Finding: No.

View of Responsible Officials: Prior to purchases being made, the Child Nutrition Program Supervisor will check for suspension and debarment of vendors. The accounts payable accountant will also review for suspension and debarment prior to the payment being made. Evidence of review will be maintained in an appropriately labeled file each year. See response to finding 2025-018 above.

2025-021 Compliance Over Allowable Costs/Activities Allowed

U.S. Department of Education
Title I ALN 84.010

Criteria: 2 CFR 200.405, costs must be allocable to a federal award. A cost is allocable if it is assignable to the award in accordance with the relative benefits received. Costs that benefit another program or activity may not be charged to a federal award. Additionally, the award agreement governing Title I requires that reimbursement

requests be supported by adequate documentation evidencing that costs claimed are allowable, allocable, and in compliance with the terms and conditions of the federal award. Per 2 CFR 200.403, costs must be adequately documented to be allowable under federal awards.

Condition: During our testing of Allowable Costs and Activities Allowed for Title I, we selected a sample of 77 transactions from the program's population of expenditures for the year ended June 30, 2025. Of the 77 transactions tested, 2 exceptions were identified.

For one transaction selected, professional service costs totaling $6,400 were charged to Title I that were incurred for and should have been charged to a separate, unrelated federal program. These costs do not benefit Title I and are therefore unallowable charges to this award.

For one transaction selected, the School Board was unable to provide a reimbursement request to support costs of $1,350 claimed under the program.

Cause: The $6,400 cross-charge of professional services costs appears to result from an error in cost allocation or coding, in which expenditures incurred for another program were incorrectly assigned to Title I. This indicates a deficiency in the School Board's controls over the allocation of costs across federal programs. The unsupported reimbursement request of $1,350 indicates a deficiency in controls over the retention of supporting documentation for costs charged to the program.

Effect: The misallocation of $6,400 in professional services costs to Title I resulted in unallowable costs being charged to the award. These costs provided no benefit to Title I and may be subject to disallowance by the federal awarding agency. The unsupported reimbursement request of $1,350 similarly represents a cost for which compliance with award requirements cannot be demonstrated. In aggregate, the 2 exceptions represent $7,750 in known questioned costs. Projecting the identified error rate of 2.6% (2 exceptions out of 77 transactions tested) to the full program population results in approximately $80,900 in likely questioned costs.

Recommendation: We recommend that management strengthen controls over the allocation of costs to federal award programs to ensure that expenditures are charged only to the award that received the benefit of those costs, consistent with 2 CFR 200.405. Specifically, management should implement a review process to verify the accuracy of program costs coding prior to submission of reimbursement requests. Management should also refund or reclassify the $6,400 in professional service costs that were incorrectly charged to Title I. Additionally, management should implement controls to ensure that all reimbursement requests are supported by adequate documentation retained and available for audit.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

Repeat Finding: No.

View of Responsible Officials: Beginning with FY2026, a new Federal Programs Supervisor/Director was hired by the Board, and a Fiscal Administrator was appointed on August 27, 2025. These new designees will ensure that all federal programs operate within their allowable costs, activities, procurement, suspension and debarment guidelines. Approved budgets will be reviewed and complied with as purchases are made and reviewed monthly thereafter.

2025-022 Compliance Over Allowable Costs/Activities Allowed

U.S. Department of Education
Education Stabilization Fund ALN 84.425

Criteria: The award agreement governing ESSER requires that the School Board submit reimbursement requests supported by adequate documentation evidencing that costs claimed are allowed, allocable, and in compliance with terms and conditions of the federal award. Per 2 CFR 200.403, costs must be adequately documented to be allowable under federal awards.

Condition: During our testing of Allowable Costs and Activities Allowed, we selected a sample of 77 transactions from ESSER's population of expenditures for the year ended June 30, 2025. Of the 77 transactions, 2 instances were identified in which the School Board was unable to provide reimbursement requests to support the costs claimed under the program. The total dollar value of the unsupported transactions is $21,000.

Cause: The School Board did not maintain adequate controls over the retention and organization of reimbursement request documentation supporting costs charged to the program. As a result, documentation necessary to demonstrate compliance with the award agreement's reimbursement request requirements could not be located or provided to the auditors upon request.

Effect: Without adequate documentation supporting reimbursement requests, the School Board cannot demonstrate that costs charged to ESSER are allowable under the terms and conditions of the federal award. This creates a risk that unallowable costs have been or may be claimed for federal reimbursement. The 2 unsupported transactions represent $21,000 in known questioned costs. Projecting the identified error rate of 2.6% (2 exceptions out of 77 transactions tested) to full program population results in approximately $63,000 in likely questioned costs, which may be subject to disallowance by the federal awarding agency.

