




# Morehouse Parish School Board

## FINANCIAL STATEMENTS

June 30, 2024



**Morehouse Parish School Board**  
**Table of Contents**  
**June 30, 2024**

	<b>Page</b>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	5
 <b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position .....	14
Statement of Activities .....	15
 Fund Financial Statements	
Balance Sheet – Governmental Funds .....	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Discretely Presented Component Unit – Beekman Alumni and Friends, Inc.	
Statement of Financial Position .....	20
Statement of Activities .....	21
 Notes to the Basic Financial Statements .....	22
 <b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund .....	56
Budgetary Comparison Schedule – Title I .....	57
Budgetary Comparison Schedule – School Food Service .....	58
Budgetary Comparison Schedule – Sales Tax .....	59
Notes to Budgetary Comparison Schedule .....	60
Schedule of Changes in Net OPEB Liability and Related Ratios .....	65
Schedule of Employer's Proportionate Share of Net Pension Liability .....	66
Schedule of Employer's Contributions .....	67
Notes to Required Supplementary Information .....	68

**Morehouse Parish School Board**  
**Table of Contents**  
**June 30, 2024**

	<b>Page</b>
<b>Other Supplementary Information</b>	
Nonmajor Funds Fund Descriptions .....	69
Combining Financial Statements	
Combining Balance Sheet – Nonmajor Governmental Funds.....	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	72
Special Revenue Funds	
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	74
Capital Projects Funds	
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	76
Schedule of Compensation Paid to Board Members .....	77
Schedule of Compensation, Benefits and Other Payments to Agency Head .....	78
<b>Single Audit Information</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	79
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	81
Schedule of Expenditures of Federal Awards .....	84
Notes to Schedule of Expenditures of Federal Awards .....	85
Schedule of Findings and Questioned Cost .....	87
Summary Schedule of Prior Audit Findings.....	91
Corrective Action Plan .....	93

**Morehouse Parish School Board**  
**Table of Contents**  
**June 30, 2024**  
**Page**

**Other Information**

Independent Accountant’s Report on Applying Agreed-Upon Procedures.....	95
Schedule 1 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources.....	98
Schedule 2 – Class Size Characteristics .....	99



**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**

1000 East Preston Avenue  
Suite 200  
Shreveport, LA 71105

Mailing Address:  
PO Box 4278  
Shreveport, LA 71134

318.222.2222  
318.226.7150 (fax)  
CRIadv.com

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Morehouse Parish School Board, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the Morehouse Parish 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Morehouse Parish School Board, as of June 30, 2024, and the respective changes in financial position, 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 Morehouse Parish School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Correction of Error***

As described in Note 8 to the financial statements, the School Board issued Series 2023 Revenue Bonds and the gross amount of the bond proceeds and liabilities were not previously recorded. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Morehouse Parish 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 Morehouse Parish School Board's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morehouse Parish School Board's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and , the Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to Agency Head and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements, the Schedule of Compensation Paid to Board Members, the Schedule of Compensation, Benefits and Other Payments to Agency Head, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025 on our consideration of the Morehouse Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morehouse Parish 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 Morehouse Parish School Board's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana

March 31, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

## Morehouse Parish School Board Management's Discussion and Analysis

We offer readers of the Morehouse Parish School Board's financial statements this narrative overview and analysis of the financial activities of the Morehouse Parish School Board for the fiscal year ended June 30, 2024. It is designed to assist the reader in focusing on significant financial issues and identifying changes in the School Board's financial position.

### Financial Highlights

Government-wide financial highlights for the 2023-2024 fiscal year include the following:

- Statement of Net Position – The liabilities of the Morehouse Parish School Board exceeded its assets at the close of the most recent fiscal year by (\$57.9 million) (net deficit).
- Capital Assets – Total capital assets (net of depreciation) were \$21.7 million or 60.4% of the total assets. Morehouse Parish School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Obligations – The School Board's total obligations decreased by approximately \$254,000.
- Statement of Activities – The total net position of the Morehouse Parish School Board increased by approximately \$5.7 million for the year ended June 30, 2024.

Morehouse Parish School Board ended the 2023-2024 fiscal year with a deficit fund balance in the General Fund of approximately (\$309,000).

- Governmental Funds Balance Sheet – As of the close of the 2023-2024 fiscal year, Morehouse Parish School Board's governmental funds reported combined ending fund balance of \$18.4 million, an increase of approximately \$4.4 million in comparison with the prior fiscal year restated fund balance. This fund balance is comprised of approximately (1) a deficit of (\$309,000) in General Fund, (2) a deficit of (\$786,000) in the school food service fund, (3) approximately \$1.2 million in the debt service fund, (4) \$6.0 million in the sales tax fund, (5) \$10.5 million in the Education Stabilization Fund, and (6) \$1.8 million in the remaining special revenue and capital projects funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2024 for the governmental funds of Morehouse Parish School Board amounted to approximately \$66 million. Approximately 95.1% of this amount is received from four major revenue sources: (1) \$23.8 million from Minimum Foundation Program, (2) \$20.0 million from federal grants, (3) \$7.4 million from local ad valorem taxes and (4) \$11.5 million from local sales and use taxes.

# Morehouse Parish School Board Management's Discussion and Analysis

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. Morehouse Parish School Board's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

- The Statement of Net Position presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Morehouse Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Morehouse Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of Morehouse Parish School Board can be divided into two categories: governmental funds and fiduciary funds.

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

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

## **Morehouse Parish School Board Management's Discussion and Analysis**

Morehouse Parish School Board maintains seventeen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Title 1, Sales Tax, Education Stabilization, School Food Service, and Debt Service funds, all of which are considered to be major funds. Data for the remaining twelve governmental fund groups are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Morehouse Parish School Board adopts an annual appropriated budget for its General Fund and all Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

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

Other supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

### **Financial Analysis of Government-wide Activities**

The largest portion of Morehouse Parish School Board's total assets, totaling approximately \$21.7 million, net of depreciation, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment). The net investment in capital assets is less any related debt used to acquire those assets that are still outstanding of \$11.6 million for a net investment in capital assets of \$10.1 million. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although Morehouse Parish School Board's investment in its capital assets net position is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Morehouse Parish School Board Management's Discussion and Analysis

The following analysis focuses on the net position of the School Board's governmental-wide activities:

<i>June 30,</i>	<b>2024</b>	2023 (restated)	Change
Current and other assets	\$ 20,847,735	\$ 17,190,074	\$ 3,657,661
Capital assets	21,695,738	17,980,297	3,715,441
<b>Total assets</b>	<b>42,543,473</b>	35,170,371	7,373,102
Deferred outflows of resources	16,845,534	22,514,583	(5,669,049)
Current and other liabilities	7,075,915	7,711,666	(635,751)
Long-term liabilities	101,637,560	102,027,490	(389,930)
<b>Total liabilities</b>	<b>108,713,475</b>	109,739,156	(1,025,681)
Deferred inflows of resources	8,586,128	11,591,030	(3,004,902)
<b>Net position</b>			
Net investment in capital assets	10,112,678	8,990,884	1,121,794
Restricted	19,470,246	11,427,602	8,042,644
Unrestricted	(87,493,520)	(84,063,718)	(3,429,802)
<b>Total net position (deficit)</b>	<b>\$ (57,910,596)</b>	\$ (63,645,232)	\$ 5,734,636

Restricted net position of \$19.5 million is reported separately to show the legal constraints for the payment of instructional costs, food services and outstanding long-term debt obligations and future construction projects and to limit the School Board from using these funds for day-to-day operations. Instructional and maintenance costs accounts for \$7.1 million of the total and the debt service fund accounting for \$11.7 million. The remaining balance of \$722,653 is restricted for capital projects, and student activity funds.

## Morehouse Parish School Board Management's Discussion and Analysis

The following analysis focuses on the change in net position of the School Board's governmental activities:

<i>For the years ended June 30,</i>	Governmental Activities		
	2024	2023	Change
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 8,097	\$ 16,868	\$ (8,771)
Operating and capital grants and contributions	21,599,389	22,190,944	(591,555)
General revenues			
Ad valorem taxes	7,408,754	6,852,057	556,697
Sales taxes	11,541,534	9,123,417	2,418,117
Minimum foundation program	23,812,233	22,481,276	1,330,957
Other general revenues	2,193,660	1,711,130	482,530
<b>Total revenues</b>	<b>66,563,667</b>	<b>62,375,692</b>	<b>4,187,975</b>
<b>Expenses</b>			
Instruction			
Regular programs	11,356,685	12,460,893	(1,104,208)
Special programs	4,025,368	3,912,417	112,951
Vocational programs	995,238	874,088	121,150
Other instructional programs	14,025,838	12,092,072	1,933,766
Special programs	3,550,195	2,867,136	683,059
Adult/continuing education	1,266	1,266	-
Support services			
Pupil support services	2,295,760	2,132,934	162,826
Instructional staff support	4,035,152	4,515,793	(480,641)
General administration	1,208,971	1,255,257	(46,286)
School administration	2,035,331	2,057,730	(22,399)
Business services	1,321,960	1,650,351	(328,391)
Plant services	7,077,451	9,220,746	(2,143,295)
Student transportation services	3,173,651	3,088,907	84,744
Central services	767,102	1,030,204	(263,102)
Other support services	1,591	1,771	(180)
School food services	4,366,626	4,735,806	(369,180)
Debt service - interest on long-term obligations	590,846	285,878	304,968
<b>Total expenses</b>	<b>60,829,031</b>	<b>62,183,249</b>	<b>(1,354,218)</b>
<b>Increase (decrease) in net position (deficit)</b>	<b>5,734,636</b>	<b>192,443</b>	<b>5,542,193</b>
<b>Net position (deficit) - beginning</b>	<b>(63,645,232)</b>	<b>(63,837,675)</b>	<b>192,443</b>
<b>Net position (deficit) - ending</b>	<b>\$ (57,910,596)</b>	<b>\$ (63,645,232)</b>	<b>\$ 5,734,636</b>

## Morehouse Parish School Board Management's Discussion and Analysis

### Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal year 2024 totaled \$33,954,590, compared to a total of \$32,207,872 for 2023. The remaining functions are considered support services and relate to those functions that support the instructional services provided, such as pupil support, instructional staff support, and administration, transportation, and plant services. Support services for fiscal year 2024 totaled \$21,916,969 compared to \$24,953,693 for 2023.

The remaining expenditures of \$4,957,472 consist of \$4,366,626 for food and service operations and \$590,846 for interest expense on long-term obligations.

In the table below, we have presented the cost of each of the School Board's six largest functions – regular programs, special programs, other instructional programs, plant services, student transportation services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

June 30,	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Regular programs	\$ 11,356,685	\$ 12,460,893	\$ 9,514,443	\$ 9,252,672
Special programs	4,025,368	3,912,417	3,073,098	3,369,252
Other instructional programs	18,572,537	15,834,562	13,702,520	11,707,581
Instructional staff support	4,035,152	4,515,793	832,180	1,382,985
Plant services	7,077,451	9,220,746	1,176,825	2,449,072
Student transportation services	3,173,651	3,088,907	2,162,438	2,685,401
Food services	4,366,626	4,735,806	1,546,116	1,505,226
All others	8,221,561	8,414,125	8,046,105	7,337,370
Totals	\$ 60,829,031	\$ 62,183,249	\$ 40,053,725	\$ 39,689,559

The related program revenues for fiscal year 2024 directly related to these expenses totaled \$21,607,486. The balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- **Minimum Foundation Program (MFP)** – MFP is the funding formula for the 69 school districts in the state of Louisiana. The School Board was allocated \$33,719,223 in MFP funds in fiscal year 2024; with \$9,907,000 passed through to the district's Type 3 Charter, Beekman Alumni and Friends, Inc. The net amount received by the School Board was \$23,812,233, which is 36.0% of the total revenues received by the School Board.
- **Federal grant revenues** – Federal grant revenues are the second largest source of revenue for the School Board, generating \$20,015,278 in revenue, or 30.3% of total revenue.
- **Sales Tax revenues** – Sales tax revenues are the third largest source of revenue for the School Board, generating \$11,541,534 in revenue, or 17.5% of total revenue
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the fourth largest source of revenues, accounts for \$7,414,212 in revenue, or 11.2% of total revenues.

## **Morehouse Parish School Board Management's Discussion and Analysis**

### **Financial Analysis of Governmental Funds**

As noted earlier, Morehouse Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Morehouse Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Morehouse Parish School Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, Morehouse Parish School Board's governmental funds reported a combined ending fund balance of \$18,375,317; an increase of \$4,413,440 of the prior year balance restated fund balance of \$13,961,877.
- The General Fund is the chief operating fund of Morehouse Parish School Board. At the end of the current fiscal year, the fund balance of the General Fund is a deficit of (\$309,094).
- The Special Revenue Funds, including nonmajor special revenue funds, have a total fund balance of \$10,458,954 of which \$147,381 is nonspendable, \$6,205,323 is restricted for instructional costs, \$879,030 is restricted for construction and maintenance costs, \$343,568 is restricted for student activity funds, and \$10,466,370 is restricted for debt service.
- The Debt Service Funds have a total fund balance of \$1,196,870 all of which is restricted for the payment of debt service.
- The Capital Projects Funds have a fund balance of \$379,085, all of which is restricted for construction projects.

### **General Fund Budgetary Highlights**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), Morehouse Parish School Board must adopt a budget for the General Fund and all Special Revenue funds prior to September 15th. The original budget for the School Board was adopted on September 5, 2023.

The original General Fund Budget projected an ending fund balance of \$782,384, with the amended budget projecting to end the year with a positive balance of \$636,150. The actual ending balance for the General Fund came in at a deficit of (\$309,095).

## Morehouse Parish School Board Management's Discussion and Analysis

### Capital Assets and Debt Administration

**Capital Assets:** Morehouse Parish School Board's capital assets as of June 30, 2024 amounts to \$21,695,738 (net of accumulated depreciation). This includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

<i>June 30,</i>	<b>2024</b>	2023
Land	\$ 319,013	\$ 319,013
Construction in progress	5,011,387	1,150,596
Buildings and improvements	10,897,627	11,599,084
Furniture and equipment	5,467,711	4,911,604
	<b>\$ 21,695,738</b>	<b>\$ 17,980,297</b>

**Long-Term Debt:** At the end of the current fiscal year, Morehouse Parish School Board had total debt outstanding of \$18.2 million. Of the amount, \$6.2 million comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2024 and 2023.

<i>June 30,</i>	<b>2024</b>	2023 (restated)
General Obligation Bonds		
Series 2011, refunding	\$ 2,465,000	\$ 3,030,000
Series 2016, refunding	2,150,000	2,370,000
Series 2021, refunding	1,550,000	1,840,000
Limited Tax Bonds		
Series 2016	840,000	900,000
Revenue Bonds		
Series 2023	10,591,476	5,054,268
Financed Purchases		
Buses	583,883	790,683
Total outstanding debt	<b>\$ 18,180,359</b>	<b>\$ 13,984,951</b>

## **Morehouse Parish School Board Management's Discussion and Analysis**

### **Future Operations**

The School Board adopted a General Fund budget for 2024-2025 with a projected operating surplus. For the upcoming fiscal year, several factors are listed below that will be considered for 2024-2025 operations and budget preparations:

- The 2024-2025 Minimum Foundation Program funding is projected to decrease due to student decline.
- Property tax collections for the 2024 calendar year are anticipated to be consistent with the prior year.
- Teachers Retirement System of Louisiana employer contribution rate decreased by 2.59% for FY2025.
- Louisiana School Employees' Retirement System employer contribution rate decreased 1.80% for FY2025.
- Office of Group Benefits released rate increased 6.65% that are effective January 1, 2025.

