

**SABINE PARISH SCHOOL BOARD**  
**Many, Louisiana**

**Financial Report**

**Year Ended June 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Mr. Shane Wright, Superintendent,  
and Members of the Sabine Parish School Board  
Many, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board (School Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 46, schedule of changes in net OPEB liability and related ratios on page 47, schedule of employer's share of net pension liability on page 48 and the schedule of employer contributions for the retirement system on page 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board’s basic financial statements. The accompanying combining non-major governmental fund financial statements, schedule of compensation, benefits, and other payments to agency head, schedule of compensation paid to board members, schedules of capital assets by function and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining non-major governmental fund financial statements, schedule of compensation, benefits, and other payments to agency head, schedule of compensation paid to board members, schedules of capital assets by function and 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 December 14, 2023, on our consideration of the School Board’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School Board’s internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2023

## **BASIC FINANCIAL STATEMENTS**

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



SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Statement of Net Position  
Governmental Activities  
June 30, 2023

| ASSETS                                 |                        |
|----------------------------------------|------------------------|
| Cash and interest-bearing deposits     | \$ 32,824,384          |
| Investments                            | 10,008,346             |
| Receivables                            | 129,304                |
| Prepaid expenses                       | 793,153                |
| Due from other governmental agencies   | 5,004,816              |
| Inventory                              | 155,390                |
| Capital assets:                        |                        |
| Non-depreciable                        | 537,247                |
| Depreciable, net                       | <u>36,456,334</u>      |
| Total assets                           | <u>85,908,974</u>      |
| DEFERRED OUTFLOWS OF RESOURCES         |                        |
| OPEB related                           | 6,715,433              |
| Pension related                        | 16,728,318             |
| Deferred bond charges                  | <u>721,207</u>         |
| Total deferred outflows of resources   | <u>24,164,958</u>      |
| LIABILITIES                            |                        |
| Accounts, salaries and other payables  | 7,833,057              |
| Interest payable                       | 158,130                |
| Long-term liabilities:                 |                        |
| Due within one year                    | 1,652,280              |
| Due in more than one year              | 18,657,326             |
| Other post employment benefits payable | 63,561,359             |
| Net pension liability                  | <u>52,043,864</u>      |
| Total liabilities                      | <u>143,906,016</u>     |
| DEFERRED INFLOWS OF RESOURCES          |                        |
| OPEB related                           | 23,240,871             |
| Pension related                        | <u>1,278,015</u>       |
| Total deferred inflows of resources    | <u>24,518,886</u>      |
| NET POSITION                           |                        |
| Net investment in capital assets       | 17,669,581             |
| Restricted                             | 13,349,484             |
| Unrestricted                           | <u>(89,370,035)</u>    |
| Total net position                     | <u>\$ (58,350,970)</u> |

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Statement of Activities  
For the year ended June 30, 2023

| Functions/Programs                                            | Expenses             | Program Revenues        |                                          | Net (Expense)                          |
|---------------------------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|
|                                                               |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Revenue and<br>Changes in Net Position |
|                                                               |                      |                         |                                          | Governmental<br>Activities             |
| Governmental activities:                                      |                      |                         |                                          |                                        |
| Instruction:                                                  |                      |                         |                                          |                                        |
| Regular programs                                              | \$ 20,498,083        | \$ -                    | \$ 949,187                               | \$ (19,548,896)                        |
| Special education programs                                    | 5,730,697            | -                       | 770,446                                  | (4,960,251)                            |
| Vocational education programs                                 | 1,454,311            | -                       | 67,629                                   | (1,386,682)                            |
| Other instructional programs                                  | 3,235,852            | 2,784,879               | 2,708,701                                | 2,257,728                              |
| Special programs                                              | 3,057,321            | -                       | 2,907,691                                | (149,630)                              |
| Adult and continuing education programs                       | 27,635               | -                       | -                                        | (27,635)                               |
| Support services:                                             |                      |                         |                                          |                                        |
| Pupil support services                                        | 3,156,860            | -                       | 694,085                                  | (2,462,775)                            |
| Instructional staff support services                          | 5,008,268            | -                       | 2,889,626                                | (2,118,642)                            |
| General administration                                        | 1,351,656            | -                       | 268,887                                  | (1,082,769)                            |
| School administration                                         | 3,448,064            | -                       | 581,900                                  | (2,866,164)                            |
| Business services                                             | 757,742              | -                       | 74,077                                   | (683,665)                              |
| Operation and maintenance of plant services                   | 6,639,921            | -                       | 208,362                                  | (6,431,559)                            |
| Student transportation services                               | 3,948,393            | -                       | 1,803,468                                | (2,144,925)                            |
| Central services                                              | 1,452,432            | -                       | 272,104                                  | (1,180,328)                            |
| Non-instructional service:                                    |                      |                         |                                          |                                        |
| Food services                                                 | 4,235,997            | -                       | 2,674,406                                | (1,561,591)                            |
| Community service programs                                    | 142,052              | -                       | 1,879                                    | (140,173)                              |
| Facilities acquisition and construction                       | 2,363,061            | -                       | -                                        | (2,363,061)                            |
| Transfer to other EA                                          | 105,187              | -                       | -                                        | (105,187)                              |
| Interest on long-term debt                                    | 591,578              | -                       | -                                        | (591,578)                              |
| Total governmental activities                                 | <u>\$ 67,205,110</u> | <u>\$ 2,784,879</u>     | <u>\$ 16,872,448</u>                     | <u>(47,547,783)</u>                    |
| Taxes:                                                        |                      |                         |                                          |                                        |
| Ad valorem taxes, levied for general purposes                 |                      |                         |                                          | 6,696,516                              |
| Ad valorem taxes, levied for debt service                     |                      |                         |                                          | 1,373,574                              |
| Sales and use taxes, levied for special purposes              |                      |                         |                                          | 16,878,371                             |
| State revenue sharing                                         |                      |                         |                                          | 120,606                                |
| Grants and contributions not restricted to specific programs: |                      |                         |                                          |                                        |
| State source - Minimum Foundation Program                     |                      |                         |                                          | 25,421,504                             |
| State source - PIPS                                           |                      |                         |                                          | 6,825                                  |
| Other                                                         |                      |                         |                                          | 141,733                                |
| Interest and investment earnings                              |                      |                         |                                          | 1,392,275                              |
| Miscellaneous                                                 |                      |                         |                                          | 734,572                                |
| Nonemployer pension contributions                             |                      |                         |                                          | 222,644                                |
| Loss on disposal of capital assets                            |                      |                         |                                          | (27,735)                               |
| Total general revenues                                        |                      |                         |                                          | <u>52,960,885</u>                      |
| Change in net position                                        |                      |                         |                                          | 5,413,102                              |
| Net position - beginning                                      |                      |                         |                                          | <u>(63,764,072)</u>                    |
| Net position - ending                                         |                      |                         |                                          | <u>\$ (58,350,970)</u>                 |

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

**FUND FINANCIAL STATEMENTS (FFS)**

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Balance Sheet  
Governmental Funds  
June 30, 2023

|                                          | <u>General<br/>Fund</u> | <u>Other<br/>Governmental</u> | <u>Total</u>         |
|------------------------------------------|-------------------------|-------------------------------|----------------------|
| <b>ASSETS</b>                            |                         |                               |                      |
| Cash and interest-bearing deposits       | \$ 20,507,615           | \$ 12,316,769                 | \$ 32,824,384        |
| Investments                              | 10,008,346              | -                             | 10,008,346           |
| Receivables                              | 129,304                 | -                             | 129,304              |
| Prepaid expenses                         | 793,153                 | -                             | 793,153              |
| Due from other governmental agencies     | 1,819,949               | 3,184,867                     | 5,004,816            |
| Due from other funds                     | 1,946,173               | -                             | 1,946,173            |
| Inventory                                | -                       | 155,390                       | 155,390              |
| Total assets                             | <u>\$ 35,204,540</u>    | <u>\$ 15,657,026</u>          | <u>\$ 50,861,566</u> |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                         |                               |                      |
| Liabilities:                             |                         |                               |                      |
| Accounts payable                         | \$ 921,106              | \$ 248,806                    | \$ 1,169,912         |
| Accrued salaries and related benefits    | 5,539,073               | 1,117,050                     | 6,656,123            |
| Other liabilities                        | 7,022                   | -                             | 7,022                |
| Due to other funds                       | -                       | 1,946,173                     | 1,946,173            |
| Total liabilities                        | <u>6,467,201</u>        | <u>3,312,029</u>              | <u>9,779,230</u>     |
| <br>Fund balances:                       |                         |                               |                      |
| Non-spendable                            | 793,153                 | 155,390                       | 948,543              |
| Restricted                               | 1,159,877               | 12,189,607                    | 13,349,484           |
| Unassigned                               | <u>26,784,309</u>       | <u>-</u>                      | <u>26,784,309</u>    |
| Total fund balances                      | <u>28,737,339</u>       | <u>12,344,997</u>             | <u>41,082,336</u>    |
| Total liabilities and fund balances      | <u>\$ 35,204,540</u>    | <u>\$ 15,657,026</u>          | <u>\$ 50,861,566</u> |