Recommendation: We recommend that management implement controls to ensure that all reimbursement requests submitted under federal award programs are retained in an organized manner and made readily available for audit. Management should also review the two reimbursement requests that could not be provided and attempt to obtain copies from internal records, the grant portal, or the applicable grantor/pass-through agency. If the reimbursement requests cannot be located, management should evaluate whether additional communication with the grantor or pass-through agency is necessary.

Repeat Finding: No.

View of Responsible Officials: Beginning with FY2026, a new Federal Programs Supervisor/Director was hired by the Board, and a Fiscal Administrator was appointed on August 27, 2025. These new designees will ensure that all federal programs operate within their allowable costs, activities, procurement, suspension and debarment guidelines. Approved budgets will be reviewed and complied with as purchases are made and reviewed monthly thereafter.

2025-023 Controls Over Allowable Cost/Activities Allowed

U.S. Department of Education
Education Stabilization Fund ALN 84.425
Title I ALN 84.010

Criteria: Uniform Guidance (2 CFR Part 200) requires that costs charged to federal awards be allowable, reasonable, and properly authorized, and that nonfederal entities establish effective internal controls over federal awards to provide reasonable assurance of compliance with federal requirements. Costs charged to Education Stabilization Fund (ESSER) and Title I grants should be supported by appropriate documentation and approved to ensure the activities performed are allowable under the respective grant programs.

Condition: During our testing of internal controls over allowable costs and activities related to expenses charged to ESSER and Title I grants, we noted that controls over the approval were not operating effectively. Specifically, charges to these grant programs were not consistently supported by documented supervisory approval verifying that the employees' activities and services performed or good provided were allowable and aligned with the objectives of the respective grants.

Cause: This condition was caused by the lack of formalized approval procedures over grant-funded costs and insufficient documentation requirements to demonstrate management's review of allowability and programmatic alignment.

Effect: Without adequate approval controls over costs charged to ESSER and Title I grants, the School Board is exposed to an increased risk that unallowable or unsupported costs could be charged to federal programs. This may result in questioned costs, required repayment of grant funds, or increased oversight by federal or state granting agencies.

Recommendation: We recommend that management implement formal approval and documentation procedures for all costs charged to ESSER and Title I grants. Such procedures should include documented supervisory review verifying that charges are allowable, reasonable, and directly related to approved grant activities prior to charging costs to the grant.

Repeat Finding: Yes. 2024-020

View of Responsible Officials: Beginning with FY2026, a new Federal Programs Supervisor/Director was hired by the Board, and a Fiscal Administrator was appointed on August 27, 2025. These new designees will ensure that all federal programs operate within their allowable costs, activities, procurement, suspension and debarment guidelines. Approved budgets will be reviewed and complied with as purchases are made and reviewed monthly thereafter.

2025-024 Controls Over Procurement and Suspension and Debarment

U.S. Department of Agriculture (USDA)
Child Nutrition Cluster ALN 10.555

Criteria: 2 CFR 200.318(a) requires that non-Federal entities use their own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in 2 CFR 200.318 through 200.327. The entity is also required to maintain procurement records sufficient to document the history of each procurement transaction, including the procurement method, contract type selection, contractor selection or rejection, and the basis for the contract price.

Condition: During our testing of procurement and suspension and debarment for the Child Nutrition Cluster, we selected a sample of 5 vendors/contracts from a population of 14 vendors utilized during the fiscal year. For one vendor selected, the School Board was unable to provide a complete contract file containing evidence that the contract terms were properly reviewed and/or approved prior to execution. The file also did not contain sufficient documentation to demonstrate that the procurement file was complete and reviewed for compliance with applicable procurement and suspension and debarment requirements.

Cause: The School Board had policies and procedures in place to ensure contract files included required documentation, including evidence of review and

approval of contract terms. However, the policies and procedures were not consistently followed. As a result, the contract file did not contain sufficient documentation to demonstrate that the required review and approval procedures were performed.

Effect: Without a complete contract file, the School Board cannot demonstrate that the contract terms were properly reviewed and approved, that the procurement was complete in accordance with applicable requirements, or that suspension and debarment procedures were adequately documented. This increases the risk that federally funded contracts may be awarded to vendors that are suspended, debarred, or otherwise excluded from participation in federal programs.

Recommendation: We recommend that management strengthen the application of its existing procurement and contract review procedures to ensure they are consistently followed for all federally funded purchases. Contract files should be reviewed for completeness prior to contract execution and payment to ensure they include evidence of contract term review and approval, procurement support, and suspension and debarment verification. We also recommend that management periodically monitor contract files for compliance with established policies and procedures.

Repeat Finding: No.

View of Responsible Officials: Prior to purchases being made, the Child Nutrition Program Supervisor will check for suspension and debarment of vendors. The accounts payable accountant will also review for suspension and debarment prior to payment being made. Evidence of review will be maintained in an appropriately labeled file each year.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Finding 2024-001: Capital Asset Reconciliations

Condition: During our audit of the School Board's capital asset records, we noted that the capital asset subsidiary ledger was not reconciled to the general ledger. Several additions, disposals, and depreciation calculations were not properly recorded or supported with adequate documentation.