ESSER funding, other than construction, ended June 30, 2024. Staffing was adjusted slightly, but more adjustments will be made in the 2025-2026 school year to bring our budget in line with our student count.

The School Board converted to a new financial software on January 1, 2025. The software conversion has allowed human resources and accounting to be on the same platform. Previously, human resources was on a platform that our previous service provider no longer used, and provided minimal service to us. Our accounting software was on a different platform from the provider, and an import had to be made to move payroll data over to the financial side. Over the past year, we have had import discrepancies and balancing issues that we will fix with our new software.

Now that the conversion is complete, hours previously devoted to implementing the software will be used to ensure accurate balances and monitor expenses more closely.

### **Contacting the School Board's Financial Management**

If you have questions about this report or need additional financial information, contact Ersula Downs of Morehouse Parish School Board, P.O. Box 872, Bastrop, LA 71221-0872, or call at (318) 281-5784.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

## Morehouse Parish School Board Statement of Net Position

	Primary Government Governmental Activities	Component Unit Beekman Alumni and Friends, Inc.
<i>June 30, 2024</i>		
<b>Assets</b>		
Cash and cash equivalents	\$ 13,826,078	\$ 2,154,278
Restricted cash	-	216,416
Investments	79,846	1,000,000
Restricted investments	-	1,005,918
Receivables		
Ad valorem taxes	24,526	-
Sales and use taxes	870,443	-
Federal grants	5,351,316	44,449
State grants	40,275	-
Other	507,870	-
Inventories	147,381	-
Other assets	-	121,151
Capital assets, net	21,695,738	11,422,763
<b>Total assets</b>	<b>42,543,473</b>	<b>15,964,975</b>
<b>Deferred outflows of resources</b>		
Deferred outflows related to bonds	42,931	-
Deferred outflows related to pensions	11,192,908	-
Deferred outflows related to OPEB	5,609,695	-
<b>Total deferred outflows of resources</b>	<b>16,845,534</b>	<b>-</b>
<b>Liabilities</b>		
Accounts payable	298,120	333,887
Salaries and wages payable	1,995,335	681,083
Deferred revenue	178,962	-
Interest payable	61,935	-
Due to others	-	481,725
Long-term liabilities		
Due within one year	4,541,563	210,823
Due in more than one year	101,637,560	856,279
<b>Total liabilities</b>	<b>108,713,475</b>	<b>2,563,797</b>
<b>Deferred inflows of resources</b>		
Deferred inflows related to pensions	2,106,436	-
Deferred inflows related to OPEB	6,479,692	-
<b>Total deferred inflows of resources</b>	<b>8,586,128</b>	<b>-</b>
<b>Net position</b>		
Net investment in capital assets	10,112,678	11,422,763
Restricted for		
Instructional costs	6,205,323	-
Capital projects	379,085	-
Debt service	11,663,240	-
School food service	-	-
Instructional and maintenance costs	879,030	-
Student activity funds	343,568	218,979
Unrestricted	(87,493,520)	1,759,436
<b>Total net position (deficit)</b>	<b>\$ (57,910,596)</b>	<b>\$ 13,401,178</b>

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

# Morehouse Parish School Board

## Statement of Activities

		Primary Government		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION	Component Unit
		PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		
For the year ended June 30, 2024					
Functions/programs					
Governmental Activities					
Instructional services					
Regular programs	\$ 11,356,685	\$ -	\$ 1,842,242	\$ (9,514,443)	
Special education programs	4,025,368	-	952,270	(3,073,098)	
Vocational programs	995,238	-	360,338	(634,900)	
Other instructional programs	14,025,838	-	881,235	(13,144,603)	
Special programs	3,550,195	-	3,628,444	78,249	
Adult/continuing education	1,266	-	-	(1,266)	
Support services					
Pupil support services	2,295,760	-	322,952	(1,972,808)	
Instructional staff support services	4,035,152	-	3,202,972	(832,180)	
General administration	1,208,971	-	62,417	(1,146,554)	
School administration	2,035,331	-	117,449	(1,917,882)	
Business services	1,321,960	-	121,818	(1,200,142)	
Plant services	7,077,451	-	5,900,626	(1,176,825)	
Student transportation services	3,173,651	-	1,011,213	(2,162,438)	
Central services	767,102	-	383,000	(384,102)	
Other support services	1,591	-	-	(1,591)	
Noninstructional services					
Food service operations	4,366,626	8,097	2,812,413	(1,546,116)	
Debt service					
Interest and fiscal charges on					
long-term obligations	590,846	-	-	(590,846)	
Total Primary Government	\$ 60,829,031	\$ 8,097	\$ 21,599,389	\$ (39,221,545)	
Component Unit					
Beekman Alumni and Friends, Inc.	\$ 11,357,998	\$ 2,670	\$ 1,036,542		\$ (10,318,786)
General revenues					
Taxes					
Ad valorem taxes levied for					
General purposes				5,714,771	-
Debt service purposes				1,693,983	-
Sales taxes levied for general purposes				11,541,534	-
Grants and contributions not restricted to specific programs					
Minimum foundation program				23,812,233	11,262,394
State revenue sharing				241,905	-
Interest and investment earnings				209,222	50,628
Gain (loss) on disposals of assets				9,227	-
Student activity funds				734,178	4,977
Other				999,128	22,615
Total general revenues				44,956,181	11,340,614
Changes in net position				5,734,636	1,021,828
Net position (deficit), beginning of year				(63,645,232)	12,379,350
Prior period adjustment				-	-
Net position (deficit), beginning of year, restated				(63,645,232)	12,379,350
Net position (deficit), end of year				\$ (57,910,596)	\$ 13,401,178

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

## **FUND FINANCIAL STATEMENTS**

## Morehouse Parish School Board Balance Sheet – Governmental Funds

	MAJOR FUNDS						AGGREGATE REMAINING FUNDS	TOTAL
	GENERAL FUND	SPECIAL REVENUE						
		TITLE I	SALES TAX	EDUCATION STABILIZATION FUND	SCHOOL FOOD SERVICE	DEBT SERVICE		
June 30, 2024							NONMAJOR GOVERNMENTAL	
<b>Assets</b>								
Cash and cash equivalents	\$ 822,325	\$ -	\$ 2,723,024	\$ 6,649,503	\$ -	\$ 1,792,210	\$ 1,839,016	\$ 13,826,078
Investments	79,846	-	-	-	-	-	-	79,846
Accounts receivable	525,306	1,784,374	876,839	1,508,674	465,968	6,324	1,626,945	6,794,430
Internal balances	3,247,081	31,296	2,796,400	3,796,354	-	-	2,241	9,873,372
Inventory	53,736	-	-	-	93,644	-	-	147,380
Total assets	<u>\$ 4,728,294</u>	<u>\$ 1,815,670</u>	<u>\$ 6,396,263</u>	<u>\$ 11,954,531</u>	<u>\$ 559,612</u>	<u>\$ 1,798,534</u>	<u>\$ 3,468,202</u>	<u>\$ 30,721,106</u>
<b>Liabilities and fund balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 47,165	\$ 11,808	\$ 30,908	\$ 106,779	\$ 27,231	\$ -	\$ 74,229	\$ 298,120
Salaries and wages payable	1,279,455	104,121	366,518	-	128,821	-	116,420	1,995,335
Internal balances	3,710,769	1,699,451	-	1,381,382	1,172,494	601,664	1,307,612	9,873,372
Other liabilities	-	290	-	-	16,900	-	161,772	178,962
Total liabilities	<u>5,037,389</u>	<u>1,815,670</u>	<u>397,426</u>	<u>1,488,161</u>	<u>1,345,446</u>	<u>601,664</u>	<u>1,660,033</u>	<u>12,345,789</u>
<b>Fund balances</b>								
Nonspendable								
Inventory and other assets	53,736	-	-	-	93,644	-	-	147,380
Restricted for								
Instructional costs	-	-	5,998,837	-	-	-	206,486	6,205,323
Student activity funds	-	-	-	-	-	-	343,568	343,568
Construction and maintenance costs	-	-	-	-	-	-	879,030	879,030
Debt service	-	-	-	10,466,370	-	1,196,870	-	11,663,240
Capital projects	-	-	-	-	-	-	379,085	379,085
Unassigned	(362,831)	-	-	-	(879,478)	-	-	(1,242,309)
Total fund balances	<u>(309,095)</u>	<u>-</u>	<u>5,998,837</u>	<u>10,466,370</u>	<u>(785,834)</u>	<u>1,196,870</u>	<u>1,808,169</u>	<u>18,375,317</u>
Total liabilities and fund balances	<u>\$ 4,728,294</u>	<u>\$ 1,815,670</u>	<u>\$ 6,396,263</u>	<u>\$ 11,954,531</u>	<u>\$ 559,612</u>	<u>\$ 1,798,534</u>	<u>\$ 3,468,202</u>	<u>\$ 30,721,106</u>

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

## Morehouse Parish School Board

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2024

Total fund balances - governmental funds \$ 18,375,317

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in government funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs is reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	59,163,549	
Accumulated depreciation	<u>(37,467,811)</u>	21,695,738

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Long-term liabilities		
Compensated absences payable	(871,563)	
General obligation bonds payable	(6,165,000)	
Financed purchase debt	(583,883)	
Sales tax bonds payable	(840,000)	
Revenue bond	(10,591,476)	
Other post employment benefits	(57,540,553)	
Bond premium	(52,204)	
Interest payable	(61,935)	
Net pension obligations	<u>(29,534,444)</u>	(106,241,058)

Deferred outflows of resources related to refunding bonds	42,931	
Deferred outflows of resources related to pensions (from pension schedule)	11,192,908	
Deferred outflows of resources related to OPEB	<u>5,609,695</u>	16,845,534

Deferred inflows of resources related to pensions (from pension schedules)	(2,106,436)	
Deferred inflows of resources related to OPEB	<u>(6,479,692)</u>	(8,586,128)

<b>Net Position (Deficit)</b>		<b>\$ (57,910,596)</b>
-------------------------------	--	------------------------

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

# Morehouse Parish School Board

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2024	MAJOR FUNDS							AGGREGATE
	GENERAL	SPECIAL REVENUE					REMAINING	
		TITLE I	SALES TAX	EDUCATION	SCHOOL FOOD	DEBT	FUNDS	
	FUND			STABILIZATION	SERVICE	SERVICE	NONMAJOR	TOTAL
				FUND			GOVERNMENTAL	
REVENUES								
Local sources								
Ad valorem taxes	\$ 3,285,486	\$ -	\$ 1,694,385	\$ -	\$ -	\$ 1,699,399	\$ 734,942	\$ 7,414,212
Sales and use taxes	-	-	11,541,534	-	-	-	-	11,541,534
Earnings on investments	91,140	-	73,235	-	-	27,374	17,473	209,222
Cash payments for meals	-	-	-	-	8,097	-	-	8,097
Student activity fund receipts	-	-	-	-	-	-	734,178	734,178
Other local revenue	543,211	-	5,416	-	-	-	4,605	553,232
State sources								
State equalization	23,776,784	-	-	-	35,449	-	-	23,812,233
Revenue sharing	155,645	-	-	-	-	-	-	155,645
Other unrestricted revenue	-	-	-	-	-	-	502,289	502,289
Other restricted revenue	1,081,823	-	-	-	-	-	-	1,081,823
Federal sources								
Federal restricted grants-in-aid	-	3,822,669	-	9,754,888	2,694,521	-	3,743,200	20,015,278
Total revenues	28,934,089	3,822,669	13,314,570	9,754,888	2,738,067	1,726,773	5,736,687	66,027,743
EXPENDITURES								
Current								
Instructional services								
Regular programs	18,013,161	-	3,542,892	890,628	-	-	403,660	22,850,341
Special education programs	2,636,016	-	1,061,707	107,707	-	-	777,460	4,582,890
Vocational programs	441,888	-	252,463	18,471	-	-	321,353	1,034,175
Other instructional programs	1,421,470	-	362,281	28,874	-	-	1,405,983	3,218,608
Special programs	107,322	2,533,144	287,366	88,720	-	-	685,045	3,701,597
Adult/Continuing education programs	-	-	1,266	-	-	-	-	1,266
Support services								
Pupil support services	1,647,340	-	514,541	102,150	-	-	169,785	2,433,816
Instructional staff support	741,585	721,746	418,352	1,262,082	-	-	973,560	4,117,325
General administration	911,635	-	305,858	7,533	-	-	29,632	1,254,658
School administration	1,548,550	-	506,402	62,522	-	-	14,281	2,131,755
Business services	1,066,462	-	220,743	80,547	-	-	-	1,367,752
Plant services	3,110,026	-	1,113,881	61,190	142,236	-	21,191	4,448,524
Student transportation services	1,880,483	1,233	736,200	715,500	-	-	177,543	3,510,959
Central services	328,442	139,249	178,234	136,835	-	-	42,754	825,514
Other support services	-	-	1,591	-	-	-	-	1,591
Noninstructional services								
Food service operations	207,123	-	540,452	101,948	3,722,249	-	19,434	4,591,206
Debt service								
Principal	142,484	-	64,653	-	-	1,080,830	60,000	1,347,967
Interest	13,666	-	14,197	145,619	-	385,896	39,235	598,613
Capital outlay	194,000	-	23,993	5,248,927	44,008	-	1,317	5,512,245
Total expenditures	34,411,653	3,395,372	10,147,072	9,059,253	3,908,493	1,466,726	5,142,233	67,530,802
Excess (deficiency) of revenues over expenditures	(5,477,564)	427,297	3,167,498	695,635	(1,170,426)	260,047	594,454	(1,503,059)
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of assets	379,291	-	-	-	-	-	-	379,291
Proceeds from issuance of debt	-	-	-	5,537,208	-	-	-	5,537,208
Transfers in	4,032,206	-	-	-	-	-	-	4,032,206
Transfers out	-	(427,297)	(2,600,000)	(820,741)	-	-	(184,168)	(4,032,206)
Total other financing sources (uses)	4,411,497	(427,297)	(2,600,000)	4,716,467	-	-	(184,168)	5,916,499
Net change in fund balances	(1,066,067)	-	567,498	5,412,102	(1,170,426)	260,047	410,286	4,413,440
Fund balances, beginning of year	756,972	-	5,431,339	3,380,200	384,592	936,823	1,397,883	12,287,809
Prior period adjustment	-	-	-	1,674,068	-	-	-	1,674,068
Fund balances, beginning of year, restated	756,972	-	5,431,339	5,054,268	384,592	936,823	1,397,883	13,961,877
Fund balances at end of year	\$ (309,095)	\$ -	\$ 5,998,837	\$ 10,466,370	\$ (785,834)	\$ 1,196,870	\$ 1,808,169	\$ 18,375,317

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

# Morehouse Parish School Board

## 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, 2024*

Total net change in fund balances - Governmental Funds	\$	4,413,440
--	----	-----------

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

Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives.