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

|                                            |                     |                        |
|--------------------------------------------|---------------------|------------------------|
| Total fund balances for governmental funds |                     | \$ 41,082,336          |
| Capital assets, net                        |                     | 36,993,581             |
| Long-term liabilities:                     |                     |                        |
| Accrued interest payable                   | \$ (158,130)        |                        |
| Bonds payable                              | (19,324,000)        |                        |
| Deferred bond charges                      | 721,207             |                        |
| Compensated absences payable               | <u>(985,606)</u>    | (19,746,529)           |
| Pension:                                   |                     |                        |
| Net pension liability                      | (52,043,864)        |                        |
| Deferred outflows of resources             | 16,728,318          |                        |
| Deferred inflows of resources              | <u>(1,278,015)</u>  | (36,593,561)           |
| Other Post Employment Benefits (OPEB):     |                     |                        |
| Net OPEB obligation                        | (63,561,359)        |                        |
| Deferred outflows of resources             | 6,715,433           |                        |
| Deferred inflows of resources              | <u>(23,240,871)</u> | <u>(80,086,797)</u>    |
| Net position                               |                     | <u>\$ (58,350,970)</u> |

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

|                                             | General<br>Fund      | Other<br>Governmental | Totals               |
|---------------------------------------------|----------------------|-----------------------|----------------------|
| Revenues                                    |                      |                       |                      |
| Local sources:                              |                      |                       |                      |
| Ad valorem taxes                            | \$ 1,672,887         | \$ 6,397,203          | \$ 8,070,090         |
| Sales taxes                                 | 13,500,823           | 3,377,548             | 16,878,371           |
| Charges for services                        | -                    | 2,784,879             | 2,784,879            |
| Interest                                    | 720,966              | 439,949               | 1,160,915            |
| Other                                       | <u>731,200</u>       | <u>3,372</u>          | <u>734,572</u>       |
| Total local sources                         | 16,625,876           | 13,002,951            | 29,628,827           |
| State sources                               | 26,768,645           | 230,605               | 26,999,250           |
| Federal sources                             | -                    | <u>15,563,866</u>     | <u>15,563,866</u>    |
| Total revenues                              | <u>43,394,521</u>    | <u>28,797,422</u>     | <u>72,191,943</u>    |
| Expenditures                                |                      |                       |                      |
| Current:                                    |                      |                       |                      |
| Instruction -                               |                      |                       |                      |
| Regular programs                            | 18,284,047           | 3,277,817             | 21,561,864           |
| Special education programs                  | 5,277,511            | 770,446               | 6,047,957            |
| Vocational education programs               | 1,454,254            | 67,629                | 1,521,883            |
| Other instructional programs                | 596,587              | 2,715,121             | 3,311,708            |
| Special programs                            | 1,148,284            | 2,026,063             | 3,174,347            |
| Adult and continuing education programs     | 27,635               | -                     | 27,635               |
| Support services -                          |                      |                       |                      |
| Pupil support services                      | 2,699,271            | 618,875               | 3,318,146            |
| Instructional staff support services        | 1,746,083            | 3,494,701             | 5,240,784            |
| General administration                      | 1,046,343            | 323,753               | 1,370,096            |
| School administration                       | 3,043,563            | 581,900               | 3,625,463            |
| Business services                           | 740,291              | 54,641                | 794,932              |
| Operation and maintenance of plant services | 1,370,291            | 5,377,543             | 6,747,834            |
| Student transportation services             | 3,513,645            | 1,801,629             | 5,315,274            |
| Central services                            | 1,310,435            | 187,220               | 1,497,655            |
| Non-instructional services -                |                      |                       |                      |
| Food services                               | 237,375              | 4,110,805             | 4,348,180            |
| Community service programs                  | 26,233               | 115,819               | 142,052              |
| Facilities acquisition and construction     | 135,312              | 1,066,631             | 1,201,943            |
| Transfer to other EA                        | 105,187              | -                     | 105,187              |
| Debt service:                               |                      |                       |                      |
| Principal retirement                        | -                    | 1,542,000             | 1,542,000            |
| Interest and fiscal charges                 | -                    | <u>542,419</u>        | <u>542,419</u>       |
| Total expenditures                          | <u>42,762,347</u>    | <u>28,675,012</u>     | <u>71,437,359</u>    |
| Excess of revenues over expenditures        | <u>632,174</u>       | <u>122,410</u>        | <u>754,584</u>       |
| Other financing sources (uses):             |                      |                       |                      |
| Increase in investment value                | 231,360              | -                     | 231,360              |
| Proceeds from sale of assets                | 9,496                | 2,000                 | 11,496               |
| Transfers in                                | 6,493,144            | 5,415,888             | 11,909,032           |
| Transfers out                               | <u>(5,415,888)</u>   | <u>(6,493,144)</u>    | <u>(11,909,032)</u>  |
| Total other financing sources (uses)        | <u>1,318,112</u>     | <u>(1,075,256)</u>    | <u>242,856</u>       |
| Net change in fund balances                 | 1,950,286            | (952,846)             | 997,440              |
| Fund balances, beginning                    | <u>26,787,053</u>    | <u>13,297,843</u>     | <u>40,084,896</u>    |
| Fund balances, ending                       | <u>\$ 28,737,339</u> | <u>\$ 12,344,997</u>  | <u>\$ 41,082,336</u> |

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

|                                                                                                     |                    |                     |
|-----------------------------------------------------------------------------------------------------|--------------------|---------------------|
| Net change in fund balances per Statement of Revenues, Expenditures<br>and Changes in Fund Balances |                    | \$ 997,440          |
| Capital outlay                                                                                      | \$ 1,630,189       |                     |
| Depreciation expense                                                                                | <u>(1,618,816)</u> | 11,373              |
| Effect of disposition of assets                                                                     |                    | (39,231)            |
| Bond/certificate of indebtedness principal retirement                                               |                    | 1,542,000           |
| Change in accrued interest/deferred bond charges                                                    |                    | (49,159)            |
| Change in compensated absences                                                                      |                    | (5,756)             |
| Change in net OPEB obligation/deferred inflows/outflows                                             |                    | 1,535,890           |
| Nonemployer pension contributions                                                                   |                    | 222,644             |
| Change in pension expense                                                                           |                    | <u>1,197,901</u>    |
| Change in net position per Statement of Activities                                                  |                    | <u>\$ 5,413,102</u> |

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

The School Board operates ten schools within the parish with a total enrollment of over 3,800 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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



SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

Fund Financial Statements

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the School Board. The various funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

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

The School Board reports the following major governmental funds:

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

Additionally, the School Board reports the following fund types:

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used to acquire, construct, or improve capital facilities not reported in other governmental funds.

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and all liabilities associated with the operation of this fund are included on the balance sheet. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The statement of cash flows provides information about how the School Board finances and meets the cash flow needs of this internal service fund. Revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and operating expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Accounting

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

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

Program revenues

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

Allocation of indirect expenses

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

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

Revenues

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

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

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

Federal commodities are recognized as revenues when received.

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

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

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

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

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

Expenditures

Salaries are recorded as expenditures when earned by employees. The salaries for teachers and most other school-level employees are earned over a nine-month period but may be paid over a twelve-month period.

Purchases of various operating supplies, etc. are recorded as expenditures in the accounting period in which they are purchased. Food costs are recognized as expenditures in the accounting period in which the food is consumed.

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

Other Financing Sources (Uses)

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

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

Cash and Interest-Bearing Deposits

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

Investments

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

Receivables

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

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

Short-Term – Interfund Receivables/Payables

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

Inventory

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. Inventory of the School Lunch Fund consists of foods purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. All purchased inventory items are valued at actual cost. Inventory is recorded as expenditures when consumed, using a first-in, first-out basis.

Prepaid Expenses

Expenses paid during the current fiscal year that benefit the next fiscal year are recorded as prepaid expenses.

Capital Assets

In the Government-Wide Financial Statements capital assets are capitalized and depreciated on a straight-line method over their estimated useful lives. The School Board has adopted a capitalization threshold of \$5,000 for vehicles and equipment, \$25,000 for land improvements, and \$50,000 for building and building improvements. All purchased capital assets are valued at cost where historical records are available and at an estimated acquisition cost where no historical records exist. A breakdown of the asset valuation between actual and estimated acquisition cost is not available. Donated capital assets, if any, are valued at their acquisition value on the date the donation is received. Estimation of useful lives in years is as follows:

|                                     |             |
|-------------------------------------|-------------|
| Buildings and building improvements | 10-40 years |
| Furniture, vehicles and equipment   | 5-10 years  |

Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed. Interest costs on debt used to finance the construction of assets are not capitalized.