Recommendation: We recommend that management establish formal monthly or quarterly capital asset reconciliation procedures, including documented supervisory review. In addition, all capital asset additions, disposals, and depreciation entries should be supported by appropriate documentation and review for accuracy.

Current Status: Not resolved.

Finding 2024-002: Student Activity Accounts

Condition: During our review of student activity accounts, we noted significant deficiencies in internal controls over cash receipts, disbursements, and reconciliations. Specifically, the same individuals were responsible for collecting funds, maintaining accounting records, preparing deposits, and in some instances reconciling bank accounts. Additionally, reports were not submitted timely to the central office and were not reviewed.

Recommendation: We recommend that the School Board implement additional controls over student activity funds, including segregation of duties where feasible, increased administrative oversight, periodic independent reviews of activity accounts, and standardized documentation requirements.

Current Status: Not resolved.

Finding 2024-003: Internal Control Over Journal Entries

Condition: During our audit procedures, we identified multiple journal entries recorded throughout the year, including at year-end, that lacked adequate supporting documentation, and/or evidence of supervisory review. Certain entries affecting significant account balances were prepared and posted without documented independent approval.

Recommendation: We recommend that management implement a formal journal entry policy requiring adequate written support for all entries and documented independent supervisory approval prior to posting.

Current Status: Not resolved.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Finding 2024-004: Internal Controls Over Payroll Processes

Condition: During our review of the payroll process, we noted that key payroll functions were not adequately segregated. Additionally, certain payroll changes were processed without sufficient documented supervisory approval.

Recommendation: We recommend that management implement additional compensating controls over payroll processing, including independent review of payroll registers, documented approval of payroll changes, and periodic reconciliations performed by individuals independent of payroll preparation.

Current Status: Not resolved.

Finding 2024-005: Financial Statement Oversight

Condition: There was no documented evidence that information was provided to the Board in a timely manner for the Board to review interim or year-end financial statements during the fiscal year.

Recommendation: We recommend that the Board formally adopt and document a periodic financial statement review process.

Current Status: Not resolved.

Finding 2024-006: Record Retention

Condition: During the audit, management was unable to provide supporting financial transactions and compliance activities.

Recommendation: We recommend that the School Board implement secure document storage procedures with appropriate backup controls.

Current Status: Not resolved.

Finding 2024-007: Incomplete PEP Data

Condition: The School Board was unable to provide complete and accurate PEP records. Significant discrepancies were noted between internal records and data reported within the PEP system.

Recommendation: We recommend that management implement formal data validation procedures and require periodic reconciliation between internal records and PEP submissions.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Current Status: Not resolved.

Finding 2024-008: Material Journal Entries

Condition: During the audit, we identified material correcting journal entries that were required to properly state the School Board's financial records. These entries affected significant account balances throughout all of the School Board's funds.

Recommendation: We recommend that management strengthen month-end and year-end closing procedures, including completion of timely reconciliations and supervisory financial statement reviews.

Current Status: Not resolved.

Finding 2024-009: Bank Account Reconciliation

Condition: During the audit, we noted that multiple bank reconciliations were not prepared timely and contained unresolved reconciling items. In addition, supporting documentation for certain reconciling differences was unavailable.

Recommendation: We recommend that all bank reconciliations be prepared and reviewed monthly, with documented investigation and resolution of all reconciling items.

Current Status: Not resolved.

Finding 2024-010: Reconciliation of Payroll Liabilities

Condition: At year-end, several payroll liability accounts contained unreconciled balances. Supporting documentation was not available for certain differences, and prior-period discrepancies remained unresolved.

Recommendation: We recommend that management perform and document monthly payroll liability reconciliations with independent supervisory review.

Current Status: Not resolved.

Finding 2024-011: Material Interfund Transactions

Condition: At year-end, material interfund balances did not properly reconcile between participating funds.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Recommendation: We recommend that management implement monthly interfund reconciliation procedures and resolve all differences timely.

Current Status: Resolved.

Finding 2024-012: Cash Management (Cash Overdrafts)

Condition: During the year, cash overdrafts occurred in multiple funds due to expenditures exceeding available cash balances.

Recommendation: We recommend that management implement daily cash monitoring and short-term cash forecasting procedures.

Current Status: Not resolved.

Finding 2024-013: Grant Reconciliations

Condition: During our audit, we noted that the School Board did not perform routine reconciliations of grant expenditures to grant awards and reimbursement activity. As a result, grant-related expenditures were not adequately monitored throughout the year. Specifically, certain grant expenditures were recorded in excess of allowable or reimbursable amounts, while in other instances, reimbursement requests were not submitted for eligible expenditures incurred during the fiscal year.