Capital assets:

Capital expenditures

5,512,245

Depreciation

(1,792,804)

3,719,441

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

Excess of interest accrued over interest paid

3,406

Change in deferred inflows of resources - pension plans

(322,550)

Change in deferred outflows of resources - pension plans

274,034

Change in deferred inflows of resources - other post-employment benefits

3,327,966

Change in deferred outflows of resources - other post-employment benefits

(5,935,009)

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

Changes in long-term debt

Proceeds from issuance of debt

(5,537,208)

Principal portion of debt service payments

1,135,000

Principal portion of financed purchase agreements

206,800

Change in bond premiums

6,526

Net change in other post-employment benefits

1,460,460

Net change in net pension liability

2,983,051

Net change in compensated absences

(721)

253,908

**Change in net position of governmental activities**

**\$**

**5,734,636**

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

**Morehouse Parish School Board**  
**Discretely Presented Component Unit – Beekman Alumni and Friends, Inc.**  
**Statement of Financial Position**

*June 30, 2024*

**Assets**

Current assets	
Cash	\$ 2,154,278
Restricted cash	216,416
Investments	1,000,000
Restricted investments	1,005,918
Receivables	44,449
Other assets	69,093
Total current assets	4,490,154
Capital assets, net of accumulated depreciation	10,639,555
Finance lease right-of-use asset, net	52,058
Operating Lease, Right-of-use Asset	783,208
Total assets	\$ 15,964,975

**Liabilities**

Current liabilities	
Accounts payable	\$ 327,776
Retainage payable	6,111
Accrued payroll and related amounts	681,083
Due to others	481,725
Current portion of finance lease liability	26,587
Current portion of operating lease liability	146,968
Current portion of compensated absences	37,268
Total current liabilities	1,707,518
Non-current liabilities	
Finance lease liability, non-current	26,182
Operating lease liability, non-current	540,069
Compensated absences, non-current	290,028
Total liabilities	2,563,797

**Net Position**

Without Donor Restrictions	
Undesignated	13,182,199
With Donor Restrictions	218,979
Total net position	13,401,178
Total liabilities and net position	\$ 15,964,975

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

**Morehouse Parish School Board**  
**Discretely Presented Component Unit – Beekman Alumni and Friends, Inc.**  
**Statement of Activities**

*For the year ended June 30, 2024*

<b>Expenses</b>	
Instructional	\$ 6,455,626
Support services	4,902,372
Total expenses	11,357,998
<b>Program Revenues</b>	
Charges for services	2,670
Operating grants and contributions	1,036,542
Total program revenues	1,039,212
Net program expense	10,318,786
<b>General Revenues</b>	
Minimum Foundation Program	11,262,394
Interest and investment earnings	50,628
Student activity funds	4,977
Other revenue	22,615
Total general revenues	11,340,614
Change in net position	1,021,828
Net Position at beginning of year	12,379,350
Net Position at end of year	\$ 13,401,178

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

## **Morehouse Parish School Board**

### **Notes to the Basic Financial Statements**

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The School Board operates five schools within the parish with a total enrollment of approximately 3,200 students. 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.

#### ***Financial Reporting Entity***

The School Board is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The accompanying financial statements present the School Board and its component unit, an entity for which the School Board is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the School Board. The accounting policies of the School Board conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The more significant accounting policies are described below.

In evaluating the School Board as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

#### ***Discretely Presented Component Unit***

The School Board has one component unit, Beekman Alumni and Friends, Inc. Beekman Alumni and Friends, Inc. is a legally separately entity and, as such, appoints its own Board. Beekman Alumni and Friends, Inc. is a Type 3 Charter School that opened in the fall of 2013. It has a June 30 fiscal year-end. Complete financial statements of this component unit can be obtained from Beekman Alumni and Friends, Inc. or the School Board. The School Board and its component unit represent the reporting entity. Additionally, the School Board is a legally separate elected governing body and does not meet the definition of a component unit of any other entity.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The School Board does not have any business-type activity funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements. Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements.

#### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue sources (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School Board.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Government-Wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

As discussed earlier, the School Board has one discretely presented component unit. While the Beekman Alumni and Friends, Inc. is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### ***Fund Financial Statements***

The fund financial statements provide information about the School Board's funds. Separate statements for each fund category is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School Board reports the following major governmental funds:

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

*Special Revenue Funds* – Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are major funds:

Title I of the Elementary and Secondary Education Act (ESEA) is a federally financed program which provides for the needs of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

School Food Service is designed to assist in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Sales Tax is designed to account for the collection and distribution of the sales tax levies to provide additional support to the School Board to include funding of capital improvements and employee salaries.

## **Morehouse Parish School Board**

### **Notes to the Basic Financial Statements**

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Special Revenue Funds (Continued)***

Education Stabilization Fund are federal programs that provides local educational agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools. Authority for creation of this fund is the Education Stabilization Fund, a component of the recently enacted Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021.

*Debt Service Fund* – Revenues received from ad valorem taxes and interest earnings are used to make principal and interest payments on bond indebtedness.

##### ***Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

##### ***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity***

##### ***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in interest-bearing demand deposits as well as short-term investments with a maturity date within three months of the date acquired. Short-term investments are stated at cost, which approximates fair value.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate “book” cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, “Due to Other Funds.” The balance of these amounts will be paid primarily through collections of grants receivable reimbursements from the Federal and State Departments of Education.

##### ***Investments***

Investments for the School Board include certificates of deposits, which are stated at cost, which approximates fair value.

## **Morehouse Parish School Board**

### **Notes to the Basic Financial Statements**

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Receivables***

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales taxes, and grants.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, grants, and other similar intergovernmental revenues since they are usually both measureable and available.

##### ***Interfund Activities and Transactions***

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “internal balances” within the fund financial statements. These amounts are eliminated in the governmental columns of the statement of net position, except for the net residual amounts due from other governmental agencies and due to vendors in the normal course of business.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

##### ***Inventories***

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies, purchased food and commodities. The cost of such inventories is recorded as expenditures/expense when consumed rather than when purchased.

##### ***Restricted Assets***

Certain assets of the School Board are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited assets as follows:

*Bond debt service accounts* – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Capital Assets***

Capital Assets, which include land, buildings, and equipment, are reported in the governmental-wide financial statements. The School Board considers assets with an initial individual cost of \$5,000 or more and an estimated life of one year or more as a capital asset.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following useful lives:

Buildings	40 years
Furniture and equipment	3-15 years

#### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The School Board has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to pension*, *deferred outflows related to other post-employment benefits*, and *deferred outflows related to bonds*, all reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting for Benefits Not Provided through Trusts that Meet Specified Criteria – Defined Benefit*. The deferred outflows related to pensions and other post-employment benefits will be recognized as either pension expense or other post-employment benefit expense or a reduction in the net pension liability in future reporting periods.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The School Board has two (2) items that qualify for reporting as deferred inflows of resources.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Deferred Outflows/Inflows of Resources (Continued)***

The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting for Benefits Not Provided through Trusts that Meet Specified Criteria – Defined Benefit*. The deferred inflows related to pensions and other post-employment benefits will be recognized as a reduction to pension expense or other post-employment benefits expense in future reporting periods.

#### ***Compensated Absences***

All employees receive ten sick days each year, with any unused portion being carried forward. Upon retirement, employees with twenty years of service or more are paid for up to 25 days of accumulated sick leave. Only employees who work 12 calendar months per year earn vacation days. The School Board's policy regarding payment of accumulated vacation days is to allow for a maximum accumulation and payment of no more than 30 days with persons credited with days in excess of 30 as of the effective date (July 1, 1994) being grandfathered in at their then-current accumulation.

#### ***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### ***Categories and Classification of Fund Equity***

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

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Categories and Classification of Fund Equity (Continued)*

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

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The School Board itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

*Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – Restricted fund balances are restricted when constraints placed on the use of resources either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School Board's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the School Board that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the School board for specific purposes but do not meet the criteria to be classified as committed. The School Board may also assign fund balance as it does when appropriate fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

## **Morehouse Parish School Board**

### **Notes to the Basic Financial Statements**

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Categories and Classification of Fund Equity (Continued)***

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the General Fund.

##### ***Revenues, and Expenditures / Expenses***

*Program revenues* – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

*Property taxes* – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

##### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

##### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2025, and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

## **Morehouse Parish School Board**

### **Notes to the Basic Financial Statements**

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Newly Adopted Accounting Pronouncements***

The School Board adopted the following new statements during the fiscal year ended June 30, 2024.

In April 2022, GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The impact of these adopted statements did not have a material impact on the financial statements.

##### ***Recently Issued Accounting Pronouncements***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Earlier application is encouraged.

The School Board is evaluating the requirements of the above statements and the impact on reporting.

#### **Note 2: DETAILED NOTES ON ALL FUNDS**

##### ***Deposits and Investments***

*Custodial credit risk - deposits.* The School Board's cash and cash equivalents and investments consist of deposits with financial institutions. State statutes govern the School Board's investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, savings accounts or savings certificates of savings and loan associations, and repurchase agreements. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Deposits and Investments (Continued)*

Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

The following is a schedule of the School Board's cash and cash equivalents at June 30, 2024.

	School Board Book Balances	Bank Balance
Cash on deposit	\$ 13,825,978	\$ 19,054,268
Petty cash	100	-
<b>Total cash and cash equivalents</b>	<b>\$ 13,826,078</b>	<b>\$ 19,054,268</b>

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance	\$ 1,000,000
Pledged Securities	18,557,665
<b>Total collateralized deposits</b>	<b>\$ 19,557,665</b>

The School Board's investments at June 30, 2024, consist of a certificate of deposit with a carrying and market value of \$79,846. It is held by the School Board's agent in the School Board's name and is collateralized.

*Credit risk* – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The School Board's investment policy limits investments to securities with specific ranking criteria.

*Concentration risk* – Section 150: *Investments* of the GASB Codification requires disclosure of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The School Board's investment policy does not address concentration risk.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Deposits and Investments (Continued)*

*Fair Value* – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School Board has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The School Board holds a certificate of deposit with a fair value in the amount of \$79,846 based on the Level 1 fair value hierarchy.

The certificate of deposit renewed in August 2023 to mature in August 2024.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### Receivables

Receivables consisted of the following at June 30, 2024:

June 30, 2024	Taxes		Intergovernmental Grants		Other	Total
	Ad Valorem	Sales Tax	Federal	State		
Fund:						
General	\$ 11,781	\$ -	\$ -	\$ 6,068	\$ 507,457	\$ 525,306
Title I	-	-	1,784,374	-	-	1,784,374
School Food Service	-	-	465,968	-	-	465,968
Sales Tax	6,396	870,443	-	-	-	876,839
Education Stabilization Fund	-	-	1,508,674	-	-	1,508,674
Debt Service	6,324	-	-	-	-	6,324
Nonmajor Governmental	25	-	1,592,300	34,207	413	1,626,945
Total receivables	\$ 24,526	\$ 870,443	\$ 5,351,316	\$ 40,275	\$ 507,870	\$ 6,794,430

#### Capital Assets

The following is a summary of changes in capital assets during the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 319,013	\$ -	\$ -	\$ -	\$ 319,013
Construction in progress	1,150,596	3,860,791	-	-	5,011,387
Total capital assets not being depreciated	1,469,609	3,860,791	-	-	5,330,400
Capital assets being depreciated					
Buildings and improvements	40,088,946	23,993	-	-	40,112,939
Furniture and equipment	13,260,792	1,627,461	1,168,044	-	13,720,209
Total capital assets being depreciated	53,349,738	1,651,454	1,168,044	-	53,833,148
Less accumulated depreciation					
Building and improvements	28,489,862	725,450	-	-	29,215,312
Furniture and equipment	8,349,188	1,067,354	1,164,044	-	8,252,498
Total accumulated depreciation	36,839,050	1,792,804	1,164,044	-	37,467,810
Total capital assets being depreciated, net	16,510,688	(141,350)	4,000	-	16,365,338
Governmental activities capital assets, net	\$ 17,980,297	\$ 3,719,441	\$ 4,000	\$ -	\$ 21,695,738

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### **Capital Assets (Continued)**

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

Instructional services:	
Regular programs	\$ 30,175
Special education programs	4,172
Vocational programs	4,894
Other instructional programs	4,157
Special programs	90,272
Support services:	
Pupil support services	1,986
Instructional staff support services	1,109
General administration	445
Business services	218
Plant services	1,236,441
Student transportation services	392,595
Central services	1,075
Noninstructional services:	
Food service operations	25,265
Total depreciation expense	<u>\$ 1,792,804</u>

#### **Long-Term Debt and Liabilities**

In fiscal year 2012, the School Board issued \$7,775,000 in general obligation bonds to provide resources for the refunding of \$7,550,000 in Series 2003 General Obligation Bonds. The amount paid to the escrow agent exceeded the bonds refunded by \$472,537. This amount is being netted against the new bonds and amortized over the remaining life of the refunded bonds, which is shorter than the life of the new bonds. The School Board refunding resulted in a reduction of \$545,863 in future debt service payments for an economic benefit of \$427,076. The amount outstanding as of June 30, 2024 was \$2,465,000.

In fiscal year 2016, the School Board issued \$3,725,000 in general obligation refunding bonds to advance refund \$3,565,000 of the Series 2007 general obligation bonds to reduce total future debt service payments. The net proceeds of the bonds of \$3,714,615 (including a \$110,938 premium and after \$121,323 in issuance costs) were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded general obligation bonds. The refunding resulted in a present value savings of \$454,097. The amount outstanding as of June 30, 2024 was \$2,150,000.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Long-Term Debt and Liabilities (Continued)*

In fiscal year 2016, the School Board issued \$1,270,000 of Limited Tax Bonds, Series 2016 of Consolidated School District No.12 for the purpose of refunding and extending the School Board's outstanding \$925,000 Limited Tax Bonds, Series 2014 and acquiring, constructing, improving or equipping public elementary and secondary schools as authorized in the proposition approved by the voters on May 3, 2014, and paying the costs of issuance of the bonds. The amount outstanding as of June 30, 2024 was \$840,000.

In fiscal year 2022, the School Board issued \$2,150,000 in Series 2021 general obligation bonds to provide resources for the refunding of \$2,050,000 of Series 2012 General Obligation Bonds. The amount of refunding resulted in \$68,689 of deferred outflow of bond refunding and amortized over the remaining life of the refunded bonds, which is shorter than the life of the new bonds. The School Board refunding resulted in a reduction of \$70,000 in future debt service payments. The amount outstanding as June 30, 2024 was \$1,550,000.

At the end of fiscal year 2023, the School Board issued Series 2023 Revenue Bonds in the amount of \$11,000,000 to provide resources for projects using education stabilization funds. These funds are held in a trust account until transferred to the School Board's operating account. During fiscal year 2023, the School Board sold \$5,054,268 and placed into the trust account with the trustee. In the current year, \$5,537,208 was sold and placed into the trustee account. The current cash balance in the trust account is \$6,649,503 on the balance sheet. The outstanding debt as of June 30, 2024 was \$10,591,476. There is an additional draw down of \$408,524 to be placed into the trust account during the year ending June 30, 2025.