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

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

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

Compensated Absences

The School Board's policy relating to vacation leave is that all 12-month employees earn 12 days of vacation leave each year. Vacation time may be accumulated up to 20 days maximum. Upon separation, all unused vacation leave shall be paid to the employee at the next pay period at the employee's current rate of pay.

Dependent upon months employed anywhere from 10 to 12 days of sick leave can be accumulated per year and can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement, the total unused accumulated sick leave, including the 25 days paid, is included in the retirement benefits calculation as earned service.

Sabbatical leave may be granted for medical leave or for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

Long-term liabilities

The accounting treatment of long-term liabilities depends on whether the assets are reported in the government-wide or fund financial statements. All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of claims payable, capital leases, bonds payable, accrued compensated absences, pension liabilities and other post-retirement benefits.

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

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

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

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

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

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

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

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

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

*Unassigned* – all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds, other than the general fund, if expenditures incurred for specific purposes exceed the amounts that restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

|                       | Nonspendable | Restricted    |
|-----------------------|--------------|---------------|
| General Fund:         |              |               |
| Prepaid expenses      | \$ 793,153   | \$ -          |
| Self insurance fund   | -            | 1,129,447     |
| Workers compensation  | -            | 30,430        |
| Nonmajor funds:       |              |               |
| Inventory             | 155,390      | -             |
| Food service          | -            | 574,970       |
| Debt service          | -            | 992,199       |
| Capital projects      | -            | 5,079,119     |
| School activity funds | -            | 871,329       |
| School maintenance    | -            | 4,671,990     |
| Total                 | \$ 948,543   | \$ 13,349,484 |

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

E. Interfund Transfers

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



SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

F. Sales Tax

The Sabine Parish Sales Tax Commission is authorized to collect, within Sabine Parish, the following sales and use taxes for the benefit of the Sabine Parish School Board:

- The 1% parish-wide sales and use tax with the net proceeds, after deducting cost of collection, administration, dedicated to supplement salaries of School Board employees and/or operations of the public schools within the parish.
- A one-half of 1% sales and use tax within the territorial boundaries of the Many School District Number 34 (Sales Tax School Board No. 1) with the net proceeds, after deducting costs of collection, administration, dedicated to construction, improving, operating and maintaining the public school building and facilities of Many School District Number 34. Additionally, the School Board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of Sales Tax School Board No. 34.
- A one-half of 1% sales and use tax within the territorial boundaries of the Sabine Parish, excluding the Many School District Number 34 (Sales Tax School Board No. 2), with the net proceeds, after deducting costs of collection, administration, dedicated to construction, improving, operating and maintaining the public school building and facilities of Sales Tax School Board Number 2. The proceeds of the tax are to be allocated for expenditures within the various schools, underlying the School Board, on a per pupil basis. Additionally, the School Board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of the Sales Tax School Board Number 2.
- A 1% parish-wide sales and use tax with the net proceeds, after deducting costs of collection, administration, dedicated to supplement salaries of School Board employees.

G. Estimates

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

H. Pensions

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

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

I. Postemployment Benefits Other than Pensions (OPEB)

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

(2) Levied Taxes

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2023, taxes levied by the School Board were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31 and become delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Assessor of Sabine Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions. For the year ended June 30, 2023, taxes were levied on property with a net assessed valuations totaling \$275,028,988 (parish wide) and were dedicated as follows:

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Parishwide Taxes:                               |                     |
| Constitutional                                  | 5.37 mills          |
| Maintenance                                     | <u>9.02</u> mills   |
|                                                 | 14.39 mills         |
| School Board Taxes:                             |                     |
| School Board No. 20 South Sabine - maintenance  | 7.77 mills          |
| School Board No. 20 South Sabine - debt service | 4.89 mills          |
| School Board No. 62 Negreet - maintenance       | 6.58 mills          |
| School Board No. 34 Many - maintenance          | 7.50 mills          |
| School Board No. 34 Many - debt service         | 12.12 mills         |
| School Board No. 17 Ebarb - maintenance         | 16.49 mills         |
| School Board No. 17 Ebarb - debt service        | 9.95 mills          |
| School Board No. 8 Converse - maintenance       | 13.21 mills         |
| School Board No. 42 Pleasant Hill - maintenance | 11.82 mills         |
| School Board No. 61 Zwolle - maintenance        | 10.89 mills         |
| School Board No. 61 Zwolle - debt service       | <u>10.93</u> mills  |
| Total assessment                                | <u>126.54</u> mills |

Gross taxes levied for the current fiscal year totaled \$7,968,404.

(3) Cash and Interest-Bearing Deposits

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

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

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

|                                                                                   |                      |
|-----------------------------------------------------------------------------------|----------------------|
| Bank balances                                                                     | <u>\$ 29,732,797</u> |
| Federal Deposit Insurance                                                         | \$ 1,261,520         |
| Uninsured and collateral held by the pledging bank not in the School Board's name | <u>28,471,277</u>    |
| Total                                                                             | <u>\$ 29,732,797</u> |

(4) Investments

Under state law, the School Board may invest in direct United States Treasury obligations fully guaranteed by the government of the United States, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America or issued or guaranteed by United States government instrumentalities which are federally sponsored. The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are observable inputs such as quoted prices in active markets for identical assets; level 2 inputs are inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; level 3 inputs are unobservable inputs where there is little or no market data, which require the School Board to develop its own assumptions.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its value to changes in market interest rates. The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is managed by restricting investments to those authorized by R.S. 33:2955.

The School Board's policy for concentration of credit risk is to maintain either a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity or invest solely in U.S. government securities.

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the School Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The School Board does not have custodial credit risk policies for investments.

The School Board's investments consist of the following:

| Description                              | Fair Value Level 1   | Investment Maturities (in Years) |                   |             |             |
|------------------------------------------|----------------------|----------------------------------|-------------------|-------------|-------------|
|                                          |                      | Less than 1                      | 1-5               | 6-10        | Over 10     |
| Certificates of Deposit                  |                      |                                  |                   |             |             |
| Interest Rates 3.25%                     | \$ 100,000           | \$ 100,000                       | \$ -              | \$ -        | \$ -        |
| Federal Home Loan Bank Bonds             |                      |                                  |                   |             |             |
| Interest Rates 0.35% to 5.00%            | 1,448,758            | 1,448,758                        | -                 | -           | -           |
| Federal Farm Credit Banks Bonds          |                      |                                  |                   |             |             |
| Interest Rates 0.20% to 0.37%            | 754,669              | 754,669                          | -                 | -           | -           |
| Federal National Mortgage Association    |                      |                                  |                   |             |             |
| Interest Rates 0.32% to 5.20%            | 1,138,853            | 1,044,312                        | 94,541            | -           | -           |
| United States Treasury Notes 2023 Series |                      |                                  |                   |             |             |
| Interest Rates 0.375% to 1.25%           | 1,684,672            | 1,684,672                        | -                 | -           | -           |
| United States Treasury Notes             |                      |                                  |                   |             |             |
| Interest Rates 0.125% to 0.50%           | 1,676,868            | 1,676,868                        | -                 | -           | -           |
| United States Treasury Notes 2024 Series |                      |                                  |                   |             |             |
| Interest Rates 0.875% to 3.00%           | 2,780,018            | 2,780,018                        | -                 | -           | -           |
| Lafayette LA Public Improvement Bonds    |                      |                                  |                   |             |             |
| Interest Rates 1.153%                    | 89,269               | -                                | 89,269            | -           | -           |
| Louisiana State GO Bonds 2020            |                      |                                  |                   |             |             |
| Interest Rates 5.00%                     | 101,232              | 101,232                          | -                 | -           | -           |
| Louisiana St Gas and Fuel Rev            |                      |                                  |                   |             |             |
| Interest Rates 0.869%                    | 92,298               | -                                | 92,298            | -           | -           |
| New Orleans LA Public Bonds              |                      |                                  |                   |             |             |
| Interest Rates 0.639%                    | 93,023               | 93,023                           | -                 | -           | -           |
| Rapides Parish LA School District 52     |                      |                                  |                   |             |             |
| Interest Rates 2.00%                     | 48,686               | 48,686                           | -                 | -           | -           |
| Total                                    | <u>\$ 10,008,346</u> | <u>\$ 9,732,238</u>              | <u>\$ 276,108</u> | <u>\$ -</u> | <u>\$ -</u> |