Recommendation: We recommend that management implement formal grant reconciliation procedures, including periodic reconciliation of grant expenditures to grant awards and reimbursement requests. In addition, management should ensure timely communication between accounting personnel to identify and resolve discrepancies.

Current Status: Not resolved.

Finding 2024-014: General Obligation Bond Continuing Disclosure

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

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Current Status: Not resolved.

Finding 2024-015: Late Report Issuance

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

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

Current Status: Not resolved.

Finding 2024-016: Local Government Budget Act

Condition: The School Board budgets were not properly amended during the year for identified changes in revenues or expenses in excess of statutory limits.

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

Current Status: Not resolved.

Finding 2024-017: Noncompliance with Act 370

Condition: The School Board did not fully comply with Act 370 requirements during the fiscal year.

Recommendation: We recommend that management implement formal compliance monitoring procedures related to Act 30 and assign responsibility for ongoing legislative compliance.

Current Status: Not resolved.

Finding 2024-018: Open Meetings Publications

Condition: Required financial publications were not completed timely and/or were not properly documented as adopted in accordance with legal requirements.

Recommendation: We recommend that management establish a statutory compliance calendar for all publication and adoption deadlines.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Current Status: Not resolved.

Finding 2024-019: Late Report Submission

Condition: OMB Uniform Guidance requires submission of the Single Audit reporting package to the Federal Audit Clearinghouse within nine months after fiscal year-end.

Recommendation: We recommend that management implement separate internal deadlines for Single Audit preparation and ensure coordination between financial reporting and grant compliance staff.

Current Status: Not resolved.

Finding 2024-020: Controls Over Allowable Cost/Activities Allowed

Condition: During our testing of internal controls over allowable costs and activities related to expenses charged to ESSER and Title I grants, we noted that controls over the approval were not operating effectively. Specifically, charges to these grant programs were not consistently supported by documented supervisory approval verifying that the employees' activities and services performed or goods provided were allowable and aligned with the objectives of the respective grants.

Recommendation: We recommend that management implement formal approval and documentation procedures for all costs charged to ESSER and Title I grants. Such procedures should include documented supervisory review verifying that charges are allowable, reasonable, and directly related to approved grant activities prior to charging costs to the grant.

Current Status: Not resolved.

Board Members:
District 2
Ms. Shelly Crawford
President
District 5
Ms. Paula Hamilton
Vice-President

District 1
Mr. Jeff Wilson
District 3
Rev. Eddie Fountain
District 4
Mrs. Kathy Gultery
District 6
Mr. Willie Patterson
District 7
Ms. Lisa Johnson
District 8
Mrs. Marguerite Hargrave

Madison Parish School Board
Post Office Box 1620
Tallulah, Louisiana 71284-1620
(318) 574-3616
Lucille Lovette, Interim Superintendent

August 31, 2026

Madison Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2025.

Audit conducted by:
Kolder, Slaven & Company, LLC
7612 Highway 167
Abbeville, LA 70510

Audit Period: Fiscal year ended June 30, 2025

A general and comprehensive response which is applicable for the entirety of the findings and questioned costs outlined in the June 30, 2025 audit report is as follows:

A fiscal administrator was appointed by the court on August 27, 2025, at which time all fiscal activities for the year covered by this audit had been completed. Some fiscal policies and procedures were in place at that time; however, many of these procedures had not been followed, while other necessary procedures were not in place. Upon appointment, the fiscal administrator immediately began directing attention to the most pressing issue of going concern because, at that time, the school board was unable to meet the financial needs required for monthly payroll and benefits or to support the payment of ordinary and practical educational operations. Management had, throughout the 2024-2025 school year, made unauthorized withdrawals from the Child Nutrition Fund and the Worker's Compensation Fund to fund payroll shortfalls in the General Fund and other Funds.

In mid-October, with the support of a bond attorney and a board-retained Certified Public Accounting firm, the fiscal administrator appealed to the State Bond Commission to grant authority to the School Board to issue a $2,500,000 Revenue Anticipation Note (RAN) for needed financial relief. The initial and successive draws from the RAN provided relief to move forward in a more conventional way for day-to-day operations yet requiring the daily monitoring of balances while continually evaluating the long-term impact with the eventual repayment of the RAN, monthly payments back to the Child Nutrition Program, and the requisite need to provide an appropriate

balance in the worker's compensation fund for the future. Additionally, efforts to reach an up-to-date status with vendor payments were a weekly battle as unreported, unprocessed, and delinquent invoices continued to surface from numerous sources, both in house and directly from vendors or taxing authorities.

Elimination of approximately $1.2 million dollars of salary and benefits for the 2025-2026 school year provided some budgetary relief. An additional $1.6 million dollar reduction for the 2026-2027 school year will result in a more fiscally manageable staffing budget for the approximate 1,000 student population.