Long-term liability activity for the year ended June 30, 2024, was as follows for governmental activities:

	Balance (restated)	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation debt	\$ 7,240,000	\$ -	\$ 1,075,000	\$ 6,165,000	\$ 810,600
Limited tax bond	900,000	-	60,000	840,000	60,000
Bond premium	58,730	-	6,526	52,204	6,526
Revenue bond	5,054,268	5,537,208	-	10,591,476	-
Other liabilities:					
Financed purchase debt	790,683	-	206,800	583,883	206,800
Compensated absences	870,842	647,505	646,784	871,563	645,000
Net pension liability	32,517,495	-	2,983,051	29,534,444	-
Other post employment benefits	59,001,013	-	1,460,460	57,540,553	2,812,637
<b>Total long-term obligations</b>	<b>\$ 106,433,031</b>	<b>\$ 6,184,713</b>	<b>\$ 6,438,621</b>	<b>\$ 106,179,123</b>	<b>\$ 4,541,563</b>

Compensated absences, other post-employment benefits and the net pension liability will be liquidated in future periods primarily by the General Fund for governmental activities.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Long-Term Debt and Liabilities (Continued)*

The following is a summary of governmental activities bonds payable for the year ended June 30, 2024:

Bonds Payable	Original Issue	Interest Rate	Range of Maturities	Principal	Interest
Limited Tax Bonds					
Series 2016, refunding	\$ 1,270,000	1.50 - 5.00%	2016 - 2035	\$ 840,000	\$ 251,658
Revenue Bonds					
Series 2023	\$ 11,000,000	4.60%	2028	10,591,476	311,447
General Obligation Bonds					
Series 2011, refunding	\$ 7,775,000	3.17%	2012 - 2028	2,465,000	198,601
Series 2016, refunding	\$ 3,725,000	1.00 - 3.00%	2016 - 2032	2,150,000	306,475
Series 2021, refunding	\$ 2,150,000	1.50%	2022 - 2029	1,550,000	159,375
Total				\$ 17,596,476	\$ 1,227,556

Debt service requirements on all School Board bonds and certificates of indebtedness outstanding are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 870,000	\$ 237,506	\$ 1,107,506
2026	900,000	211,176	1,111,176
2027	930,000	183,810	1,113,810
2028	955,000	154,287	1,109,287
2029	360,000	154,287	514,287
2030-2034	13,486,476	281,740	13,768,216
2035-2038	95,000	4,750	99,750
Total	\$ 17,596,476	\$ 1,227,556	\$ 18,824,032

#### *Deferred Outflows of Resources and Deferred Inflows of Resources*

The balances of deferred inflows and outflows of resources as of June 30, 2024 consist of:

	Deferred Outflows	Deferred Inflows
Net Pension Liabilities (GASB 68):		
Teachers' Retirement System of Louisiana (TRSL)	\$ 10,131,289	\$ 1,759,129
Louisiana School Employees' Retirement System (LSERS)	1,061,619	347,307
Other Post-employment Benefits (GASB 75)	5,609,695	6,479,692
Bond refunding	42,931	-
Total	\$ 16,845,534	\$ 8,586,128

**Morehouse Parish School Board**  
**Notes to the Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Receivables, Payables and Transfers***

Individual internal balance amounts at June 30, 2024, are as follows:

	Due From	Due To
Major Funds:		
General Fund	\$ 3,247,081	\$ 3,710,769
Debt Service	-	601,664
Special Revenue:		
Title I	31,296	1,699,451
Sales Tax	2,796,400	-
School Food Service	-	1,172,494
Education Stabilization Fund	3,796,354	1,381,382
Non-major Funds:		
Special Revenue:		
Special Education	-	290,018
Title II	-	150,211
JAG / Vocational Education	-	35,517
LA 4	-	143
8 (g)	17	5,082
21st Century Grant	-	371,277
Rural Education Achievement	-	233,382
ROTC	2,224	-
East Morehouse Parish Tax District	-	10,678
Miscellaneous Grants	-	211,304
Total	\$ 9,873,372	\$ 9,873,372

## Morehouse Parish School Board

### Notes to the Basic Financial Statements

#### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

##### *Interfund Receivables, Payables and Transfers (Continued)*

Transfers to/from other funds for the year ended June 30, 2024 were as follows:

Operating Transfers	Tranfers	
	In	Out
Major Funds		
General Fund	\$ 4,032,206	\$ -
Title I	-	(427,297)
Sales Tax	-	(2,600,000)
Education Stabilization Fund	-	(820,741)
Nonmajor Funds		
21st Century Grant	-	(116,085)
Rural Education Achievement	-	(34,004)
Miscellaneous Grants	-	(34,079)
Total	\$ 4,032,206	\$ (4,032,206)

##### *Financed Purchases*

In June 2016, the School Board entered into a noncancellable financed purchase agreement for \$1,361,730 for the purpose of acquiring fifteen new school buses that expires in 2025. The net book value at June 30, 2024 was \$119,478.

In July 2018, the School Board entered into a noncancellable financed purchase agreement for \$788,495 for the purpose of acquiring seven new school buses that expires in July 2027. The net book value at June 30, 2024 was \$265,516.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Financed Purchases (Continued)*

Future minimum lease payments under financed purchase agreements are as follows:

Year ending June 30,		
2025	\$	235,000
2026		235,000
2027		78,850
2028		78,851
2029		-
Thereafter		-
Total minimum lease payments		627,701
Less amount representing interest		43,818
Present value of minimum lease payments	\$	583,883

#### *Ad Valorem Taxes*

The Sheriff of Morehouse Parish, as provided by State law, bills and collects property taxes on behalf of the School Board using the assessed values determined by the tax assessor of Morehouse Parish. For the year ended June 30, 2024, taxes of 55.77 mills were levied and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	5.96	5.96	Statutory
Maintenance and operation	6.45	6.45	2033
Special leeway maintenance and operations	6.01	6.01	2034
Special 1998 capital program tax	9.68	9.68	2034
General obligation bonds debt service	10.00	7.40	2028
District taxes:			
School District No. 12 Consolidated	10.00	10	2048
East Morehouse School District	9.95	9.95	2034
Total millages		<u>55.45</u>	

The School Board's portion of the total taxes originally levied was \$8,973,986. The School Board collected \$7,414,212 through June 30, 2024, of which a nominal amount was for prior year(s) levies. Approximately 85% of the homestead exemption is not appropriated by the State of Louisiana and therefore is not collected. Collections are remitted to the School Board monthly.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Ad Valorem Taxes (Continued)*

Below is the property tax calendar in effect for the year ended June 30, 2024:

	<u>Property Tax Calendar</u>	
	<u>Parish (Except City of Bastrop)</u>	<u>City of Batrop</u>
Tax bills mailed	December 1, 2023	December 2023
Total taxes are due	December 31, 2023	December 31, 2023
Lien date	July 2023	July 2023
Penalties and interest are added	January 1, 2024	January 1, 2024
Tax sale date(s)	June 2024	June 2024

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

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

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

### Note 3: PENSION AND RETIREMENT PLANS

The School Board maintains two contributory cost-sharing multiple-employer defined benefit plans (Plans) that provide for retirement, deferred retirement option (DROP), disability, and survivor's benefits as described below. These Plans are:

Teachers' Retirement System of Louisiana (TRSL)  
Louisiana School Employees' Retirement system (LSERS)

Each plan is administered by a separate board of trustees. Each board of trustees is empowered to hire its own attorneys and consultants at the pension fund's expense, and to bring and defend lawsuits. The authority to establish and amend the benefit terms of TRSL and LSERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL and LSERS each issue publicly available financial reports that can be obtained at [www.trsl.org](http://www.trsl.org), [www.lasers.net](http://www.lasers.net), and [www.lasersonline.org](http://www.lasersonline.org), respectively.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

#### *Summary of Significant Accounting Policies (All Plans)*

##### *Basis of Accounting*

The Plans' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Member and employer contributions are recognized when due, pursuant to formal commitments as well as statutory or contractual requirements. State appropriations are recognized in the period appropriated. Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis. Administrative costs are funded through investment earnings and are subject to budgetary control by the Board of Trustees and approval of the Joint Legislative Committee on the Budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

##### *Method Used to Value Investments (TRSL)*

GASB Statement No. 72 (GASB 72) was implemented for fiscal year ended June 30, 2016. As required by GASB 72, investments are reported at fair value which is described as an exit price. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). These disclosures are located in Note 1.

Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate.

All derivative financial instruments are reported at fair value in the Statements of Fiduciary Net Position. Gains and losses are reported in the Statements of Changes in Fiduciary Net Position as net appreciation (depreciation) in fair value of investments during the period the instruments are held and when the instruments are sold or expire. The nature and use of derivative instruments is discussed in Note 1.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

#### *Summary of Significant Accounting Policies (All Plans)*

##### *Method Used to Value Investments (TRSL) (Continued)*

The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private equity, real estate, and tangible assets) has been recorded based on the investment's capital account balance which is reported at fair value, at the closest available reporting period, and adjusted for subsequent contributions, distributions, and management fees.

Investments that do not have an established market are reported at estimated fair value. Unrealized gains and losses are included as investment earnings in the Statements of Changes in Fiduciary Net Position.

Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term.

##### *Method Used to Value Investments (LSERS)*

The System's investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which requires investments to be valued at fair value, described as an exit price, using valuation techniques that are appropriate under the circumstances and for which sufficient data is available. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement established a hierarchy of inputs to valuation techniques used to measure fair value which includes three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs – other than quoted prices – that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability.

Fair value of short-term investments approximates cost. Fair value of securities traded on a national or international exchange is calculated using the last reported sales price at current exchange rates. Fair value of mutual funds not traded on a national or international exchange is calculated using the net asset value reported by the mutual funds. Fair value of investments in partnerships is calculated as the Fund's percentage of ownership of the partner's capital reported by the partnership.

The System reports securities lent through the securities lending program as assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Liabilities resulting from securities lending transactions are reported as well.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

#### ***Summary of Significant Accounting Policies (All Plans)***

##### *Method Used to Value Investments (LSERS) (Continued)*

The System invests in foreign currency forward contracts. The changes in the market value of these investment derivative instruments are reported as gains and losses in the period in which the change occurs.

The real estate held for investment consists of the leasing of office space and in real estate funds. The investments are valued at fair market value which is based upon appraised value.

#### ***Funding Requirements (TRSL)***

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSACX) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2024 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	24.1%	8.0%
Plan A	24.1%	9.1%
Plan B	24.1%	5.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2024, was 24.1% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the School Board were \$4,646,361 for the year ended June 30, 2024.

#### ***Funding Requirements (LSERS)***

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2024 was 27.6%. The actual employer rate for the year ended June 30, 2024 was 27.6%. A difference may exist due to the State statute that requires the rate to be calculated in advance.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

#### *Funding Requirements (LSERS)*

Contributions to the pension plan from the School Board were \$709,189 for the year ended June 30, 2024.

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

The net pension liabilities were measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2024, and the change compared to the June 30, 2023 proportion:

	Net Pension Liability at June 30, 2024	Proportion at June 30, 2024	Increase (Decrease) to June 30, 2023 Proportion
LSERS	\$ 3,899,194	0.644510%	0.011739%
TRSL	25,635,250	0.283600%	-0.012920%
	<u>\$ 29,534,444</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2024:

	Pension Expense	Amortization	Total
LSERS	\$ 661,160	\$ (28,625)	\$ 632,535
TRSL	2,901,868	(978,601)	1,923,267
	<u>\$ 3,563,028</u>	<u>\$ (1,007,226)</u>	<u>\$ 2,555,802</u>

**Morehouse Parish School Board**  
**Notes to the Basic Financial Statements**

**Note 3: PENSION AND RETIREMENT PLANS (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>LSERS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Experience	\$ 112,548	\$ -
Investment earnings	-	157,332
Assumptions	52,069	147,346
Change in proportions	187,813	42,629
Contributions made after the measurement date	709,189	-
	<b>\$ 1,061,619</b>	<b>\$ 347,307</b>

<b>TRSL</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Experience	\$ 1,203,903	\$ 1,455
Investment earnings	1,754,824	-
Assumptions	1,156,190	835,907
Change in proportions	1,370,011	921,767
Contributions made after the measurement date	4,646,361	-
	<b>\$ 10,131,289</b>	<b>\$ 1,759,129</b>

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
LSERS	\$ 1,061,619	\$ 347,307
TRSL	10,131,289	1,759,129
	<b>\$ 11,192,908</b>	<b>\$ 2,106,436</b>

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

#### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

The following table lists the pension contributions made subsequent to the measure period for each pension plan:

	Subsequent Contributions
LSERS	\$ 709,189
TRSL	4,646,361
	\$ 5,355,550

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2024.

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

<i>June 30,</i>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
TRSL	\$ 923,845	\$ (22,645)	\$ 2,876,101	\$ (51,502)	\$ 3,725,799
LSERS	96,121	(276,667)	199,507	(13,838)	5,123
	\$ 1,019,966	\$ (299,312)	\$ 3,075,608	\$ (65,340)	\$ 3,730,922

#### **Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024, are as follows:

	LSERS	TRSL
<b>Valuation Date</b>	June 30, 2023	June 30, 2023
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal
<b>Amortization Approach</b>	Closed	Closed
<b>Actuarial Assumptions:</b>		
<b>Expected Remaining Service Lives</b>	3 years	5 years
<b>Investment Rate of Return</b>	6.80% net of investment expenses	7.25% net of investment expenses
<b>Inflation Rate</b>	2.50%	2.40% per annum.
<b>Projected Salary Increases</b>	3.75% based on the 2023 experience study of the System's members	2.41% - 4.85% varies depending on duration of service

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

#### Actuarial Assumptions (Continued)

	LSERS	TRSL
<b>Cost of Living Adjustments</b>	Cost of living raises may be granted from the None Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outlined by ACT 399 of 2014	
<b>Mortality</b>	RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Employee (amount weighted) tables for males and females, adjusted by 0.965 for males and by 0.942 for females. Disabled Mortality Table	Pub2010T-Below Median Retiree (amount weighted) tables for males and females, adjusted by 1.173 for males and by 1.258 for females. Disability retiree mortality – Pub2010T-Disability (amount weighted) tables for males and females, adjusted by factors of 1.043 for males and by 1.092 for females. Contingent survivor mortality – Pub2010T-Below Median – Contingent Survivor (amount weighted) tables for males and females, adjusted by factors of 1.079 for males and by 0.919 for females. These base tables are adjusted from 2010 to 2019 (base year, representing the mid-point of the experience study) with continued future mortality improvement using the MP-2021 improvement table on a fully generational basis.
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2017-2022) experience study of the System's members.  The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM building-block method in which best-estimate pricing model (top-down), a treasury yield curve ranges of expected future real rates of return approach (bottom-up) and an equity building- (expected returns, net of pension plan block model (bottom-up). Risk return and investment expenses and inflation) are correlations are projected on a forward looking developed for each major asset class. These basis in equilibrium, in which best-estimates of ranges are combined to produce the long term expected future real rates of return (expected expected rate of return by weighting the returns, net of pension plan investment expense expected future real rates of return by the target and inflation) are developed for each major asset asset allocation percentage and by adding class. These rates are combined to produce the expected inflation and an adjustment for the long-term expected rate of return by weighting effect of rebalancing/diversification.  the expected future real rates of return by the target asset allocation percentage and by adding	Termination, disability, and retirement assumptions were projected based on a five-year (2018-2022) experience study of the System's members.  The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM building-block method in which best-estimate pricing model (top-down), a treasury yield curve ranges of expected future real rates of return approach (bottom-up) and an equity building- (expected returns, net of pension plan block model (bottom-up). Risk return and investment expenses and inflation) are correlations are projected on a forward looking developed for each major asset class. These basis in equilibrium, in which best-estimates of ranges are combined to produce the long term expected future real rates of return (expected expected rate of return by weighting the returns, net of pension plan investment expense expected future real rates of return by the target and inflation) are developed for each major asset asset allocation percentage and by adding class. These rates are combined to produce the expected inflation and an adjustment for the long-term expected rate of return by weighting effect of rebalancing/diversification.  the expected future real rates of return by the target asset allocation percentage and by adding

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

## Morehouse Parish School Board Notes to the Basic Financial Statements

### ***Actuarial Assumptions (Continued)***

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2023:

<b>Asset Class</b>	<b>Target Allocation</b>		<b>Long-Term Expected Portfolio Real Rate of Return</b>	
	<b>TRSL</b>	<b>LSERS</b>	<b>TRSL</b>	<b>LSERS</b>
Domestic equity	22.5%	39.0%	4.55%	2.84%
International equity	11.5%	-	5.01%	-
Domestic fixed income	8.0%	26.0%	2.20%	0.97%
International fixed income	6.0%	-	(0.29%)	-
Private assets	37.0%	-	8.24%	-
Alternative investments	15.0%	23.0%	4.32%	1.89%
Real assets	-	12.0%	-	0.61%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>n/a</u>	<u>6.31%</u>
International fixed income				<u>2.40%</u>
Expected Arithmetic Nominal Return				<u>8.71%</u>

n/a – amount not provided by Retirement System

### ***Discount Rate***

The discount rates used to measure the total pension liability for TRSL and LSERS, were 7.25% and 6.80%, respectively, for the year ended June 30, 2024.