SABINE PARISH SCHOOL BOARD  
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Notes to Basic Financial Statements

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

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

|                             | Interfund<br>Receivables | Interfund<br>Payables |
|-----------------------------|--------------------------|-----------------------|
| Major funds:                |                          |                       |
| General fund                | \$ 1,946,173             | \$ -                  |
| Nonmajor governmental funds | -                        | 1,946,173             |
| Total                       | \$ 1,946,173             | \$ 1,946,173          |

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

B) Transfers consisted of the following:

|                             | Transfers<br>In | Transfers<br>Out |
|-----------------------------|-----------------|------------------|
| Major fund:                 |                 |                  |
| General fund                | \$ 6,493,144    | \$ 5,415,888     |
| Nonmajor governmental funds | 5,415,888       | 6,493,144        |
| Total                       | \$ 11,909,032   | \$ 11,909,032    |

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

(6) Capital Assets

Capital asset activity for the year was as follows:

|                                       | Beginning<br>Balance | Additions | Deletions | Ending<br>Balance |
|---------------------------------------|----------------------|-----------|-----------|-------------------|
| Capital assets not being depreciated: |                      |           |           |                   |
| Land                                  | \$ 510,248           | \$ -      | \$ -      | \$ 510,248        |
| Construction in progress              | 26,999               | -         | -         | 26,999            |
| Total                                 | 537,247              | -         | -         | 537,247           |

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|                                 |                      |                  |                  |                      |
|---------------------------------|----------------------|------------------|------------------|----------------------|
| Other capital assets:           |                      |                  |                  |                      |
| Buildings and improvements      | 69,403,879           | 127,825          | -                | 69,531,704           |
| Vehicles and equipment          | <u>6,926,819</u>     | <u>1,502,364</u> | <u>291,879</u>   | <u>8,137,304</u>     |
| Total                           | <u>76,330,698</u>    | <u>1,630,189</u> | <u>291,879</u>   | <u>77,669,008</u>    |
| Less accumulated depreciation:  |                      |                  |                  |                      |
| Buildings and improvements      | 35,541,820           | 1,279,291        | -                | 36,821,111           |
| Vehicles and equipment          | <u>4,304,686</u>     | <u>339,525</u>   | <u>252,648</u>   | <u>4,391,563</u>     |
| Total                           | <u>39,846,506</u>    | <u>1,618,816</u> | <u>252,648</u>   | <u>41,212,674</u>    |
| Total other capital assets, net | <u>36,484,192</u>    | <u>11,373</u>    | <u>39,231</u>    | <u>36,456,334</u>    |
| Net capital assets              | <u>\$ 37,021,439</u> | <u>\$ 11,373</u> | <u>\$ 39,231</u> | <u>\$ 36,993,581</u> |

Depreciation expense was charged to functions as follows:

|                                             |                     |
|---------------------------------------------|---------------------|
| Regular programs                            | \$ 2,659            |
| Vocational education programs               | 2,358               |
| Other instructional programs                | 1,904               |
| General administration                      | 1,962               |
| Operation and maintenance of plant services | 31,477              |
| Student transportation services             | 264,502             |
| Central services                            | 9,479               |
| Food services                               | 15,532              |
| Facilities acquisition and construction     | <u>1,288,943</u>    |
|                                             | <u>\$ 1,618,816</u> |

(7) Accounts, Salaries and Other Payables

Accounts, salaries and other payables consisted of the following:

|                                       | <u>General<br/>Fund</u> | <u>Other Non<br/>Major Funds</u> | <u>Total</u>        |
|---------------------------------------|-------------------------|----------------------------------|---------------------|
| Accounts payable                      | \$ 921,106              | \$ 248,806                       | \$ 1,169,912        |
| Accrued salaries and related benefits | 5,539,073               | 1,117,050                        | 6,656,123           |
| Other liabilities                     | <u>7,022</u>            | <u>-</u>                         | <u>7,022</u>        |
| Total                                 | <u>\$ 6,467,201</u>     | <u>\$ 1,365,856</u>              | <u>\$ 7,833,057</u> |

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(8) Long-Term Liabilities

The changes in long term debt of the School Board as of June 30, 2023 was as follows:

|                                  | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance    | Due Within<br>One Year |
|----------------------------------|----------------------|-------------------|---------------------|----------------------|------------------------|
| Direct Obligations               |                      |                   |                     |                      |                        |
| General Obligation Bonds         | \$ 20,866,000        | \$ -              | \$ 1,542,000        | \$ 19,324,000        | \$ 1,603,000           |
| Compensated absences             | 979,850              | 186,118           | 180,362             | 985,606              | 49,280                 |
| Unamortized bond charges/premium | <u>(786,771)</u>     | <u>-</u>          | <u>(65,564)</u>     | <u>(721,207)</u>     | <u>-</u>               |
|                                  | <u>\$ 21,059,079</u> | <u>\$ 186,118</u> | <u>\$ 1,656,798</u> | <u>\$ 19,588,399</u> | <u>\$ 1,652,280</u>    |

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

General obligations bonds consisted of the following issues:

|                                                  | Original<br>Issue | Issue<br>Date | Maturity Date<br>Dates | Interest<br>Rates | Balance<br>Outstanding |
|--------------------------------------------------|-------------------|---------------|------------------------|-------------------|------------------------|
| Sales Tax Bonds Series 2018                      |                   |               |                        |                   |                        |
| Sabine State Bank                                | \$ 834,000        | 8/9/2018      | 8/9/2028               | 0.88% - 4.00%     | \$ 728,000             |
| LPFA                                             | 264,000           | 8/9/2018      | 8/9/2028               | 1.75% - 3.50%     | 227,000                |
| Many School District #34, Series 2014            | 1,685,000         | 3/19/2014     | 3/1/2034               | 2.00% - 4.00%     | 860,000                |
| Many School District #34, Series 2021 Ref 2014   | 11,590,000        | 3/1/2022      | 3/1/2034               | 2.00% - 2.30%     | 11,465,000             |
| Ebarb Series 2017                                | 745,000           | 2/3/2017      | 3/1/2037               | 1.00% - 3.95%     | 704,000                |
| Zwolle Series 2010                               | 567,000           | 10/20/2010    | 3/1/2030               | 1.25% - 4.95%     | 506,000                |
| Zwolle Series 2018                               | 4,400,000         | 7/20/2018     | 3/1/2038               | 2.00% - 3.90%     | 4,240,000              |
| General Obligation School Refunding, Series 2020 | 781,000           | 9/1/2020      | 3/1/2026               | 1.863%            | <u>594,000</u>         |
|                                                  |                   |               |                        |                   | <u>\$19,324,000</u>    |

The amount of interest charged to expense for year is \$ 591,578.

Events of default are outlined in the official statements of each bond, which are maintained by the School Board's management, and include failure to remit payments timely. In addition, failure to observe or perform any other agreement contained in the official statement that is not remedied within 45 days of receiving written notice will be considered a default. The sole remedy in the event of fault under the certificate shall be an action to compel performance.

On March 1, 2022, the School Board issued \$11,745,000 of Taxable General Obligation School Refunding Bonds, Series 2021 to refund \$10,730,000 of outstanding General Obligation School Bonds, Series 2014, maturing May 1, 2024 to May 1, 2043. The Series 2021 Bonds bear interest at 2.00% to 2.30%, upon maturity, while the refunded bonds were bearing interest from 2.00% to 4.00% upon maturity. As of June 30, 2023, the Series 2014 bonds were partially refunded as the School Board has in

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escrow, proceeds of \$10,730,000 to pay off the bonds when they become callable. The Series 2014 bonds are expected to become callable on March 1, 2024.

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

| Year Ending<br>June 30, | Principal<br>payments | Interest<br>payments | Total                |
|-------------------------|-----------------------|----------------------|----------------------|
| 2024                    | \$ 1,603,000          | \$ 459,388           | \$ 2,062,388         |
| 2025                    | 1,657,000             | 442,677              | 2,099,677            |
| 2026                    | 1,707,000             | 407,094              | 2,114,094            |
| 2027                    | 1,549,000             | 349,784              | 1,898,784            |
| 2028                    | 1,595,000             | 334,104              | 1,929,104            |
| 2029-2033               | 7,863,000             | 1,103,958            | 8,966,958            |
| 2034-2038               | 3,350,000             | 267,590              | 3,617,590            |
| Totals                  | <u>\$ 19,324,000</u>  | <u>\$ 3,364,595</u>  | <u>\$ 22,688,595</u> |

(9) Retirement Systems

Eligible employees of the School Board participate in one of several cost-sharing multiple-employer public retirement defined benefit plans which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

A) Teachers' Retirement System of Louisiana (TRLS)

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and additions to/deductions from TRSL's fiduciary net position have been determined on the same basis as they are reported by TRSL. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a description of the plan and its benefits and is provided for general informational purposes only.