Efforts were then directed to the business department and other business processes and procedures. Ongoing discovery of inadequate procedures and/or actual processes required daily review and interaction with employees and/or corrections to coding, entries, and procedures.

A year has passed since the end of the 2024-2025 fiscal year the audit addressed in this report. Many of these deficiencies have been corrected with some of the corrections being in place during the entire immediate past fiscal year. Considering the dire situation, substantial improvements in operating controls and practice have been made but there is much work yet to be completed. We are addressing all uncorrected findings as fast as possible considering the multiplicity of issues.

Below are my specific corrective action plans for each citation in the audit report. (Note FY2026 indicates FY 2025-2026).

The findings from the June 30, 2025 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

2025-001 Capital Asset Reconciliations

Recommendation: We recommend that management establish formal monthly or quarterly capital asset reconciliation procedures, including documented supervisory review. In addition, all capital asset additions, disposals, and depreciation entries should be supported by appropriate documentation and reviewed for accuracy.

Corrective Action Plan: An updated reconciliation of capital assets, including deletions and additions for the FY2026 will be provided to the auditor for the fiscal year along with the updated procedures for reconciliation on an annual basis.

Anticipated completion date: September 30, 2026

2025-002 Student Activity Accounts

Recommendation: We recommend that the School Board implement additional controls over student activity funds, including segregation of duties where feasible, increased administrative oversight, periodic independent reviews of activity accounts, and standardized documentation requirements.

Corrective Action Plan: Due to the small nature of the school system, it is difficult to provide a separation of duties within the school offices. Separation of duties where possible with dual counts and intake of payments has been implemented. Further efforts to require increased administrative oversight, reviews, and updated standardized documentation requirements have been put into place with planned

intensive training with principals, secretaries, central office personnel, and others involved in student activity fund processes scheduled for August 25, 2026.

Anticipated completion date: August 25, 2026

2025-003 Internal Control Over Journal Entries

Recommendation: We recommend that management implement a formal journal entry policy requiring adequate written support for all entries and documented independent supervisory approval prior to posting.

Corrective Action Plan: The Fiscal Administrator has signed and approved journal entries beginning in FY2026.

Completion date: July 1, 2025

2025-004 Internal Controls Over Payroll Processes

Recommendation: We recommend that management implement additional compensating controls over payroll processing, including independent review of payroll registers, documented approval of payroll changes, and periodic reconciliations performed by individuals independent of payroll preparation.

Corrective Action Plan: Preliminary independent review of payroll registers and comparison reports began with the October 2025 payroll run. In the month of January 2026, some disproportions in benefits were discovered. Further review led to a complete reassignment of payroll responsibilities. Following the reassignment, more extensive reviews were completed throughout the 2025-2026 school year. A comprehensive revision to payroll activities has been put into place for the 2026-2027 school year including implementation of thorough training for the new payroll accountant. Additional procedures for review and document approval along with periodic reconciliation by others have been implemented.

Anticipated completion date: October 31, 2026

2025-005 Financial Statement Oversight

Recommendation: We recommend that the Board formally adopt and document a periodic financial statement review process.

Corrective Action Plan: Due to the intensity of the financial and related issues, additional board meetings have occurred for many months in the 2025-2026 school year. Beginning with October 2026, and the resumption of one regular board meeting per month, monthly finance committee meetings will resume.

Anticipated completion date: October 31, 2026

2025-006 Record Retention

Recommendation: We recommend that the School Board implement secure document storage procedures with appropriate backup controls.

Corrective Action Plan: Due to the turnover in personnel, it was difficult to locate some prior records. The Fiscal Administrator will ensure that the procedures are in place for record retention in the future.

Anticipated completion date: June 30, 2026

2025-007 Incomplete PEP Data

Recommendation: We recommend that management implement formal data validation procedures and require periodic reconciliation between internal records and PEP submissions.

Corrective Action Plan: The District has experienced inconsistencies between the PEP reporting systems. There has been turnover in some of these areas and new employees are working diligently to rectify any errors beginning in FY2026.

Anticipated completion date: June 30, 2026

2025-008 Material Journal Entries

Recommendation: We recommend that management strengthen month-end and year-end closing procedures, including completion of timely reconciliations and supervisory financial statement reviews.

Corrective Action Plan: The Fiscal Administrator is working to correct the records and has a consistent path forward of accurate reporting that will not require these types of entries in the future beginning in FY2026.

Anticipated completion date: June 30, 2026

2025-009 Bank Account Reconciliation

Recommendation: We recommend that all bank reconciliations be prepared and reviewed monthly, with documented investigation and resolution of all reconciling items.

Corrective Action Plan: The Fiscal Administrator has worked to comply with future bank reconciliation processes. Duplicated and triplicated deposit entries and disbursement entries required lengthy research in early 2025-2026 fiscal year; however, these have been cleared and reconciled near mid-2026.