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

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 3: PENSION AND RETIREMENT PLANS (Continued)

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
LSERS			
Discount rate	5.80%	6.80%	7.80%
Share of NPL	\$ 5,598,134	\$ 3,899,194	\$ 2,442,739
TRSL			
Discount rate	6.25%	7.25%	8.25%
Share of NPL	\$ 36,313,269	\$ 25,635,250	\$ 16,651,630

#### ***Support of Non-employer Contributing Entities***

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2024, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$134,787 for its participation in TRSL. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2024.

#### ***Pension Plans Fiduciary Net Position***

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

As of June 30, 2024, the School Board had no payables due to the pension plans. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 4: OTHER POST-EMPLOYMENT BENEFITS

#### *Plan Description*

The School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region.

The OGB plan is a fully insured, multiple employer arrangement and has been deemed to be an agent multiple-employer plan (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement from either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS). The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 5 years of service. For membership after January 1, 2011, the earliest allowable retirement age without actuarial reduction in benefits is age 60.

Life insurance coverage under the OGB program is available to retirees by election and the employer pays 50% of the cost of the retiree life insurance based on the blended active/retired OGB rates. Since GASB 45 requires the use of "unblended" rates, the 1994 Group Annuity Reserving mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

#### *Contribution Rates*

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

#### *Net OPEB Liability*

The components of the net other post-employment benefits (OPEB) liability of the School Board at June 30, 2024, were as follows:

Total OPEB liability	\$ 57,540,553
Plan fiduciary net position	-
School Board's net OPEB liability	\$ 57,540,553

The School Board's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 4: OTHER POST-EMPLOYMENT BENEFITS (Continued)

#### **Actuarial Assumptions**

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	4.00%
Discount rates	3.93%
Healthcare cost trend rates	5.50%

#### **Mortality Rate**

The RP-2014 mortality table is used, without projections, and with TRSL modifications. This is a recent published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has been used since this table contains sufficiently conservative margin for the population involved in this valuation.

#### **Discount Rate**

Although this plan is a defined benefit OPEB plan, which meets the requirements of paragraph 4 of GASB Statement No. 75, the funded ratio is 0% and the total actual and deemed employer contributions are well below the actuarially determined contribution. We have therefore used a discount rate which would be applicable had the requirements of paragraph 4 not been met. The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2024, the end of the applicable measurement period.

#### **Changes in the Net OPEB Liability**

	Increases (Decreases)		
	Plan		
	Fiduciary		
	Total OPEB Liability	Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 59,001,013	\$ -	\$ 59,001,013
Service cost	1,199,377	-	1,199,377
Interest on total OPEB liability	2,148,866	-	2,148,866
Effect of assumptions changes or inputs	(2,130,001)	-	(2,130,001)
Benefit payments	(2,678,702)	-	(2,678,702)
Net change	(1,460,460)	-	(1,460,460)
Balance at June 30, 2024	\$ 57,540,553	\$ -	\$ 57,540,553

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 4: OTHER POST-EMPLOYMENT BENEFITS (Continued)

#### *Sensitivity of the net OPEB liability to changes in the discount rate*

The following represents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1.0% Decrease (2.93%)	Current Discount Rate (3.93%)	1.0% Increase (4.93%)
Net OPEB liability	\$ 65,766,842	\$ 57,540,553	\$ 50,856,187

#### *Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The following represents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (4.50%) or 1-percentage point higher (6.50%) than the current healthcare trend rates:

	1.0% Decrease (4.50%)	Current Trend Rate (5.50%)	1.0% Increase (6.50%)
Net OPEB liability	\$ 49,978,631	\$ 57,540,553	\$ 66,959,972

#### *OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB*

For the year ended June 30, 2024, the School Board recognized OPEB expense of \$3,825,286. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,556,627	\$ 1,812,658
Changes in assumptions	4,053,068	4,667,034
Total	\$ 5,609,695	\$ 6,479,692

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 4: OTHER POST-EMPLOYMENT BENEFITS (Continued)

#### *OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (Continued)*

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

Year ended June 30:

2024	\$	(310,159)
2025	\$	(559,837)
2026	\$	-
2027	\$	-
2028	\$	-
Thereafter	\$	-

#### *Payable to the OPEB Plan*

At June 30, 2024, the School Board reported no payables for outstanding contributions to the OPEB Plan required for the year ended June 30, 2024.

#### *Funded Status and Funding Progress*

The School Board has not made any contributions to a postemployment benefits plan trust. Therefore, the plan has no assets, and has a funded ratio of zero.

### Note 5: RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy.

### Note 6: LITIGATION AND CONTINGENCIES

The School Board is involved as a defendant in certain litigation through the normal course of its operations. Management and legal counsel for the School Board believe that the potential claims against the School Board, not covered by insurance, would not adversely affect the School Board's financial position. As a result, no amounts have been accrued in the financial statements as of June 30, 2024.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts not recorded, if any to be immaterial.

## Morehouse Parish School Board Notes to the Basic Financial Statements

### Note 7: FUND BALANCE DEFICITS

At June 30, 2024, the General Fund had a deficit fund balance of \$309,094. This fund deficit will be corrected in the following fiscal year through indirect cost transfers from federal grants and budget management procedures implemented.

At June 30, 2024, the School Food Service Fund had a deficit fund balance of \$785,834. This fund deficit will be corrected in the following fiscal year through budget management procedures implemented.

### Note 8: PRIOR PERIOD ADJUSTMENT

In the current year, we identified that the Series 2023 Revenue Bond issuance was placed into a trust account and should not have been treated as a draw down loan. On the governmental fund financial statements, there was an understatement of cash and bond proceeds in the amount of \$1,674,068 for the year ended June 30, 2023. The prior period adjustment is shown on the statement of revenues, expenditures and changes in fund balance for the Education Stabilization Fund as an increase to fund balance in the amount of \$1,674,068.

<b>Fund balances as originally stated</b>	\$	3,380,200
<b>Prior period adjustment</b>		1,674,068
<b>Fund balances, beginning, restated</b>	\$	5,054,268

On the corresponding government-wide financial statements, there was no prior period adjustment as both the cash account and revenue bonds outstanding was understated by \$1,674,068. This resulted in a \$0 change in net position as of June 30, 2023.

<b>Net position, originally stated</b>	\$	(63,645,232)
<b>Prior period adjustment</b>		-
<b>Net position, beginning, restated</b>	\$	(63,645,232)

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Morehouse Parish School Board**  
**Budgetary Comparison Schedule – General Fund**  
**June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Budgetary Fund Balance, Beginning</b>	\$ 756,972	\$ 756,972	\$ 756,972	\$ -
<b>Resources (inflows)</b>				
Local sources				
Ad valorem tax	2,942,789	3,033,598	3,285,486	251,888
Interest earnings	1,944	13,092	91,140	78,048
Other	238,071	530,681	543,211	12,530
State sources				
Equalization	17,397,920	17,613,186	23,776,784	6,163,598
Other	170,567	199,371	1,237,468	1,038,097
Federal sources	-	-	-	-
Other sources				
Transfers in	1,504,818	1,160,314	4,032,206	2,871,892
Proceeds from sale of assets	-	-	379,291	379,291
<b>Total resources</b>	<b>22,256,109</b>	<b>22,550,242</b>	<b>33,345,586</b>	<b>10,795,344</b>
Amounts available for appropriations	23,013,081	23,307,214	34,102,558	10,795,344
<b>Charges to appropriations (outflows)</b>				
Current				
Instruction				
Regular programs	6,257,339	6,809,247	18,013,161	11,203,914
Special education programs	2,746,858	2,610,585	2,636,016	25,431
Vocational programs	362,415	404,486	441,888	37,402
Other instructional programs	1,095,494	1,048,555	1,421,470	372,915
Special programs	98,180	109,068	107,322	(1,746)
Support Services				
Pupil support services	1,499,777	1,499,567	1,647,340	147,773
Instructional staff support	581,024	707,016	741,585	34,569
General administration	939,403	977,854	911,635	(66,219)
School administration	1,587,597	1,575,008	1,548,550	(26,458)
Business services	790,350	775,812	1,066,462	290,650
Plant services	3,427,950	3,039,555	3,110,026	70,471
Student transportation services	2,061,435	1,977,895	1,880,483	(97,412)
Central services	462,115	605,662	328,442	(277,220)
Food service operations	143,006	146,013	207,123	61,110
Capital outlay	21,603	149,740	194,000	44,260.00
Debt service				
Principal retirement	134,045	193,763	142,484	(51,279)
Interest and bank charges	22,106	41,238	13,666	(27,572)
Other sources (uses)				
Transfers out	-	-	-	-
<b>Total charges to appropriations</b>	<b>22,230,697</b>	<b>22,671,064</b>	<b>34,411,653</b>	<b>11,740,589</b>
<b>Budgetary Fund Balances, Ending</b>	<b>\$ 782,384</b>	<b>\$ 636,150</b>	<b>\$ (309,095)</b>	<b>\$ (945,245)</b>

*See notes to budgetary comparison schedules.*

**Morehouse Parish School Board**  
**Budgetary Comparison Schedule – Title I**  
**June 30, 2024**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
<b>Budgetary Fund Balance, Beginning</b>	\$ -	\$ -	\$ -	\$ -
<b>Resources (inflows)</b>				
Federal sources	2,968,812	3,822,669	3,822,669	-
Total federal sources	2,968,812	3,822,669	3,822,669	-
Other sources				
Transfers in	-	-	-	-
Total other sources	-	-	-	-
Total resources	2,968,812	3,822,669	3,822,669	-
Amounts available for appropriations	2,968,812	3,822,669	3,822,669	-
<b>Charges to appropriations (outflows)</b>				
Current				
Instruction				
Special programs	1,840,589	2,533,144	2,533,144	-
Support services				
Instructional staff support	687,390	721,746	721,746	-
Student transportation services	-	1,233	1,233.00	-
Central services	120,846	139,249	139,249	-
Other uses				
Transfers out	319,987	427,297	427,297	-
Total charges to appropriations	2,968,812	3,822,669	3,822,669	-
<b>Budgetary Fund Balances, Ending</b>	\$ -	\$ -	\$ -	\$ -

*See notes to budgetary comparison schedules.*

**Morehouse Parish School Board**  
**Budgetary Comparison Schedule – School Food Service**  
**June 30, 2024**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
<b>Budgetary Fund Balance, Beginning</b>	\$ 384,592	\$ 384,592	\$ 384,592	\$ -
<b>Resources (inflows)</b>				
Local sources				
Food services	16,869	8,096	8,097	1
Other	-	-	-	
State sources				
Other local revenue	35,449	35,449	35,449	-
Federal sources	2,817,332	2,404,572	2,694,521	289,949
<b>Total resources</b>	<b>2,869,650</b>	<b>2,448,117</b>	<b>2,738,067</b>	<b>289,950</b>
Amounts available for appropriations	3,254,242	2,832,709	3,122,659	289,950
<b>Charges to appropriations (outflows)</b>				
Current				
Support services				
Plant services	189,191	142,238	142,236	(2)
Non-Instructional services				
Food service operations	2,952,214	2,087,193	3,722,249	1,635,056
<b>Total charges to appropriations</b>	<b>3,141,405</b>	<b>2,229,431</b>	<b>3,908,493</b>	<b>1,679,062</b>
<b>Budgetary Fund Balances, Ending</b>	<b>\$ 112,837</b>	<b>\$ 603,278</b>	<b>\$ (785,834)</b>	<b>\$ (1,389,112)</b>

*See notes to budgetary comparison schedules.*

**Morehouse Parish School Board**  
**Budgetary Comparison Schedule – Sales Tax**  
**June 30, 2024**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
	Budget	Budget	(Budgetary	Over
			Basis)	(Under)
<b>Budgetary Fund Balance, Beginning</b>	\$ 5,431,339	\$ 5,431,339	\$ 5,431,339	\$ -
<b>Resources (inflows)</b>				
Local sources				
Sales and Use Taxes	8,444,444	11,441,340	11,541,534	100,194
Renewable tax	1,565,412	1,694,385	1,694,385	-
Interest on Investments	29,340	73,235	73,235	-
Other Local Revenue	-	-	5,416	5,416
Total resources	10,039,196	13,208,960	13,314,570	105,610
Amounts available for appropriations	15,470,535	18,640,299	18,745,909	105,610
<b>Charges to appropriations (outflows)</b>				
Current				
Instructional services				
Regular programs	2,605,046	3,542,891	3,542,892	1
Special education programs	773,087	1,061,708	1,061,707	(1)
Vocational programs	145,258	252,463	252,463	-
Other instructional programs	184,444	362,274	362,281	7
Special programs	163,106	287,367	287,366	(1)
Adult/Continuing education programs	1,266	1,266	1,266	-
Support services				
Pupil support services	340,436	514,495	514,541	46
Instructional staff support	295,463	418,265	418,352	87
General administration	231,992	305,149	305,858	709
School administration	363,209	506,401	506,402	1
Business services	146,353	213,007	220,743	7,736
Plant services	666,899	1,103,609	1,113,881	10,272
Student transportation services	434,936	735,601	736,200	599
Central services	114,241	177,205	178,234	1,029
Other support services	1,771	1,591	1,591	-
Noninstructional services				
Food service operations	345,294	539,602	540,452	850
Debt service				
Principal	-	-	64,653	64,653
Interest	-	-	14,197	14,197
Capital outlay	103,983	102,843	23,993	(78,850)
Transfers out	3,100,000	2,600,000	2,600,000	-
Total charges to appropriations	10,016,784	12,725,737	12,747,072	21,335
<b>Budgetary Fund Balances, Ending</b>	\$ 5,453,751	\$ 5,914,562	\$ 5,998,837	\$ 84,275

*See notes to budgetary comparison schedules.*

**Morehouse Parish School Board**  
**Notes to Budgetary Comparison Schedule**  
**June 30, 2024**

**Note A – BUDGETS**

**General Budget Policies**

The School Board utilized the following procedures in establishing the budgetary data reflected in the financial statements:

In July, the Superintendent submits to the School Board proposed annual appropriated budgets for the General Fund and the Special Revenue Funds for the fiscal year commencing July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopts a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the year, when deemed appropriate, but a balanced budget is always approved.

All budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. All budgets are operational at the departmental or project level. The Superintendent of the School Board is authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval.