Plan Description: TRSL was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of Louisiana law, for eligible teachers, employees, and their beneficiaries. The plan is a cost-sharing, multiple-employer defined benefit plan. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. TRSL issues a publicly available financial report that can be obtained at [www.trsl.org](http://www.trsl.org).



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Benefits Provided: TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits.

Normal retirement: Regular Plan – Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 31, 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% benefit factor at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

Normal retirement: Plan A – Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.

Benefits Formula: For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of credible service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

Payment options: A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or a lump sum that can't exceed 36 months of the member's maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

Deferred Retirement Option Program (DROP): In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3<sup>rd</sup> anniversary of retirement eligibility. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

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Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

**Disability Benefits:** Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

**Survivor Benefits:** A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of 21, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

**Permanent Benefit Increases/Cost-of-Living Adjustments:** As fully described in Title 11 of the Louisiana Revised Statutes, TRSL allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

**Contributions:** The employer contribution rate is established annually under LA R.S. 11:101 – 11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), 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 normal cost portion of each plan's employer contribution rate varies based upon the plan's benefits, member demographics, and the rate contributed by employees. The Unfunded Accrued Liability (UAL) contribution rate is determined in aggregate for all plans. The UAL

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resulting from legislation specific to a plan or group of plans will be allocated entirely to that plan or those plans.

The rates in effect during the fiscal year ended June 30, 2023 are as follows:

| TRSL Sub Plan          | Employer<br>Contribution |
|------------------------|--------------------------|
| K-12 Regular Plan      | 25.2%                    |
| Higher Ed Regular Plan | 24.5%                    |
| Plan A                 | 25.2%                    |
| Plan B                 | 25.2%                    |

Contributions to the pension plan from the School Board were \$7,190,345 for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The School Board reported a liability of \$46,991,885 for its proportionate share of the TRSL Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability 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 School Board's proportion was 0.492%, which was an increase of 0.008% from the prior year. The School Board recognized pension expense of \$5,757,028.

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

|                                                                                                              | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experiences                                                          | \$ 728,358                        | \$ 135,520                       |
| Changes of assumptions                                                                                       | 3,169,579                         | -                                |
| Net difference between projected and actual earnings on pension plan investments                             | 2,666,730                         | -                                |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 1,494,828                         | 1,012,364                        |
| Employer contributions subsequent to the measurement date                                                    | 7,190,345                         | -                                |
| Total                                                                                                        | \$ 15,249,840                     | \$ 1,147,884                     |

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The \$7,190,345 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30, |              |
|-------------------------|--------------|
| 2024                    | \$ 1,514,542 |
| 2025                    | \$ 1,272,546 |
| 2026                    | \$ (702,445) |
| 2027                    | \$ 4,826,968 |

Contributions – Proportionate Share: Differences between contributions remitted to the System and the employer’s proportionate share are recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Actuarial Cost Method: Entry Age Normal

Amortization approach: Closed

Expected Remaining Service Lives: 5 years

Investment Rate of Return: 7.25% per annum

Inflation Rate: 2.3% per annum

Salary Increases: Vary from 3.1% - 4.6% depending upon duration of service

Cost of Living Adjustment: None

Mortality Rates: Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

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Termination and disability: Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 – June 30, 2017) experience study of the System’s members.

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

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

Discount Rate: The discount rate used to measure the total pension liability was 7.25%. This was a decrease of .15% from the discount rate used in the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determined the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer’s proportionate share of the Net Pension Liability calculated using the discount rate, as well as what the Employer’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:

|                                                             | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|-------------------------------------------------------------|----------------------|------------------------------|----------------------|
|                                                             | 6.25%                | 7.25%                        | 8.25%                |
| Employer's proportionate share of the net pension liability | \$ 64,536,002        | \$ 46,991,885                | \$ 31,061,379        |

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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. The School Board recognized revenue as a result of support received from non-employer contributing entities of \$222,644 for its participation in TRSL.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL Comprehensive Annual Financial Report at [www.trsl.org](http://www.trsl.org).

B) Louisiana School Employees' Retirement System (LSERS)

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Louisiana School Employees' Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a description of the plan and its benefits and is provided for general information purposes only.

Plan Description: Certain employees of the School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the State of Louisiana School Employees' Retirement System, a component unit of the State of Louisiana. The System was established and provided for by LA R.S. 11:1001 to provide retirement, disability and survivor benefits to all eligible employees. LSERS issues a publicly available financial report that can be obtained at [www.lseers.net](http://www.lseers.net).

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board who work more than twenty hours per week or for part-time employees who have ten years of creditable service in the System as a school bus driver, school janitor, school custodian, school maintenance employee, school bus aide or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010. All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the System. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefits Provided: Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 – 11:1153.

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

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years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. A member who joined the System on or after July 1, 2015, is eligible for normal retirement if he has at least five years of credible service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

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

Deferred Retirement Option Plan: Members of the System may elect to participate in the Deferred Retirement Option Plan (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies wither in a lump sum payment from the account or systematic disbursements. The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Disability Benefits: A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

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Survivor Benefits: Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the status, a spouse is entitled to 75% of the members' benefits.

Initial Benefit Retirement Plan: Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefits Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select certain benefit options. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

Contributions: 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, 2023 was 27.60%. Contributions to the pension plan from the School Board were \$832,251.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The School Board reported a liability of \$5,051,979 for its proportionate share of the System's Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability 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 School Board's proportion was 0.760%, which was an increase of 0.077% from the prior year. For the year ended June 30, 2023, the School Board recognized pension expense of \$1,061,020.

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

|                                                                                  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|----------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experiences                              | \$ 119,618                                | \$ -                                     |
| Changes of assumptions                                                           | 182,240                                   | -                                        |
| Net difference between projected and actual earnings on pension plan investments | -                                         | 130,131                                  |
| Employer contributions and proportionate share of contributions                  | 344,369                                   | -                                        |
| Employer contributions subsequent to the measurement date                        | <u>832,251</u>                            | <u>-</u>                                 |
| Total                                                                            | <u>\$ 1,478,478</u>                       | <u>\$ 130,131</u>                        |



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Notes to Basic Financial Statements

The \$832,251 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30, |              |
|-------------------------|--------------|
| 2024                    | \$ 371,751   |
| 2025                    | \$ 184,968   |
| 2026                    | \$ (292,099) |
| 2027                    | \$ 251,476   |

**Contributions – Proportionate Share:** Differences between contributions remitted to the System and the employer’s proportionate share are recognized in pension expense/(benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

**Actuarial Assumptions:** The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability:

Actuarial Cost Method: Entry Age Normal

Expected Remaining Service Lives: 3 years

Investment Rate of Return: 6.80%, net of investment expense

Inflation Rate: 2.50%

Mortality Rate: Mortality rates were projected based on the RP-2014 Healthy Annuitant Tables RP-2014 Sex Distinct Employee Tables and RP-2014 Sex Distinct Disabled Tables.

Salary Increases: 2013-2017 experience study, 3.25%.

Cost of Living Adjustments: Not substantively automatic - the present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

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The total pension liability has been changed to recognize that a portion of future investment gains will be used to fund the System's Experience Account. Since neither the existing funds in the account nor future deposits to the account may be used to pay for existing benefits the liability was added for one future cost of living increase to the system's liabilities. However, since it will take an act of the legislature to pay a cost of living increase from the Experience Account and such an act will be dependent upon a range of economic and political factors, no pattern of future increases can be forecast on a reliable basis. Hence, no liability for payments beyond that of one future COLA is included in the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 8.17%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

**Discount Rate:** The discount rate used to measure the total pension liability was 6.80%. This was a decrease of 0.10% to the discount rate used in the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following presents the Employer's proportionate share of the Net Pension Liability calculated using the discount rate, as well as what the Employer's

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Notes to Basic Financial Statements

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<br>5.80% | Current<br>Discount Rate<br>6.80% | 1.0% Increase<br>7.80% |
|--------------------------------------------------------------|------------------------|-----------------------------------|------------------------|
| Employ's proportionate share<br>of the net pension liability | \$ 7,064,956           | \$ 5,051,979                      | \$ 3,331,476           |

**Aggregate Net Pension Liability, Deferred Inflows and Outflows and Pension Expense for All Systems**

|                                                       | Net<br>Pension Liability | Pension Expense<br>(Benefit) |
|-------------------------------------------------------|--------------------------|------------------------------|
| Teachers' Retirement System of Louisiana (TRLS)       | \$ 46,991,885            | \$ 5,757,028                 |
| Louisiana School Employees' Retirement System (LSERS) | 5,051,979                | 1,061,020                    |
| Totals                                                | \$ 52,043,864            | \$ 6,818,048                 |

  

|                                                       | Deferred<br>Outflows | Deferred<br>Inflows |
|-------------------------------------------------------|----------------------|---------------------|
| Teachers' Retirement System of Louisiana (TRLS)       | \$ 15,249,840        | \$ 1,147,884        |
| Louisiana School Employees' Retirement System (LSERS) | 1,478,478            | 130,131             |
| Totals                                                | \$ 16,728,318        | \$ 1,278,015        |

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

The Sabine Parish School Board's (SPSB) employees participate in the State of Louisiana's OPEB plan The Office of Group Benefits (OGB) administers the State of Louisiana Post- Retirement Benefit Plan – a defined-benefit, multiple-employer other post-employment benefit plan that is not administered as a formal trust. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. Benefit provisions are established under RS 42:821 for life insurance benefits and LRS 42:851 for health insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

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Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers several different plan options for both active and retired employees. OGB offered to retirees under age 65 four self-insured healthcare plans and one fully insured plan. Effectively January 1, 2019, retired employees who have Medicare Part A and Part B coverage had access to these plans and an additional four fully insured Medicare Advantage plans.

Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement.

Employees with an OGB medical participation start (or re-start) date after December 31, 2002 pay a percentage of the total retiree contribution rate based on the following schedule:

| <u>OGB Participation</u> | <u>Retiree Share</u> | <u>State Share</u> |
|--------------------------|----------------------|--------------------|
| Under 10 years           | 81%                  | 19%                |
| 10-14 years              | 62%                  | 38%                |
| 15-19 years              | 44%                  | 56%                |
| 20+ years                | 25%                  | 75%                |

  

| <u>Life Insurance Benefit</u> | <u>Basic</u> | <u>Supplemental<br/>Maximum</u> |
|-------------------------------|--------------|---------------------------------|
| Under age 65                  | \$5,000      | \$50,000                        |
| Ages 65-70                    | \$4,000      | \$38,000                        |
| After age 70                  | \$3,000      | \$25,000                        |

**Age Reductions:**

In force life insurance amounts are reduced to 75% of the initial value at age 65 and to 50% of the original amount at age 70. Spouse life insurance amounts of \$1,000, \$2,000 or \$4,000 are available.

**Retiree Cost Share:**

Retiree pays 50% of the Prudential Company of America premium.

Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

Employer contributions for health premiums of retired employees for the fiscal year ended June 30, 2023, totaled \$2,152,027.

**Funding Policy**

The plan is currently financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments due.

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Notes to Basic Financial Statements

The following employees were covered by the benefit terms:

|                                                                          |                   |
|--------------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 318               |
| Inactive employees entitled to but not yet receiving benefit payments    | -                 |
| Active employees                                                         | <u>479</u>        |
|                                                                          | <u><u>797</u></u> |

**Total OPEB Liability**

The School Board's total OPEB liability of \$63,561,359 was measured as of July 1, 2022 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                                                                                            |
|-----------------------------|------------------------------------------------------------------------------------------------------------|
| Inflation                   | 2.4%                                                                                                       |
| Salary increases            | 3.25% - 5.25%, including inflation                                                                         |
| Discount Rate               | 2.18% annually (Beginning of Year to Determine ADC)<br>4.09% annually (As of End of Year Measurement Date) |
| Healthcare cost trend rates | Flat 5.5% annually                                                                                         |
| Mortality                   | SOA RP-2000 Table                                                                                          |

The discount rate was based on the June 30, 2022 S&P 20 year Municipal Bond Index rate.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2011 to June 30, 2019.

**Changes in the Total OPEB Liability**

|                                                   |                      |
|---------------------------------------------------|----------------------|
| Balance, beginning of year                        | <u>\$ 85,739,809</u> |
| Changes for the year:                             |                      |
| Service cost                                      | 3,058,621            |
| Interest                                          | 1,908,306            |
| Difference between expected and actual experience | 2,195,450            |
| Changes in assumption                             | (26,804,273)         |
| Benefit payments and net transfers                | <u>(2,536,554)</u>   |
| Net changes                                       | <u>(22,178,450)</u>  |
| Balance, end of year                              | <u>\$ 63,561,359</u> |

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Notes to Basic Financial Statements

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | 1.0% Decrease        | Current Discount<br>Rate | 1.0% Increase        |
|----------------------|----------------------|--------------------------|----------------------|
|                      | 3.09%                | 4.09%                    | 5.09%                |
| Total OPEB Liability | <u>\$ 73,904,593</u> | <u>\$ 63,561,359</u>     | <u>\$ 55,303,939</u> |

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

|                      | 1.0% Decrease        | Current Trend        | 1.0% Increase        |
|----------------------|----------------------|----------------------|----------------------|
|                      | 4.50%                | 5.50%                | 6.50%                |
| Total OPEB Liability | <u>\$ 55,303,939</u> | <u>\$ 63,561,359</u> | <u>\$ 74,634,352</u> |

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

For the year ended June 30, 2023, the School Board recognized OPEB benefit of \$1,535,890. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                     | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|-----------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experiences | \$ 2,825,092                              | \$ 446,575                               |
| Changes of assumptions                              | <u>3,890,341</u>                          | <u>22,794,296</u>                        |
| Total                                               | <u>\$ 6,715,433</u>                       | <u>\$ 23,240,871</u>                     |

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

| <u>Year Ending<br/>June 30,</u> |                |
|---------------------------------|----------------|
| 2024                            | \$ (4,668,233) |
| 2025                            | \$ (3,557,090) |
| 2026                            | \$ (4,198,645) |
| 2027                            | \$ (4,101,470) |

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Notes to Basic Financial Statements

(11) Litigation and Claims

Management and legal counsel for the Sabine Parish School Board believe that the potential claims against the School Board would not materially affect the School Board's financial position.

(12) Commitments and Contingencies

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

(13) Economic Dependency

The Minimum Foundation funding provided by the state to all public school systems is primarily based on October 1 student count. The state provided approximately 35% of the School Board's revenue through this program during the year.

(14) On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the Parish Tax Collector for \$79,684 and the State of Louisiana for \$222,644 to the Teacher's Retirement System of Louisiana for employee retirement benefits. Such payments are recorded in the governmentwide and general fund financial statements as revenues and expenditures.

**OTHER REQUIRED  
SUPPLEMENTARY INFORMATION**



SABINE PARISH SCHOOL BOARD  
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General Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2023