Anticipated completion date: June 30, 2026

2025-010 Reconciliation of Payroll Liabilities

Recommendation: We recommend that management perform and document monthly payroll liability reconciliations with independent supervisory review.

Corrective Action Plan: The Fiscal Administrator has worked to address this issue beginning with FY2025 and will continue with this in 2026.

Anticipated completion date: June 30, 2026

2025-011 Cash Management (Cash Overdrafts)

Recommendation: We recommend that management implement daily cash monitoring and short-term cash forecasting procedures.

Corrective Action Plan: The Fiscal Administrator has implemented short-term and long-term cash management projections beginning in FY2026. The District received a Revenue Anticipation Note in mid-October 2025 that has put the School Board in a position to maintain a positive cash flow.

Anticipated completion date: June 30, 2026

2025-012 Grant Reconciliations

Recommendation: We recommend that management implement formal grant reconciliation procedures, including periodic reconciliation of grant expenditures to grant awards and reimbursement requests. In addition, management should ensure timely communication between accounting personnel to identify and resolve discrepancies.

Corrective Action Plan: The Fiscal Administrator has implemented formal grant reconciliation procedures, including monthly reconciliation of grant expenditures along with monthly submission for reimbursement requests effective since July 1, 2025. In addition, monthly communication between accounting personnel to identify and resolve discrepancies has been implemented.

Anticipated completion date: June 30, 2026.

2025-013 General Obligation Bond Continuing Disclosure

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

Corrective Action Plan: The Fiscal Administrator worked with the Board's bond counsel to bring this into compliance for FY2026.

Anticipated completion date: June 30, 2026

2025-014 Late Report Issuance

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

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

Anticipated completion date: October 15, 2026

2025-015 Local Government Budget Act

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

Corrective Action Plan: The Fiscal Administrator will ensure that the budget is properly amended as needed beginning with FY2026.

Anticipated completion date: June 30, 2026

2025-016 Noncompliance with Act 370

Recommendation: We recommend that management implement formal compliance monitoring procedures related to Act 370 and assign responsibility for ongoing legislative compliance.

Corrective Action Plan: The budget was placed on the district's website in FY2025. Although the district did not submit the 1st Act 370 submission required in FY2025, the final submission was made timely. The Fiscal Administrator will ensure that all Act 370 requirements are met beginning with FY2026.

Anticipated completion date: June 30, 2026

2025-017 Open Meetings Publications

Recommendation: We recommend that management establish a statutory compliance calendar for all publication and adoption deadlines.

Corrective Action Plan: The Fiscal administrator will ensure that all publication requirements are met for public meetings beginning with FY2026.

Anticipated completion date: June 30, 2026

2025-018 Louisiana Public Bid Law

Recommendation: The School Board should implement procedures to monitor vendor purchases throughout the fiscal year and ensure that required quotes are obtained and maintained in the purchase file before purchases are made in accordance with Louisiana Public Bid Law.

Corrective Action Plan: The requisition and purchase order approval process requires review by a Principal/Supervisor, the Superintendent, and the Fiscal Administrator who are aware of bid law and Board Policy requirements. These controls should prevent inappropriate purchasing.

Anticipated completion date: June 30, 2026

2025-019 Late Report Submission

Recommendation: We recommend that management implement separate internal deadlines for Single Audit preparation and ensure coordination between financial reporting and grant compliance staff.

Corrective Action Plan: Management will implement separate internal deadlines for Single Audit preparation. Deadlines and procedures will require coordinate between financial reporting and grant compliance staff.

Anticipated completion date: June 30, 2026

2025-020 Controls Over Procurement and Suspension and Debarment

Recommendation: We recommend that management implement a formal procurement review process to ensure that all purchases meeting or exceeding applicable bid thresholds under Louisiana Public Bid Law are supported by the required quotes or subjected to a competitive bid process prior to vendor selection and commitment of funds. Management should develop or strengthen written procurement policies and procedures that clearly identify bid thresholds, required procurement methods, and documentation retention requirements, consistent with 2 CFR 200.318-200.327. Management should also consult with legal counsel and the federal awarding agency regarding the appropriate disposition of the $33,000 in questioned costs identified.

Corrective Action Plan: Prior to purchases being made, the Child Nutrition Program Supervisor will check for suspension and debarment of vendors. The accounts payable accountant will also review for suspension and debarment prior to payments being made. Evidence of review will be maintained in an appropriately labeled file each year. See response to Finding 2025-018 above.