**Budget Basis of Accounting**

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

**Morehouse Parish School Board**  
**Notes to Budgetary Comparison Schedule**  
**June 30, 2024**

**Note B - Budget to GAAP Reconciliation**

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	<u>General Fund</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 34,102,558
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(756,972)
Other financing sources including proceeds from sale of assets, proceeds from issuance of debt and transfers in of indirect costs from other funds	(4,411,497)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 28,934,089
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 34,411,653
State equalization revenue received and transferred to charter schools	
Other financing uses including proceeds from sale of assets, proceeds from issuance of debt and transfers in of indirect costs from other funds	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 34,411,653
<hr/>	

**Morehouse Parish School Board**  
**Notes to Budgetary Comparison Schedule**  
**June 30, 2024**

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	<u>Title I</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 3,822,669
Other financing sources	-
 Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 3,822,669

<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 3,822,669
Other financing uses including transfers out of direct costs to General Fund	(427,297)
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 3,395,372

**Morehouse Parish School Board**  
**Notes to Budgetary Comparison Schedule**  
**June 30, 2024**

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	School Food Service
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 3,122,659
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(384,592)
Other financing sources	-
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 2,738,067
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 3,908,493
Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 3,908,493
<hr/>	

**Morehouse Parish School Board**  
**Notes to Budgetary Comparison Schedule**  
**June 30, 2024**

	<u>Sales Tax</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 18,745,909
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(5,431,339)
Other financing sources	-
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 13,314,570
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 12,747,072
Other financing uses - transfer to debt service fund	(2,600,000)
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 10,147,072
<hr/>	

**Morehouse Parish School Board**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**June 30, 2024**

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>								
Service cost	\$ 1,199,377	\$ 1,293,249	\$ 730,059	\$ 802,534	\$ 647,207	\$ 649,516	\$ 624,535	N/A
Interest	2,148,866	1,803,636	1,435,648	1,411,874	1,864,401	1,934,322	1,908,695	N/A
Differences between expected and actual experience	-	3,897,027	(5,182,244)	2,630,348	(2,113,796)	1,030,469	(741,595)	N/A
Changes of assumptions	(2,130,001)	3,635,851	(11,153,553)	518,447	13,049,794	2,664,625	(2,063,878)	N/A
Benefit payments	(2,678,702)	(2,549,157)	(2,749,413)	(2,818,027)	(2,842,936)	(3,142,699)	(2,978,862)	N/A
Net change in total OPEB liability	(1,460,460)	8,080,606	(16,919,503)	2,545,176	10,604,670	3,136,233	(3,251,105)	N/A
Total OPEB liability - beginning	59,001,013	50,920,407	67,839,910	65,294,734	54,690,064	51,553,831	54,804,936	54,804,936
Total OPEB liability - ending (a)	\$ 57,540,553	\$ 59,001,013	\$ 50,920,407	\$ 67,839,910	\$ 65,294,734	\$ 54,690,064	\$ 51,553,831	\$ 54,804,936
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a)-(b)	\$ 57,540,553	\$ 59,001,013	\$ 50,920,407	\$ 67,839,910	\$ 65,294,734	\$ 54,690,064	\$ 51,553,831	\$ 54,804,936
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%
Covered payroll	\$ 16,226,219	\$ 16,269,498	\$ 15,777,529	\$ 12,564,557	\$ 12,081,305	\$ 14,933,849	\$ 14,359,470	\$ 14,359,470
Net OPEB liability as a percentage of covered payroll	355%	363%	323%	540%	540%	366%	359%	382%

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

**Morehouse Parish School Board**  
**Schedule of Employer's Proportionate Share of Net Pension Liability**  
**June 30, 2024**

Fiscal Year*	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana School Employees' Retirement System					
2023	0.644510%	\$ 3,899,194	\$ 2,053,299	190%	78.5%
2022	0.632771%	\$ 4,207,911	\$ 1,969,395	214%	76.3%
2021	0.562090%	\$ 2,671,709	\$ 1,771,882	151%	82.5%
2020	0.581744%	\$ 4,674,062	\$ 1,825,571	256%	69.7%
2019	0.624025%	\$ 4,368,560	\$ 1,861,125	235%	62.5%
2018	0.578072%	\$ 3,862,315	\$ 1,667,469	232%	62.5%
2017	0.591239%	\$ 3,783,498	\$ 1,691,871	224%	62.5%
2016	0.615521%	\$ 4,643,166	\$ 1,643,169	283%	62.5%
2015	0.621001%	\$ 3,693,777	\$ 1,748,324	211%	76.2%
2014	0.582450%	\$ 3,599,896	\$ 1,643,169	219%	74.5%
Teachers' Retirement System of Louisiana					
2023	0.283600%	\$ 25,635,250	\$ 16,055,073	160%	74.3%
2022	0.296520%	\$ 28,309,584	\$ 14,776,758	192%	72.4%
2021	0.281620%	\$ 15,034,888	\$ 14,340,781	105%	83.9%
2020	0.276250%	\$ 30,728,863	\$ 13,678,018	225%	65.6%
2019	0.278850%	\$ 27,674,390	\$ 15,385,676	180%	62.5%
2018	0.347510%	\$ 34,153,549	\$ 16,738,375	204%	62.5%
2017	0.328990%	\$ 33,727,753	\$ 16,790,919	201%	62.5%
2016	0.356450%	\$ 41,836,724	\$ 17,210,387	243%	62.5%
2015	0.351020%	\$ 37,742,321	\$ 20,688,256	182%	63.7%
2014	0.420120%	\$ 42,942,391	\$ 18,044,523	238%	62.5%

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

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

**Morehouse Parish School Board**  
**Schedule of Employers' Contributions**  
**June 30, 2024**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana School Employees' Retirement System					
2024	\$ 709,189	\$ 709,189	\$ -	\$ 2,569,524	27.6%
2023	\$ 574,924	\$ 574,924	\$ -	\$ 2,053,299	28.0%
2022	\$ 551,431	\$ 551,431	\$ -	\$ 1,969,395	28.0%
2021	\$ 496,127	\$ 496,127	\$ -	\$ 1,771,882	28.0%
2020	\$ 511,160	\$ 511,160	\$ -	\$ 1,825,571	28.0%
2019	\$ 513,670	\$ 513,670	\$ -	\$ 1,861,125	27.6%
2018	\$ 460,212	\$ 460,212	\$ -	\$ 1,667,469	27.6%
2017	\$ 462,058	\$ 462,058	\$ -	\$ 1,691,871	27.3%
2016	\$ 527,995	\$ 527,995	\$ -	\$ 1,643,169	33.0%
2015	\$ 668,898	\$ 668,898	\$ -	\$ 1,748,324	30.2%
Teachers' Retirement System of Louisiana					
2024	\$ 4,646,361	\$ 4,646,361	\$ -	\$ 18,735,326	24.8%
2023	\$ 4,045,878	\$ 4,045,878	\$ -	\$ 16,055,073	25.2%
2022	\$ 3,723,743	\$ 3,723,743	\$ -	\$ 14,776,758	25.2%
2021	\$ 3,828,989	\$ 3,828,989	\$ -	\$ 14,340,781	26.7%
2020	\$ 3,652,031	\$ 3,652,031	\$ -	\$ 13,678,018	26.7%
2019	\$ 4,160,476	\$ 4,160,476	\$ -	\$ 15,385,676	27.0%
2018	\$ 5,466,376	\$ 5,466,376	\$ -	\$ 16,738,375	32.7%
2017	\$ 5,197,237	\$ 5,197,237	\$ -	\$ 16,790,919	31.0%
2016	\$ 4,653,492	\$ 4,653,492	\$ -	\$ 17,210,387	28.0%
2015	\$ 5,484,551	\$ 5,484,551	\$ -	\$ 20,688,256	27.0%

\*Amounts presented were determined as of the end of the fiscal year.

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

**Morehouse Parish School Board  
Schedule of Employers' Contributions  
June 30, 2024**

***Changes of Benefit Terms***

**Louisiana School Employees' Retirement System**

There were no changes of benefit terms for the year ended June 30, 2023.

**Teachers' Retirement System of Louisiana**

There were no changes of benefit terms for the year ended June 30, 2023.

***Changes of Assumptions***

**Louisiana School Employees' Retirement System**

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.125% to 7.0625%, inflation rate was decreased from 2.625% to 2.50% and salary increases were decreased from a range of 3.075% to 5.375% to a rate of 3.25%.

For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.0625% to 7.0%.

For the actuarial valuation for the year ended June 30, 2020, the discount rate was decreased from 7.0625% to 7.0%.

For the actuarial valuation for the year ended June 30, 2021, the discount rate was decreased from 7.00% to 6.90%.

For the actuarial valuation for the year ended June 30, 2022, the discount rate was decreased from 6.90% to 6.80%.

For the actuarial valuation for the year ended June 30, 2023, the discount rate remained at 6.80%.

**Teachers' Retirement System of Louisiana**

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

For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.65% to 7.55%.

For the actuarial valuation for the year ended June 30, 2020, the discount rate was decreased from 7.55% to 7.45%.

For the actuarial valuation for the year ended June 30, 2021, the discount rate was decreased from 7.55% to 7.40%.

For the actuarial valuation for the year ended June 30, 2022, the discount rate was decreased from 7.40% to 7.25%.

For the actuarial valuation for the year ended June 30, 2023, the discount rate remained at 7.25%.

## OTHER SUPPLEMENTARY INFORMATION

**NONMAJOR FUNDS**

## **Morehouse Parish School Board Nonmajor Funds Fund Descriptions**

### **Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds are primarily established for specific educational purposes and funded through the United States Department of Education or the Louisiana Department of Education.

- A. The Special Education funds is a Federal program that provides free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.
- B. Title II is designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.
- C. JAG/Vocational Education is a Federal program to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.
- D. LA4 is a State program to provide financial assistance to develop educational programs for preschool children that are socially and economically deprived.
- E. 8(g) is a grant program used to improve student academic achievement or vocational-technical skills. Other uses are the purchase of superior textbooks and providing support for teachers in critical shortage areas.
- F. 21<sup>st</sup> Century Grant (Community Learning Center) is a program providing assistance and targeted remediation, academics such as arts and technology, and recreational activities in an effort to provide safe, enriched environments to school communities.
- G. Rural Education Achievement is a program aiming to address the unique needs of rural school districts by providing funding to improvement student achievement and address challenges faced by these areas.
- H. ROTC is a grant providing financial assistance to keep Reserve Officer Training Corps programs in high schools.
- I. East Morehouse Parish Tax District is a fund for ad valorem taxes used for maintenance and construction of school buildings and other school related facilities in East Morehouse Tax District.
- J. Student Activity Funds is a fund used to promote the general welfare, education, and morale of the student body, supporting co-curricular and extracurricular activities.
- K. Miscellaneous Grants includes various small federal and state grants, such as Educational Excellence and the Believe and Prepare Grant.

## **Morehouse Parish School Board Nonmajor Funds Fund Descriptions**

### **Capital Projects Funds:**

Capital Projects Funds account for the financial resources received and used for the acquisition, construction or improvements of capital facilities not reported in other governmental funds.

- A. School District 12 Construction is a capital project fund used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

**Morehouse Parish School Board**  
**Combining Balance Sheet – Nonmajor Governmental Funds**

<i>June 30, 2024</i>	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,459,954	\$ 379,062	\$ 1,839,016
Accounts receivable	1,626,922	23	1,626,945
Internal balances	2,241	-	2,241
Total assets	\$ 3,089,117	\$ 379,085	\$ 3,468,202
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 74,229	\$ -	\$ 74,229
Salaries and wages payable	116,420	-	116,420
Internal balances	1,307,612	-	1,307,612
Other liabilities	161,772	-	161,772
Total liabilities	1,660,033	-	1,660,033
<b>Fund Balances</b>			
<b>Restricted</b>			
Instructional costs	206,486	-	206,486
Student activity funds	343,568	-	343,568
Construction and maintenance costs	879,030	-	879,030
Capital projects	-	379,085	379,085
Total fund balances	1,429,084	379,085	1,808,169
Total liabilities and fund balances	\$ 3,089,117	\$ 379,085	\$ 3,468,202

**Morehouse Parish School Board**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**– Nonmajor Governmental Funds**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Total</b>
<i>For the year ended June 30, 2024</i>			
<b>Revenues</b>			
Local sources			
Ad valorem tax	\$ 558,730	\$ 176,212	\$ 734,942
Interest	10,960	6,513	17,473
Other local revenue	-	4,605	4,605
State sources			
State - other revenues	502,289	-	502,289
Federal sources			
Restricted grants-in-aid	3,743,200	-	3,743,200
Total revenues	5,549,357	187,330	5,736,687
<b>Expenditures</b>			
Current			
Instructional			
Regular programs	403,660	-	403,660
Special education programs	777,460	-	777,460
Vocational programs	321,353	-	321,353
Other instructional programs	1,405,983	-	1,405,983
Special programs	685,045	-	685,045
Support services			
Pupil support services	169,785	-	169,785
Instructional staff	973,560	-	973,560
General administration	29,632	-	29,632
School administration	14,281	-	14,281
Business services	-	-	-
Plant services	21,191	-	21,191
Student transportation services	177,543	-	177,543
Central services	42,754	-	42,754
Noninstructional			
Food service operations	19,434	-	19,434
Capital outlay	-	1,317	1,317
Debt service			
Principal	-	60,000	60,000
Interest	-	39,235	39,235
Total expenditures	5,041,681	100,552	5,142,233
<b>Excess of Revenues Over Expenditures</b>	507,676	86,778	594,454
<b>Other Financing Sources (Uses)</b>			
Transfers out	(184,168)	-	(184,168)
Total other financing sources (Uses)	(184,168)	-	(184,168)
<b>Net change in fund balances</b>	323,508	86,778	410,286
<b>Fund balances, beginning of year</b>	1,105,576	292,307	1,397,883
<b>Fund balances, end of year</b>	\$ 1,429,084	\$ 379,085	\$ 1,808,169

## **SPECIAL REVENUE FUNDS**

## Morehouse Parish School Board Combining Balance Sheet – Nonmajor Special Revenue Funds

	Special Revenue Funds												Total Nonmajor Special	
	Special Education	Title II	JAG / Vocational Education	LA 4	8 (g)	21st Century Grant	Rural Education Achievement	ROTC	East Morehouse Parish Tax District	Student Activity Funds	Miscellaneous Grants	Revenue	Funds	
June 30, 2024														
Assets														
Cash and cash equivalents	\$ -	\$ -	\$ 29,869	\$ 95,193	\$ -	\$ -	\$ -	\$ 2,519	\$ 894,884	\$ 343,568	\$ 93,921	\$ 1,459,954		
Accounts receivable	379,961	150,539	94,842	17,299	17,489	398,771	233,382	-	407	-	334,232	1,626,922		
Internal balances	-	-	-	-	17	-	-	2,224	-	-	-	2,241		
Total assets	\$ 379,961	\$ 150,539	\$ 124,711	\$ 112,492	\$ 17,506	\$ 398,771	\$ 233,382	\$ 4,743	\$ 895,291	\$ 343,568	\$ 428,153	\$ 3,089,117		
Liabilities and Fund Balances														
Liabilities														
Accounts payable	\$ 30,650	\$ 392	\$ 8,414	\$ -	\$ -	\$ 27,494	\$ -	\$ -	\$ 5,583	\$ -	\$ 1,696	\$ 74,229		
Salaries and wages payable	57,244	-	12,842	21,774	12,424	-	-	4,743	-	-	7,393	116,420		
Internal balances	290,018	150,211	35,517	143	5,082.00	371,277	233,382	-	10,678	-	211,304	1,307,612		
Other liabilities	2,243	-	67,938	90,640	-	-	-	-	-	-	951	161,772		
Total liabilities	380,155	150,603	124,711	112,557	17,506	398,771	233,382	4,743	16,261	-	221,344	1,660,033		
Fund Balances														
Fund balances														
Restricted for														
Instructional costs	(194)	(64)	-	(65)	-	-	-	-	-	-	206,809	206,486		
Student activity funds	-	-	-	-	-	-	-	-	-	343,568	-	343,568		
Construction and maintenance costs	-	-	-	-	-	-	-	-	879,030	-	-	879,030		
Total fund balances	(194)	(64)	-	(65)	-	-	-	-	879,030	343,568	206,809	1,429,084		
Total liabilities and fund balances	\$ 379,961	\$ 150,539	\$ 124,711	\$ 112,492	\$ 17,506	\$ 398,771	\$ 233,382	\$ 4,743	\$ 895,291	\$ 343,568	\$ 428,153	\$ 3,089,117		