|                                                   | Budget               |                      | Actual               | Variance               |
|---------------------------------------------------|----------------------|----------------------|----------------------|------------------------|
|                                                   | Original             | Final                |                      | Positive<br>(Negative) |
| Revenues                                          |                      |                      |                      |                        |
| Local sources:                                    |                      |                      |                      |                        |
| Ad valorem taxes                                  | \$ 1,626,337         | \$ 1,614,310         | \$ 1,672,887         | \$ 58,577              |
| Sales taxes                                       | 10,620,000           | 12,525,000           | 13,500,823           | 975,823                |
| Interest                                          | 118,865              | 639,875              | 720,966              | 81,091                 |
| Other                                             | <u>627,553</u>       | <u>853,893</u>       | <u>731,200</u>       | <u>(122,693)</u>       |
| Total local sources                               | 12,992,755           | 15,633,078           | 16,625,876           | 992,798                |
| State sources                                     | <u>26,342,332</u>    | <u>26,189,497</u>    | <u>26,768,645</u>    | <u>579,148</u>         |
| Total revenues                                    | <u>39,335,087</u>    | <u>41,822,575</u>    | <u>43,394,521</u>    | <u>1,571,946</u>       |
| Expenditures                                      |                      |                      |                      |                        |
| Current:                                          |                      |                      |                      |                        |
| Instruction -                                     |                      |                      |                      |                        |
| Regular programs                                  | 16,913,412           | 18,110,320           | 18,284,047           | (173,727)              |
| Special education programs                        | 4,750,671            | 5,386,833            | 5,277,511            | 109,322                |
| Vocational education programs                     | 1,424,465            | 1,456,189            | 1,454,254            | 1,935                  |
| Other instructional programs                      | 733,544              | 651,610              | 596,587              | 55,023                 |
| Special programs                                  | 911,931              | 1,157,046            | 1,148,284            | 8,762                  |
| Adult and continuing education programs           | 26,751               | 27,800               | 27,635               | 165                    |
| Support services -                                |                      |                      |                      |                        |
| Pupil support services                            | 2,385,772            | 2,693,940            | 2,699,271            | (5,331)                |
| Instructional staff support services              | 1,619,041            | 1,871,685            | 1,746,083            | 125,602                |
| General administration                            | 963,010              | 1,016,303            | 1,046,343            | (30,040)               |
| School administration                             | 2,908,402            | 3,043,479            | 3,043,563            | (84)                   |
| Business services                                 | 688,026              | 737,661              | 740,291              | (2,630)                |
| Operation and maintenance of plant services       | 1,009,952            | 1,353,059            | 1,370,291            | (17,232)               |
| Student transportation services                   | 3,232,072            | 3,587,475            | 3,513,645            | 73,830                 |
| Central services                                  | 1,270,501            | 1,325,176            | 1,310,435            | 14,741                 |
| Non-instructional services -                      |                      |                      |                      |                        |
| Food services                                     | 100,240              | 237,372              | 237,375              | (3)                    |
| Community service programs                        | 21,548               | 28,738               | 26,233               | 2,505                  |
| Facilities acquisition and construction           | 184,000              | 135,311              | 135,312              | (1)                    |
| Transfer to other EA                              | <u>64,000</u>        | <u>64,000</u>        | <u>105,187</u>       | <u>(41,187)</u>        |
| Total expenditures                                | <u>39,207,338</u>    | <u>42,883,997</u>    | <u>42,762,347</u>    | <u>121,650</u>         |
| Excess (deficiency) of revenues over expenditures | <u>127,749</u>       | <u>(1,061,422)</u>   | <u>632,174</u>       | <u>1,693,596</u>       |
| Other financing sources (uses):                   |                      |                      |                      |                        |
| Proceeds from sale of assets                      | -                    | 1,071                | 9,496                | 8,425                  |
| Increase in investment value                      | -                    | -                    | 231,360              | 231,360                |
| Transfers in                                      | 8,894,904            | 12,213,377           | 6,493,144            | (5,720,233)            |
| Transfers out                                     | <u>(8,365,290)</u>   | <u>(11,646,513)</u>  | <u>(5,415,888)</u>   | <u>6,230,625</u>       |
| Total other financing sources (uses)              | <u>529,614</u>       | <u>567,935</u>       | <u>1,318,112</u>     | <u>750,177</u>         |
| Net change in fund balance                        | 657,363              | (493,487)            | 1,950,286            | 2,443,773              |
| Fund balances, beginning                          | <u>26,787,053</u>    | <u>26,787,053</u>    | <u>26,787,053</u>    | <u>-</u>               |
| Fund balances, ending                             | <u>\$ 27,444,416</u> | <u>\$ 26,293,566</u> | <u>\$ 28,737,339</u> | <u>\$ 2,443,773</u>    |

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

|                                                          | <u>June 30, 2018</u> | <u>June 30, 2019</u> | <u>June 30, 2020</u> | <u>June 30, 2021</u> | <u>June 30, 2022</u> | <u>June 30, 2023</u> |
|----------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB Liability*</b>                             |                      |                      |                      |                      |                      |                      |
| Service cost                                             | \$ 2,990,003         | \$ 2,774,187         | \$ 2,534,065         | \$ 2,358,990         | \$ 2,550,521         | \$ 3,058,621         |
| Interest                                                 | 2,297,995            | 2,562,916            | 2,374,272            | 2,083,691            | 2,109,818            | 1,908,306            |
| Changes of benefit terms                                 | -                    | -                    | -                    | -                    | -                    | -                    |
| Differences between expected<br>and actual experience    | -                    | (2,049,460)          | 2,164,365            | 1,936,799            | (765,558)            | 2,195,450            |
| Changes of assumptions                                   | (5,461,501)          | (2,763,031)          | (9,445,479)          | 520,242              | 6,334,716            | (26,804,272)         |
| Benefit payments                                         | <u>(2,526,506)</u>   | <u>(2,526,506)</u>   | <u>(2,458,604)</u>   | <u>(2,422,871)</u>   | <u>(2,494,913)</u>   | <u>(2,536,555)</u>   |
| <b>Net change in total OPEB liability</b>                | <u>(2,700,009)</u>   | <u>(2,001,894)</u>   | <u>(4,831,381)</u>   | <u>4,476,851</u>     | <u>7,734,584</u>     | <u>(22,178,450)</u>  |
| <b>Total OPEB liability - beginning</b>                  | <u>83,061,658</u>    | <u>80,361,649</u>    | <u>78,359,755</u>    | <u>73,528,374</u>    | <u>78,005,225</u>    | <u>85,739,809</u>    |
| <b>Total OPEB liability - ending</b>                     | <u>\$ 80,361,649</u> | <u>\$ 78,359,755</u> | <u>\$ 73,528,374</u> | <u>\$ 78,005,225</u> | <u>\$ 85,739,809</u> | <u>\$ 63,561,359</u> |
| <br>                                                     |                      |                      |                      |                      |                      |                      |
| Covered payroll                                          | <u>\$ 19,140,749</u> | <u>\$ 19,459,090</u> | <u>\$ 19,527,000</u> | <u>\$ 21,241,538</u> | <u>\$ 17,992,786</u> | <u>\$ 20,957,812</u> |
| <br>                                                     |                      |                      |                      |                      |                      |                      |
| Net OPEB liability as a percentage of<br>covered payroll | 419.98%              | 402.69%              | 376.55%              | 367.23%              | 478.25%              | 478.25%              |

\* Equal to Net OPEB Liability

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

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Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2023

| *<br>Year<br>ended<br>June 30,                               | Employer<br>Proportion<br>of the<br>Net Pension<br>Liability<br>(Asset) | Employer<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | Employer's<br>Covered<br>Payroll | Employer's<br>Proportionate Share<br>of the Net Pension<br>Liability (Asset) as a<br>Percentage of its<br>Covered<br>Payroll | Plan Fiduciary<br>Net Position<br>as a Percentage<br>of the Total<br>Pension Liability |
|--------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| <b>Teachers' Retirement System of Louisiana (TRSL)</b>       |                                                                         |                                                                                  |                                  |                                                                                                                              |                                                                                        |
| 2023                                                         | 0.492%                                                                  | \$ 46,991,885                                                                    | \$25,302,713                     | 185.7%                                                                                                                       | 72.40%                                                                                 |
| 2022                                                         | 0.484%                                                                  | \$ 25,821,288                                                                    | \$23,863,822                     | 108.2%                                                                                                                       | 83.90%                                                                                 |
| 2021                                                         | 0.495%                                                                  | \$ 55,113,954                                                                    | \$23,674,535                     | 232.8%                                                                                                                       | 65.61%                                                                                 |
| 2020                                                         | 0.479%                                                                  | \$ 47,586,574                                                                    | \$22,350,449                     | 212.9%                                                                                                                       | 68.57%                                                                                 |
| 2019                                                         | 0.495%                                                                  | \$ 48,638,164                                                                    | \$22,098,647                     | 220.1%                                                                                                                       | 68.17%                                                                                 |
| 2018                                                         | 0.474%                                                                  | \$ 48,404,034                                                                    | \$22,079,722                     | 219.2%                                                                                                                       | 65.55%                                                                                 |
| 2017                                                         | 0.486%                                                                  | \$ 57,083,422                                                                    | \$21,872,627                     | 261.0%                                                                                                                       | 59.90%                                                                                 |
| 2016                                                         | 0.477%                                                                  | \$ 51,280,536                                                                    | \$21,964,825                     | 233.5%                                                                                                                       | 62.47%                                                                                 |
| 2015                                                         | 0.477%                                                                  | \$ 48,752,152                                                                    | \$19,227,783                     | 253.6%                                                                                                                       | 63.65%                                                                                 |
| <b>Louisiana School Employees' Retirement System (LSERS)</b> |                                                                         |                                                                                  |                                  |                                                                                                                              |                                                                                        |
| 2023                                                         | 0.760%                                                                  | \$ 5,051,975                                                                     | \$ 2,454,300                     | 205.8%                                                                                                                       | 76.31%                                                                                 |
| 2022                                                         | 0.683%                                                                  | \$ 3,246,405                                                                     | \$ 1,870,830                     | 173.5%                                                                                                                       | 82.51%                                                                                 |
| 2021                                                         | 0.675%                                                                  | \$ 5,423,245                                                                     | \$ 2,195,066                     | 247.1%                                                                                                                       | 69.67%                                                                                 |
| 2020                                                         | 0.615%                                                                  | \$ 4,302,048                                                                     | \$ 1,671,662                     | 257.4%                                                                                                                       | 73.49%                                                                                 |
| 2019                                                         | 0.616%                                                                  | \$ 4,116,849                                                                     | \$ 1,483,100                     | 277.6%                                                                                                                       | 74.44%                                                                                 |
| 2018                                                         | 0.591%                                                                  | \$ 3,779,115                                                                     | \$ 1,701,037                     | 222.2%                                                                                                                       | 75.03%                                                                                 |
| 2017                                                         | 0.565%                                                                  | \$ 4,263,292                                                                     | \$ 1,643,113                     | 259.5%                                                                                                                       | 70.09%                                                                                 |
| 2016                                                         | 0.599%                                                                  | \$ 3,795,941                                                                     | \$ 1,662,479                     | 228.3%                                                                                                                       | 74.49%                                                                                 |
| 2015                                                         | 0.585%                                                                  | \$ 3,389,516                                                                     | \$ 1,674,768                     | 202.4%                                                                                                                       | 76.18%                                                                                 |