Anticipated completion date: June 30, 2026

2025-021 Compliance Over Allowable Costs/Activities Allowed

Title I ALN 84.010

Recommendation: We recommend that management strengthen controls over the allocation of costs to federal award programs to ensure that expenditures are charged only to the award that received the benefit of those costs, consistent with 2 CFR 200.405. Specifically, management should implement a review process to verify the accuracy of program costs coding prior to submission of reimbursement requests. Management should also refund or reclassify the $6,400 in professional service costs that were incorrectly charged to Title I. Additionally, management should implement controls to ensure that all reimbursement requests are supported by adequate documentation retained and available for audit.

Corrective Action Plan: Beginning with FY2026, a new Federal Programs Supervisor/Director was hired by the Board, and a Fiscal Administrator was appointed on August 27, 2025. These new designees will ensure that all federal programs operate within their allowable costs, activities, procurement, suspension and debarment guidelines. Approved budgets will be reviewed and complied with as purchases are made and reviewed monthly thereafter.

Anticipated completion date: June 30, 2026

2025-022 Compliance Over Allowable Costs/Activities Allowed

Education Stabilization Fund ALN 84.425

Recommendation: We recommend that management strengthen controls to ensure that all reimbursement requests submitted under federal award programs are retained in an organized manner and made readily available for audit. Management should also review the two reimbursement requests that could not be provided and attempt to obtain copies from internal records, the grant portal, or the applicable grantor/pass-through agency. If the reimbursement requests cannot be located, management should evaluate whether additional communication with the grantor or pass-through agency is necessary.

Corrective Action Plan: Beginning with FY2026, a new Federal Programs Supervisor/Director was hired by the Board, and a Fiscal Administrator was appointed on August 27, 2025. These new designees will ensure that all federal programs operate within their allowable costs, activities, procurement, suspension and debarment guidelines. Approved budgets will be reviewed and complied with as purchases are made and reviewed monthly thereafter.

Anticipated completion date: June 30, 2026

2025-023 Controls Over Allowable Costs/Activities Allowed

Education Stabilization Fund ALN 84.425

Title I ALN 84.010

Recommendation: We recommend that management implement formal approval and documentation procedures for all costs charged to ESSER and Title I grants. Such procedures should include documented supervisory review verifying that charges are allowable, reasonable, and directly related to approved grant activities prior to charging costs to the grant.

Corrective Action Plan: Beginning with FY2026, a new Federal Programs Supervisor/Director was hired by the Board, and a Fiscal Administrator was appointed on August 27, 2025. These new designees will ensure that all federal programs operate within their allowable costs, activities, procurement, suspension and debarment guidelines. Approved budgets will be reviewed and complied with as purchases are made and reviewed monthly thereafter.

Anticipated completion date: June 30, 2026

2025-024 Controls Over Procurement and Suspension and Debarment

Recommendation: We recommend that management strengthen the application of its existing procurement and contract review procedures to ensure they are consistently followed for all federally funded purchases. Contract files should be reviewed for completeness prior to contract execution and payment to ensure they include evidence of contract term review and approval, procurement support, and suspension and debarment verification. We also recommend that management periodically monitor contract files for compliance with established policies and procedures.

Corrective Action Plan: Prior to purchases being made, the Child Nutrition Program Supervisor will check for suspension and debarment of vendors. The accounts payable accountant will also review for suspension and debarment prior to payment being made. Evidence of review will be maintained in an appropriately labeled file each year.

Anticipated completion date: June 30, 2026

If there are questions regarding the plan, contact:

Deborah Finlay, Fiscal Administrator
Madison Parish School Board
301 South Chestnut
Tallulah, LA 71282
Email: deborah.finlay@madisonpsb.org

Sincerely,

Deborah Finlay

Deborah Finlay
Fiscal Administrator

MADISON PARISH SCHOOL BOARD

SCHEDULES REQUIRED BY STATE LAW

(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Deborah Finlay, Superintendent,
and Members of the Madison Parish School Board
the Louisiana Department of Education and
the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Madison Parish School Board (School Board) for the fiscal year ended June 30, 2025; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514. Management of the School Board is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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

   There were no exceptions noted.

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SOCIETY OF LOUISIANA
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Class Size Characteristics (Schedule 2)

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

   We noted 3 exceptions.

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

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

   Exceptions noted. Accurate PEP data could not be obtained; therefore, testing could not be performed.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

   Exceptions noted. Accurate PEP data could not be obtained; therefore, testing could not be performed.