# Morehouse Parish School Board

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds

	Special Revenue Funds												Total Nonmajor Special Revenue Funds
	Special Education	Title II	JAG/ Vocational Education	LA 4	8 (g)	21st Century Grant	Rural Education Achievement	ROTC	East Morehouse Parish Tax District	Student Activity Funds	Miscellaneous Grants		
For the year ended June 30, 2024													
Revenues													
Local sources													
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558,730	\$ -	\$ -	\$ 558,730	
Interest	-	-	-	-	-	-	-	-	10,960	-	-	10,960	
Student activity fund receipts	-	-	-	-	-	-	-	-	-	734,178	-	734,178	
State sources													
State - other revenues	-	-	-	166,719	71,827	-	-	-	-	-	263,743	502,289	
Federal sources													
Restricted grants-in-aid	1,022,543	318,865	181,119	-	-	1,040,358	293,584	70,851	-	-	815,880	3,743,200	
Total revenues	1,022,543	318,865	181,119	166,719	71,827	1,040,358	293,584	70,851	569,690	734,178	1,079,623	5,549,357	
Expenditures													
Current													
Instructional													
Regular programs	-	-	129	-	-	-	-	-	153,081	-	250,450	403,660	
Special education programs	432,124	-	-	-	-	-	259,580	-	60,518	-	25,238	777,460	
Vocational programs	-	-	179,819	-	-	-	-	-	-	-	141,534	321,353	
Other instructional programs	-	-	-	-	-	651,842	-	70,851	15,897	667,393	-	1,405,983	
Special programs	-	1,449	-	166,719	71,827	-	-	-	23,070	-	421,980	685,045	
Support services													
Pupil support services	159,097	-	-	-	-	-	-	-	10,688	-	-	169,785	
Instructional staff	405,016	311,287	-	-	-	143,525	-	-	6,394	-	107,338	973,560	
General administration	-	-	-	-	-	-	-	-	4,394	-	25,238	29,632	
School administration	-	-	-	-	-	-	-	-	14,281	-	-	14,281	
Plant services	-	-	-	-	-	3,478	-	-	17,713	-	-	21,191	
Student transportation services	26,306	-	1,171	-	-	125,428	-	-	24,434	-	204	177,543	
Central services	-	6,129	-	-	-	-	-	-	-	-	36,625	42,754	
Noninstructional													
Food service operations	-	-	-	-	-	-	-	-	19,434	-	-	19,434	
Total expenditures	1,022,543	318,865	181,119	166,719	71,827	924,273	259,580	70,851	349,904	667,393	1,008,607	5,041,681	
Excess of Revenues Over Expenditures													
	-	-	-	-	-	116,085	34,004	-	219,786	66,785	71,016	507,676	
Other Financing Sources (Uses)													
Transfers out	-	-	-	-	-	(116,085)	(34,004)	-	-	-	(34,079)	(184,168)	
Total other financing sources (uses)	-	-	-	-	-	(116,085)	(34,004)	-	-	-	(34,079)	(184,168)	
Net Change in Fund Balances	-	-	-	-	-	-	-	-	219,786	66,785	36,937	323,508	
Fund Balances at Beginning of Year	(194)	(64)	-	(65)	-	-	-	-	659,244	276,783	169,872	1,105,576	
Fund Balances at End of Year	\$ (194)	\$ (64)	\$ -	\$ (65)	\$ -	\$ -	\$ -	\$ -	\$ 879,030	\$ 343,568	\$ 206,809	\$ 1,429,084	

## **CAPITAL PROJECTS FUNDS**

**Morehouse Parish School Board**  
**Combining Balance Sheet – Nonmajor Capital Project Funds**

<i>June 30, 2024</i>	School District 12 Construction	Total
<b>Assets</b>		
Cash and cash equivalents	\$ 379,062	\$ 379,062
Total assets	\$ 379,085	\$ 379,085
<b>Fund Balances</b>		
Fund Balances		
Restricted for		
Capital projects	\$ 379,085	\$ 379,085
Total fund balances	\$ 379,085	\$ 379,085

**Morehouse Parish School Board**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**– Nonmajor Capital Projects Funds**

<i>For the year ended June 30, 2024</i>	<b>School District 12 Construction</b>	<b>Total</b>
<b>Revenues</b>		
Local sources		
Ad valorem tax	\$ 176,212	\$ 176,212
Interest	6,513	6,513
Other	4,605	4,605
Total revenues	187,330	187,330
<b>Expenditures</b>		
Current:		
Capital outlay	1,317	1,317
Debt service:		
Principal	60,000	60,000
Interest	39,235	39,235
Total expenditures	100,552	100,552
<b>Excess of revenues over expenditures</b>	86,778	86,778
<b>Net change in fund balances</b>	86,778	86,778
<b>Fund balances at beginning of year</b>	292,307	292,307
<b>Fund balances at end of year</b>	\$ 379,085	\$ 379,085

**Morehouse Parish School Board**  
**Schedule of Compensation Paid to Board Members**  
**For the Year Ended June 30, 2024**

	<u>District</u>	<u>Compensation</u>
Karen T. Diel, President	1	\$ 10,200
Louis E. Melton	2	10,200
John Robert Johnson, Jr.	3	9,600
Richard W. Hixon	4	9,600
Debra A Wilson, Vice President	5	9,600
Veronica L. Tappin,	6	9,600
Adrin Williams	7	9,600
		<hr/> \$ 68,400 <hr/>

**Morehouse Parish School Board**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the Year Ended June 30, 2024**

Agency Head Name: David Gray, Superintendent

Purpose	Amount
Salary	\$ 157,539
Benefits - insurance	14,042
Benefits - retirement	37,967
Travel	96
Total compensation, benefits and other payments to agency head	\$ 209,644

## **SINGLE AUDIT INFORMATION**



**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**

1000 East Preston Avenue  
Suite 200  
Shreveport, LA 71105

Mailing Address:

PO Box 4278  
Shreveport, LA 71134

318.222.2222

318.226.7150 (fax)

CRIadv.com

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
In Accordance With *Government Auditing Standards***

Board Members  
Morehouse Parish School Board  
Bastrop, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board (the "School Board"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated March 31, 2025.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

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 deficiency described in the accompany schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

### **Report on Compliance and Other Matters**

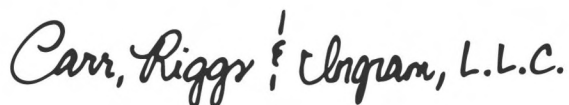
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-001 and 2024-003.

### **Morehouse Parish School Board's Response to Findings**

The School Board's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana  
March 31, 2025



**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**

1000 East Preston Avenue  
Suite 200  
Shreveport, LA 71105

Mailing Address:

PO Box 4278  
Shreveport, LA 71134

318.222.2222

318.226.7150 (fax)

CRladv.com

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Morehouse Parish School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Morehouse Parish School Board's major federal programs for the year ended June 30, 2024. Morehouse Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Morehouse Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Morehouse Parish 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 Morehouse Parish 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 Morehouse Parish 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 Morehouse Parish 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 Morehouse Parish 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 Morehouse Parish School Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

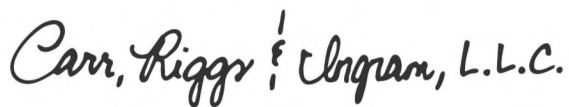
### **Report on Internal Control over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana  
March 31, 2025

**Morehouse Parish School Board**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Pass Through Grant Number	Expenditures	Amounts Passed Through to Subrecipients
<b>Direct Programs:</b>				
<b>U.S. Department of Defense</b>				
R.O.T.C. Language and Culture Training Grants	12.357	N/A	\$ 70,851	\$ -
<b>Total U.S. Department of Defense</b>			<u>70,851</u>	<u>-</u>
<b>Pass Through Programs:</b>				
<b>U. S. Department of Education</b>				
Passed through Louisiana Department of Education				
Title I Grants to Local Educational Agencies				
Grants to Local Educational Agencies	84.010	28-24-T1-34	3,822,669	-
Grants to Local Educational Agencies	84.010	28-23-RD19-34	304,097	-
<b>Total I Grants to Local Educational Agencies</b>			<u>4,126,766</u>	<u>-</u>
Special Education Cluster (IDEA):				
Special Education-Grants to States (IDEA, Part B)	84.027	28-24-B1-34	1,009,920	-
Special Education-Preschool Grants	84.173	28-23-P1-34	12,622	-
Special Education-Grants to States (IDEA, Part B)	84.027	28-23-JP-34	54,086	-
<b>Total Special Education Cluster (IDEA)</b>			<u>1,076,628</u>	<u>-</u>
COVID-19 - Education Stabilization Fund	84.425D	28-21-ES2I-34	116,978	-
COVID-19 - Education Stabilization Fund	84.425U	28-21-ES3F-34	8,410,297	-
COVID-19 - Education Stabilization Fund	84.425U	28-21-ESEB-34	1,169,987	-
COVID-19 - Education Stabilization Fund	84.425U	28-21-ES3I-34	35,208	-
COVID-19 - Education Stabilization Fund	84.425W	28-22-HARP-34	22,418	-
<b>Total COVID-19 Education Stabilization Fund</b>			<u>9,754,888</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367	28-24-50-34	318,865	-
Career and Technical Education-Basic Grants to States	84.048	28-24-02-34	11,223	-
Student Support and Academic Enrichment Program	84.424	28-24-71-34	242,914	-
Student Support and Academic Enrichment Program	84.424	28-23-BSCA-34	268,869	-
<b>Total Student Support and Academic Enrichment Program</b>			<u>511,783</u>	<u>-</u>
Twenty-First Century Community Learning Centers	84.287	28-23-2C-34	1,040,358	-
Rural Education Achievement Program (REAP)	84.358	28-24-RLIS-34	293,584	-
<b>Total U. S. Department of Education</b>			<u>17,134,095</u>	<u>-</u>
<b>U.S. Department of Agriculture (USDA)</b>				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	713,644	-
School Lunch Program	10.555	N/A	1,697,509	-
Commodities	10.555	N/A	187,315	-
<b>Total Child Nutrition Cluster</b>			<u>2,598,468</u>	<u>-</u>
Child and Adult Care Food Program	10.558	N/A	96,079	-
<b>Total U.S. Department of Agriculture</b>			<u>2,694,547</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 19,899,493</u>	<u>\$ -</u>

*See Notes to Schedule of Expenditures of Federal Awards*

**Morehouse Parish School Board**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

**A. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the Morehouse Parish School Board (the School Board). The information in the Schedule of Expenditures of Federal Awards 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). The School Board reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial information or change in net position of the Morehouse Parish School Board.

**B. 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. 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.

**C. Relationship to Basic Financial Statements**

The following reconciliation is provided to help the reader of the School Board's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2024:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 19,899,493
Total expenditures funded by other sources	47,631,309
Total expenditures	<u>\$ 67,530,802</u>

**Morehouse Parish School Board**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

**D. Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**E. Matching Revenues**

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**F. Noncash Programs**

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

**G. Federal Indirect Cost Rate**

Morehouse Parish School Board has not elected to use the 10% de minimis federal indirect cost rate allowed under the Uniform Guidance.

**H. Subrecipients**

Morehouse Parish School Board did not provide federal funds to any subrecipients during the year ended June 30, 2024.

**I. Loans**

Morehouse Parish School Board did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2024.

**J. Federally Funded Insurance**

Morehouse Parish School Board has no federally funded insurance.

**Morehouse Parish School Board**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements*

Type of Auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified?   X   yes        no
- Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to the financial statements noted?        yes   X   no

*Federal Awards*

Internal control of major programs:

- Material weaknesses identified?        yes   X   no
- Significant deficiency(ies) identified?        yes   X   none reported

Type of Auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200.516(a))?        yes   X   none reported

Identification of major federal programs:

Name of federal program of cluster	Assistance Listing Number
COVID-19 - Education Stabilization Fund	84.425D
COVID-19 - Education Stabilization Fund	84.425U
COVID-19 - Education Stabilization Fund	84.425W
Title I - Grants to Local Educational Agencies	84.010

Dollar threshold used to distinguish between Type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes?        yes   X   no

**Morehouse Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

**Section II – Financial Statement Findings**

**2024-001 Late Submission of Audit Report to the Louisiana Legislative Auditor**

**Condition:** The School Board did not have the audited financial statements submitted to the Louisiana Legislative Auditor by the required deadline.

**Criteria:** The audit report should be filed timely to the Louisiana Legislative Auditor within six months after year-end, according to Louisiana R.S. 24:513A(5)(a)(i).

**Cause:** Due to hardships of the School Board's financial operations and staff turnover, documentation was not easily found causing delays in completion of testwork.

**Effect:** The School Board did not meet the compliance requirements with the State of Louisiana.

**Recommendation:** We recommend timely reporting and information gathering to ensure that the audit will be filed timely going forward.

**Management response:** We are in agreement and should be able to focus on the audit.

**Anticipated completion date:** Immediately

**Person responsible for corrective actions:**

Ersula Downs, Business Manager  
Morehouse Parish School Board  
P.O. Box 872  
Bastrop, Louisiana 71221-0872  
Telephone: 318-281-5784  
Fax: 318-283-3456

**2024-002 Account Balance Reconciliation and Adjustments**

**Condition:** The School Board was not able to properly reconcile all accounts for the year ended June 30, 2024 and a significant number of adjustments were necessary to correct balances for inventory, fund balance, cash, accounts receivable, and accrued liabilities.

**Criteria:** In accordance with generally accepted accounting principals (GAAP) and government auditing standards, all financial transactions should be accurately recorded and reported in a timely manner. Regular monitoring and oversight should be conducted to ensure the accuracy and reliability of financial records.

**Cause:** Software issues and information was not properly gathered and provided to accounting department to record activity caused accounts to not be properly reconciled and reported.

**Morehouse Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

**Effect:** Accounting records, account balances, and financial statements were materially misstated and not corrected in a timely manner.

**Recommendation:** We recommend that all necessary information be identified and gathered in order to properly reconcile accounts.

**Management response:** We are in agreement and work to complete reconciliations in a timely manner.

**Anticipated completion date:** Immediately

**Person responsible for corrective actions:**

Ashley White, Child Nutrition Supervisor  
Morehouse Parish School Board  
P.O. Box 872  
Bastrop, Louisiana 71221-0872  
Telephone: 318-281-5784  
Fax: 318-283-3456

**2024-003 EMMA filing disclosures**

**Condition:** The School Board has not filed required disclosures with the Electronic Municipal Market access (EMMA) division for the Municipal Securities Rulemaking Board.

**Criteria or Specific Requirement:** Governmental entities that have public bond offerings are required to submit annual financial statement disclosures to the EMMA division of the Municipal Securities Rulemaking Board.

**Cause:** Due to hardships of the School Board's financial operations and staff turnover, required disclosures were not timely filed.

**Effect:** Noncompliance with all requirements of public bond offerings.

**Recommendation:** We recommend filing all required disclosures and notifying appropriate individuals if filings cannot be completed in a timely manner by the required deadline.

**Management response:** We are in agreement and will put procedures in place to ensure timely filing of EMMA disclosures.

**Morehouse Parish School Board**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

**2024-004 Student Activity Funds**

**Condition:** Student activity fund deposits did not agree to expected cash receipts. The cheerleading club had a difference of \$4,835 in deposits that did not agree to receipts. The band group had a difference of \$2,500 in deposits that did not agree to receipts. The Starsteppers club had members with carryover fees that were owed from multiple years for past dues. These fees were potentially collected and not deposited. The amount is not yet able to be determined.

**Criteria or Specific Requirement:** In accordance with generally accepted accounting principles (GAAP) and applicable *Government Auditing Standards*, all deposits into student activity funds should be accurately recorded and reflect expected cash receipts. Proper documentation and reconciliation procedures should be followed to ensure that funds deposited into accounts align with the documented receipts as per the School Board's records and expected income.

**Cause:** Preliminary investigation suggest that discrepancies may be attributed to inconsistent or incomplete recording of receipts, delays in depositing funds, or errors in cash handing and reporting by the student activity fund custodians.

**Effect:** The failure to reconcile expected cash receipts with actual deposits could result in misstatements in the financial records, raising concerns over the accuracy and completeness of financial reporting. Inaccurate reporting could impact the School Board's ability to effectively management student funds and create a risk of financial mismanagement or fraud.

**Recommendation:** It is recommended that the School Board implement a more stringent reconciliation process between expected cash receipts and deposits made to the student activity funds. This should include regular and timely review of deposit slips, event documentation, and receipts. Additionally, staff responsible for handling funds should receive further training on proper cash management and accounting procedures. A periodic review of these activities by internal auditors or School Board personnel could help ensure compliance with proper accounting practices and prevent further discrepancies.

**Management response:** The School Board has consulted with the Robinette Accounting Firm to provide training and complete audits for the 2022-2023 and 2023-2024 school years within fiscal year 2025. The Robinette Accounting Firm conducted annual training for all principals, assistant principals, secretaries, bookkeepers, and sponsors. The School Board did properly report the matter to the appropriate authorities. The employees responsible for the clubs were still employed as of June 30, 2024, but have subsequently been terminated by the School Board. The investigation is still ongoing.

**Section III – Federal Award Findings and Responses**

**None**

## **Morehouse Parish School Board Summary Schedule of Prior Audit Findings**

### **2023-001 Late Submission of Audit Report to the Louisiana Legislative Auditor**

**Year of Origination:** June 30, 2020

**Condition:** The School Board did not have the audited financial statements submitted to the Louisiana Legislative Auditor by the required deadline.

**Status:** Repeated in FY2024. See 2024-001

### **2023-002 Account Balance Reconciliation and Adjustments**

**Year of Origination:** June 30, 2020

**Condition:** In a previous fiscal year (FY20), data was lost related to food and supply inventory usage for the year that did not allow for proper recording of food and inventory usage.

**Status:** Repeated in FY2024. See 2024-002

### **2023-003 Fixed Asset Purchases**

**Year of Origination:** June 30, 2022

**Condition:** Capital Assets purchased during the year were not identified for capitalization.

**Status:** Resolved.

### **2023-004 EMMA filing disclosures**

**Year of Origination:** June 30, 2022

**Condition:** The School Board has not filed required disclosures with the Electronic Municipal Market Access (EMMA) division for the Municipal Securities Rulemaking Board.

**Status:** Repeated in FY2024. See 2024-003

### **2023-005 Student Activity Funds**

**Year of Origination:** June 30, 2022

**Condition:** Student activity fund deposits did not agree to expected cash receipts.

**Status:** Repeated in FY2024. See 2024-004.

**Morehouse Parish School Board  
Summary Schedule of Prior Audit Findings**

**Section III – Federal Award Findings and Responses**

**None**



## MOREHOUSE PARISH SCHOOL BOARD

"Obtaining Excellence in Education Through Quality Teaching"

4099 Naff Avenue  
Post Office Box 872  
Bastrop, LA 71220  
(318) 281-5784  
Fax (318) 283-3456

Veronica Loche-Tappin, President  
District 6

Debbie Wilson, Vice President  
District 5

Karen Diehl  
District 1

Louis Melton  
District 2

Tab Wilkerson  
District 3

Rick Hixon  
District 4

Adrian Williams  
District 7

*Mission: "Academic Excellence through Quality Teaching"*  
*Vision: "Continuing to a 'C' in 2021"*

**DAVID GRAY**  
Superintendent

### CORRECTIVE ACTION PLAN

#### Section II – Financial Statement Findings

**Finding:** 2024-001

**Responsible Contact Person:** Ersula Downs, Business Manager

**Planning Corrective Action:** We are in agreement and should be able to focus on the audit and implement procedures to ensure information is gathered to submit the audit by the statutory December 31 deadline.

**Anticipated Completion Date:** March 31, 2025.

**Finding:** 2024-002

**Responsible Contact Person:** Ersula Downs, Business Manager

**Planning Corrective Action:** We are in agreement and will implement procedures to ensure account reconciliations are properly performed and reviewed.

**Anticipated Completion Date:** March 31, 2025.

**Finding:** 2024-003

**Responsible Contact Person:** Ersula Downs, Business Manager

**Planning Corrective Action:** We are in agreement and should be able to focus on the audit and implement procedures to ensure information is gathered to submit the audit by the required deadline.

**Anticipated Completion Date:** March 31, 2025.

**Finding:** 2024-004

**Responsible Contact Person:** Ersula Downs, Business Manager and Jesse Winston, Jr., Superintendent.

**Planning Corrective Action:** The School Board has consulted with the Robinette Accounting Firm to provide training and complete audits for the 2022-2023 and 2023-2024 school years within fiscal year 2025. The Robinette Accounting Firm conducted annual training for all principals, assistant principals, secretaries, bookkeepers, and sponsors. Personnel changes have been made related to the initial findings of the investigation into the matters.

**Anticipated Completion Date:** March 31, 2025.

## OTHER INFORMATION



CARR, RIGGS & INGRAM, L.L.C.

**Carr, Riggs & Ingram, L.L.C.**

1000 East Preston Avenue

Suite 200

Shreveport, LA 71105

Mailing Address:

PO Box 4278

Shreveport, LA 71134

318.222.2222

318.226.7150 (fax)

CRIadv.com

## **Independent Accountant's Report on Applying Agreed-Upon Procedures**

Board Members  
Morehouse Parish School Board  
Bastrop, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Morehouse Parish School Board (the "School Board") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of the School Board is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

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

*Class Size Characteristics (Schedule 2)*

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2023 roll books for those classes and observed that the class was properly classified on the schedule.

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

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

3. We obtained October 1, 2023 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

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

*Public School Staff Data: Average Salaries (No Schedule)*

4. We obtained June 30, 2024 PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

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

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Morehouse Parish School Board, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana  
March 31, 2025

**Morehouse Parish School Board**  
**Schedule 1 – General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2024**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 6,528,121	
Other Instructional Staff Activities	801,484	
Instructional Staff Employee Benefits	3,911,957	
Purchased Professional and Technical Services	93,984	
Instructional Materials and Supplies	337,707	
Instructional Equipment	17,139	
Total Teacher and Student Interaction Activities		\$ 11,690,392

**Other Instructional Activities**

	1,605,698	249,318
--	-----------	---------

**Pupil Support Activities**

Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,605,698

**Instructional Staff Services**

Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		775,412

**School Administration**

Less: Equipment for School Administration	-	
Net School Administration		1,548,551

Total General Fund Instructional Expenditures		\$ 15,869,371
---	--	---------------

<b>Total General Fund Equipment Expenditures</b>		<b>\$ 93,452</b>
--	--	------------------

**Certain Local Revenue Sources**

**Local Taxation Revenue:**

Ad Valorem Taxes		
Constitutional Ad Valorem Taxes	\$ 1,021,733	
Renewable Ad Valorem Tax	4,528,921	
Debt Service Ad Valorem Tax	1,693,983	
Up to 1% of Collections by the Sheriff on taxes other than School Taxes	164,159	
Sales Taxes		
Sales and Use Taxes - Gross	11,541,534	
Total Local Taxation Revenue		\$ 18,950,330

**Local Earnings on Investment in Real Property:**

Earnings from 16th Section Property	\$ 113,924	
Earnings from Other Real Property	2,554	
Total Local Earnings on Investment in Real Property		\$ 116,478

**State Revenue in Lieu of Taxes:**

Revenue Sharing-Constitutional Tax	\$ 62,507	
Revenue Sharing-Other Taxes	93,138	
Total State Revenue in Lieu of Taxes		\$ 155,645

Nonpublic Textbook Revenue		\$ 6,068
----------------------------	--	----------

**Morehouse Parish School Board**  
**Schedule 2 – Class Size Characteristics**  
**As of October 1, 2023**

School Type	Class Size Range							
	1 - 20		21-26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	72%	208	22%	64	3%	9	3%	8
Elementary Activity Classes	66%	29	16%	7	0%	0	18%	8
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	75%	298	21%	81	4%	16	0%	0
High Activity Classes	97%	119	2%	2	2%	2	0%	0
Combination	70%	389	28%	153	2%	9	1%	6
Combination Activity Classes	76%	108	20%	29	3%	4	1%	1



**Morehouse Parish School Board**

**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**June 30, 2024**

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

To the School Board Members of the  
Morehouse 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, 2023 through June 30, 2024. The Morehouse Parish School Board ("MPSB") management is responsible for those C/C areas identified in the SAUPs.

The MPSB 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, 2023 through June 30, 2024. 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 results are as follows:

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

**Results:** No exceptions were identified as a result of applying the procedure.

- 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.

**Results:** Written policies and procedures do not address how vendors are added to the vendor list.

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

**Results:** Written policies and procedures do not address this section.

- 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).

**Results:** Written policies and procedures do not address this section.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- 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.

**Results:** Written policies and procedures do not address standard terms and conditions, legal review, approval processes, or the monitoring processes.

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

**Results:** No exceptions were identified as a result of applying this procedure.

- 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).

**Results:** Written policies and procedures do not address this section.

- 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.

**Results:** Written policies and procedures do not address the system to monitor possible ethics violations and the 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.

**Results:** Written policies and procedures do not address debt issuance approval, EMMA reporting requirements, debt reserve requirements, and 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.

**Results:** Written policies and procedures does not address the periodic testing/verification that backups can be restored or the timely application of all available system and software patches/updates.

- 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.

**Results:** No exceptions were identified as a result of applying the procedure.

#### **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.

**Results:** No exceptions were identified as a result of applying the procedure.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-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.

**Results:** No exceptions were identified as a result of applying the procedure.

- 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.

**Results:** No exceptions were identified as a result of applying the procedure.

- 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.

**Results:** The FY2023 audit report was not issued during the fiscal year; therefore, a status of management's corrective action plan for audit findings was not able to be discussed.

### ***Bank Reconciliations***

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

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

**Results:** CRI identified 3 exceptions where the reconciliations were not prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include written evidence that a member of management or a 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

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** CRI identified 2 exceptions where outstanding items over 12 months were not researched by management.

***Collections (excluding electronic funds transfers)***

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

**Results:** CRI obtained a list of deposit sites and management's representation that the listing was complete.

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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 responsible for cash collections do not share cash drawers/registers;

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- c) Each employee responsible for collecting cash is not also 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; and

**Results:** No exceptions were identified as a result of applying the procedure.

- 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, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** No exceptions were identified as a result of applying the procedure.

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 in force during the fiscal period.

**Results:** No exceptions were identified as a result of applying the procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (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). Alternatively, 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.

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- 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).

**Results:** CRI identified one exception where the deposit was not made within one business day of receipt.

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

**Results:** No exceptions were identified as a result of applying the procedure.

***Non-Payroll Disbursements (excluding card purchases, 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).

**Results:** CRI obtained listing of locations that process payments and management's representation that the listing was complete.

- 9. For each location selected under procedure #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, then 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 or making the purchase;

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- 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;

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- 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.

**Results:** No exceptions were identified as a result of applying the procedure.

- 10. For each location selected under procedure #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

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- 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.

**Results:** No exceptions were identified as a result of applying the procedure.

***Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (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.

**Results:** CRI obtained 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 and 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 whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

**Results:** CRI identified 1 exception where the reviewer and approver for all credit card statements is also an authorized card holder.

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

**Results:** No exceptions were identified as a result of applying the procedure.

14. Using the monthly statements or combined statements selected under procedure #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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** No exceptions were identified as a result of applying the procedure.

### ***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 and 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](http://www.gsa.gov));

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- 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 Policies and Procedures procedure #1g; and

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

### ***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. Alternatively, 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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

- 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, the documented approval); and

**Results:** No exceptions were identified as a result of applying the procedure.

- 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.

**Results:** No exceptions were identified as a result of applying the procedure.

### ***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.

**Results:** No exceptions were identified as a result of applying the procedure.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #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);

**Results:** No exceptions were identified as a result of applying the procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

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

**Results:** No exceptions were identified as a result of applying the procedure.

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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

**Results:** No exceptions were identified as a result of applying the procedure.

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.

**Results:** CRI obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 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; and

**Results:** No exceptions were identified as a result of applying the procedure.

- b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** No exceptions were identified as a result of applying the procedure.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Results:** No exceptions were identified as a result of applying the procedure.

### ***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 debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

**Results:** No exceptions were identified as a result of applying the procedure.

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).

**Results:** No exceptions were identified as a result of applying the procedure.

#### ***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 as required by R.S. 24:523.

**Results:** Management has provided a listing of suspected misappropriation of public funds and assets during the fiscal period and represented that the listing is complete.

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.

**Results:** No exceptions were identified as a result of applying the procedure.

#### ***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.

**Results:** We performed the procedure and discussed the results with management.

- 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.

**Results:** We performed the procedure and discussed the results with management.

- 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.

**Results:** We performed the procedure and discussed the results with management.

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

**Results:** We performed the procedure and discussed the results with management.

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.

**Results:** We performed the procedure and discussed the results with management.

### ***Prevention of Sexual Harassment***

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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.

**Results:** No exceptions were identified as a result of applying the procedure.

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).

**Results:** No exceptions were identified as a result of applying the procedure.

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 the report includes the applicable requirements of R.S. 42:344:

1. Number and percentage of public servants in the agency who have completed the training requirements;
2. Number of sexual harassment complaints received by the agency;

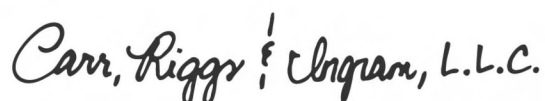
3. Number of complaints which resulted in a finding that sexual harassment occurred;
4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
5. Amount of time it took to resolve each complaint.

**Results:** No exceptions were identified as a result of applying the procedure.

We were engaged by the Morehouse Parish School Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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 Morehouse Parish School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on 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.



**CARR, RIGGS, & INGRAM, L.L.C.**

Shreveport, Louisiana

March 31, 2025