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

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

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statue 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 31, 2026

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2025

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

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

Schedule 2 (Formerly Schedule 6) – Class Size Characteristics

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana
Schedule 1

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

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	$ 5,073,769	
Other instructional staff salaries	652,509	
Instructional staff employee benefits	2,264,588	
Purchased professional and technical services	141,123	
Instructional materials and supplies	657,840	
Instructional equipment	-	
Total teacher and student interaction activities		$ 8,789,829
Other instructional activities:		231,051
Pupil support activities	900,491	
Less: Equipment for pupil support activities	-	
Net pupil support activities		900,491
Instructional staff services	1,096,279	
Less: Equipment for instructional staff services	-	
Net instructional staff services		1,096,279
School Administration	858,492	
Less: Equipment for school administration	-	
Net school administration		858,492
Total general fund instructional expenditures		$ 11,876,142
Total general fund equipment expenditures (Object 730; Function series 1000-4000)		$ 10,419

Certain Local Revenue Sources

Local taxation revenue:	
Constitutional ad valorem taxes	$ 1,129,262
Renewable ad valorem tax	232,061
Debt service ad valorem tax	1,288,293
Up to 1% of collections by the Sheriff on taxes other than school taxes	127,565
Sales and use taxes	3,691,041
Total local taxation revenue	$ 6,468,222
Local earnings on investment in real property:	
Earnings from 16th section property	$ 36,843
Earnings from other real property	-
Total local earnings on investment in real property	$ 36,843
State revenue in lieu of taxes:	
Revenue sharing - constitutional tax	$ 12,762
Revenue sharing - other taxes	4,523
Revenue sharing - excess portion	-
Other revenue in lieu of taxes	-
Total state revenue in lieu of taxes	$ 17,285
Nonpublic textbook revenue	$ -
Nonpublic transportation revenue	$ -

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana
Schedule 2

Class Size Characteristics
As of October 1, 2024

	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	35.8%	43	60.0%	72	4.2%	5	0.0%	-
Elementary Activity Classes	23.1%	3	69.2%	9	7.7%	1	0.0%	-
Middle/Jr. High	57.0%	53	31.2%	29	11.8%	11	0.0%	-
Middle/Jr. High Activity Classes	78.6%	11	21.4%	3	0.0%	-	0.0%	-
High	93.2%	220	6.8%	16	0.0%	-	0.0%	-
High Activity Classes	86.7%	26	6.7%	2	6.7%	2	0.0%	-
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-

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

Madison Parish School Board

Tallulah, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2024 through June 30, 2025

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
Madison Parish School Board
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. Madison Parish School Board's (the School Board) management is responsible for those C/C areas identified in the SAUPs.

The School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

   c) ***Disbursements***, including processing, reviewing, and approving.

   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

k) ***Information Technology Disaster Recovery/Business Continuity,*** including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

l) ***Prevention of Sexual Harassment,*** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

   c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (e.g., initialed and dated, electronically logged); and

   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

   c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

   d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a) Observe that receipts are sequentially pre-numbered.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

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

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   b) At least two employees are involved in processing and approving payments to vendors.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

   e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

   [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.)]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]

    b) Observe that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

    a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

    b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

    c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

    d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

    b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

    d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
    b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

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

Fraud Notice

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

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
    - Hired before June 9, 2020 - completed the training; and
    - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #17 under 'Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

    d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    e) Amount of time it took to resolve each complaint.

Findings:

Written Policies and Procedures

The Board's written policies and procedures addressing purchasing do not cover the documentation requirement for all bids and price quotes.

The Board does not have written policies and procedures addressing Contracting.

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

The Board does not have written policies and procedures addressing Information Technology Disaster Recovery/Business Continuity.

Board or Finance Committee

The minutes did not reference or include monthly budget-to-actual comparisons on the general fund, and semi-annual budget-to-actual, at a minimum on all special revenue funds.

The minutes did not contain written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

No exceptions noted as a result of procedures performed.

Collections

For three of ten collections selected for testing, no pre-numbered receipts accompanied the collection.

For three of ten collections selected for testing, the deposit was not made within one business day of collection.

Disbursements

For fifteen of the twenty disbursements selected for testing, supporting documentation was not available for review. Therefore, we were unable to match the disbursements to invoices to determine the items purchased or evaluate whether adequate segregation of duties existed.

Credit Cards

For one of the credit cards selected for testing, no credit card statement was provided. Therefore, transactions could not be selected for testing to determine whether adequate segregation of duties existed or whether supporting documentation was maintained to identify the items purchased and the business purpose of the transaction.

Travel & Travel-Related Expense Reimbursements

No exceptions noted as a result of procedures performed.

Contracts

No exceptions noted as a result of procedures performed.

Payroll & Personnel

No exceptions noted as a result of procedures performed.

Ethics

For the five employees selected for testing, no documentation was provided for completed ethics training. Therefore, we could not test if ethics training was completed, ethics records were retained, or if an ethics designee was appointed.

Debt Service

No exceptions noted as a result of procedures performed.

Fraud Notice

No exceptions noted as a result of procedures performed.

Information Technology Disaster Recovery/Business Continuity

We performed the procedures and discussed the results with management.

Sexual Harassment Prevention

The entity did not provide its sexual harassment report for the fiscal year. Therefore, we could not test the date the report was published, or the contents of the report.

Two of the five employees completed less than one hour of sexual harassment prevention training.

Management's Response:

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

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 31, 2026