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

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Schedule of Employer Contributions  
for the Retirement Systems  
For the Year Ended June 30, 2023

| Year ended<br>June 30,                                | Contractually<br>Required<br>Contribution | Contributions in<br>Relation to<br>Contractual<br>Required<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Employer's<br>Covered<br>Payroll | Contributions<br>as a % of<br>Covered<br>Payroll |
|-------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------|----------------------------------------|----------------------------------|--------------------------------------------------|
| Teachers' Retirement System of Louisiana (TRSL)       |                                           |                                                                            |                                        |                                  |                                                  |
| 2023                                                  | \$7,190,345                               | \$7,190,345                                                                | -                                      | \$28,993,335                     | 24.8%                                            |
| 2022                                                  | \$6,376,284                               | \$6,376,284                                                                | -                                      | \$25,302,713                     | 25.2%                                            |
| 2021                                                  | \$6,156,866                               | \$6,156,866                                                                | -                                      | \$23,863,822                     | 25.8%                                            |
| 2020                                                  | \$6,155,379                               | \$6,155,379                                                                | -                                      | \$23,674,535                     | 26.0%                                            |
| 2019                                                  | \$5,967,570                               | \$5,967,570                                                                | -                                      | \$22,350,449                     | 26.7%                                            |
| 2018                                                  | \$5,878,240                               | \$5,878,240                                                                | -                                      | \$22,098,647                     | 26.6%                                            |
| 2017                                                  | \$5,630,329                               | \$5,630,329                                                                | -                                      | \$22,079,722                     | 25.5%                                            |
| 2016                                                  | \$5,752,501                               | \$5,752,501                                                                | -                                      | \$21,872,627                     | 26.3%                                            |
| 2015                                                  | \$6,150,151                               | \$6,150,151                                                                | -                                      | \$21,964,825                     | 28.0%                                            |
| Louisiana School Employees' Retirement System (LSERS) |                                           |                                                                            |                                        |                                  |                                                  |
| 2023                                                  | \$ 832,251                                | \$ 832,251                                                                 | -                                      | \$ 3,015,198                     | 27.6%                                            |
| 2022                                                  | \$ 704,384                                | \$ 704,384                                                                 | -                                      | \$ 2,454,300                     | 28.7%                                            |
| 2021                                                  | \$ 617,374                                | \$ 617,374                                                                 | -                                      | \$ 1,870,830                     | 33.0%                                            |
| 2020                                                  | \$ 599,253                                | \$ 599,253                                                                 | -                                      | \$ 2,195,066                     | 27.3%                                            |
| 2019                                                  | \$ 504,842                                | \$ 504,842                                                                 | -                                      | \$ 1,671,662                     | 30.2%                                            |
| 2018                                                  | \$ 489,423                                | \$ 489,423                                                                 | -                                      | \$ 1,483,100                     | 33.0%                                            |
| 2017                                                  | \$ 464,383                                | \$ 464,383                                                                 | -                                      | \$ 1,701,037                     | 27.3%                                            |
| 2016                                                  | \$ 496,220                                | \$ 496,220                                                                 | -                                      | \$ 1,643,113                     | 30.2%                                            |
| 2015                                                  | \$ 548,618                                | \$ 548,618                                                                 | -                                      | \$ 1,662,479                     | 33.0%                                            |

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Notes to Required Supplementary Information

(1) Retirement Systems

*Benefit Changes –*

There were no significant changes in benefit terms during the periods presented.

*Changes of Assumptions –*

| Year ended<br>June 30,                                         | Discount<br>Rate | Investment<br>Rate<br>of Return | Inflation<br>Rate | Expected<br>Remaining<br>Service lives | Projected<br>Salary<br>Increase |
|----------------------------------------------------------------|------------------|---------------------------------|-------------------|----------------------------------------|---------------------------------|
| <b>* Teacher Retirement System of Louisiana</b>                |                  |                                 |                   |                                        |                                 |
| 2015                                                           | 7.75%            | 7.75%                           | 2.50%             | 5                                      | 3.50% - 10.0%                   |
| 2016                                                           | 7.75%            | 7.75%                           | 2.50%             | 5                                      | 3.50% - 10.0%                   |
| 2017                                                           | 7.70%            | 7.75%                           | 2.50%             | 5                                      | 3.50% - 10.0%                   |
| 2018                                                           | 7.70%            | 7.70%                           | 2.50%             | 5                                      | 3.50% - 10.0%                   |
| 2019                                                           | 7.65%            | 7.65%                           | 2.50%             | 5                                      | 3.30 - 4.80%                    |
| 2020                                                           | 7.55%            | 7.55%                           | 2.50%             | 5                                      | 3.30 - 4.80%                    |
| 2021                                                           | 7.45%            | 7.45%                           | 2.30%             | 5                                      | 3.10 - 4.60%                    |
| 2022                                                           | 7.40%            | 7.40%                           | 2.30%             | 5                                      | 3.10 - 4.60%                    |
| 2023                                                           | 7.25%            | 7.25%                           | 2.30%             | 5                                      | 3.10 - 4.60%                    |
| <b>* Louisiana School Employees' Retirement System (LSERS)</b> |                  |                                 |                   |                                        |                                 |
| 2015                                                           | 7.2500%          | 7.2500%                         | 2.750%            | 2                                      | 3.200% - 5.500%                 |
| 2016                                                           | 7.0000%          | 7.0000%                         | 2.750%            | 3                                      | 3.200% - 5.500%                 |
| 2017                                                           | 7.1250%          | 7.1250%                         | 2.625%            | 3                                      | 3.075% - 5.375%                 |
| 2018                                                           | 7.1250%          | 7.1250%                         | 2.625%            | 3                                      | 3.075% - 5.375%                 |
| 2019                                                           | 7.0625%          | 7.0625%                         | 2.500%            | 3                                      | 3.25%                           |
| 2020                                                           | 7.0000%          | 7.0000%                         | 2.500%            | 3                                      | 3.25%                           |
| 2021                                                           | 7.0000%          | 7.0000%                         | 2.500%            | 3                                      | 3.25%                           |
| 2022                                                           | 6.9000%          | 6.9000%                         | 2.500%            | 3                                      | 3.25%                           |
| 2023                                                           | 6.8000%          | 6.8000%                         | 2.500%            | 3                                      | 3.25%                           |

\* The amounts presented have a measurement date of the previous June 30.

(2) Other Post-Employment Benefits

*Benefit Changes –*

There were no significant changes in benefit terms during the periods presented.

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Notes to Required Supplementary Information

*Changes of Assumptions –*

| Year ended<br><u>June 30,</u> | Discount<br><u>Rate</u> | Medical Trend<br><u>Rate</u> | Inflation<br><u>Rate</u> |
|-------------------------------|-------------------------|------------------------------|--------------------------|
| 2018                          | 3.13%                   | 5.50%                        | 2.50%                    |
| 2019                          | 2.98%                   | 5.50%                        | 2.50%                    |
| 2020                          | 2.79%                   | 5.50%                        | 2.50%                    |
| 2021                          | 2.66%                   | 5.50%                        | 2.50%                    |
| 2022                          | 2.18%                   | 5.50%                        | 2.50%                    |
| 2023                          | 4.09%                   | 5.50%                        | 2.40%                    |

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

(3) Budget Practices

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

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

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

**OTHER SUPPLEMENTARY INFORMATION**

SABINE PARISH SCHOOL BOARD  
 Many, Louisiana  
 Schedules of Capital Assets By Function

June 30, 2023

Schedule of Classes by Function

| Function               | Land              | Construction<br>in Progress | Buildings &<br>Improvements | Vehicles &<br>Equipment | Total                |
|------------------------|-------------------|-----------------------------|-----------------------------|-------------------------|----------------------|
| Instructional services | \$ 433,984        | \$ 26,999                   | \$ 62,991,288               | \$ 2,954,863            | \$ 66,407,134        |
| Support services       | 73,111            | -                           | 6,750,175                   | 4,326,612               | 11,149,898           |
| School food services   | 2,553             | -                           | 322,607                     | 324,063                 | 649,223              |
| Total Capital Assets   | <u>\$ 509,648</u> | <u>\$ 26,999</u>            | <u>\$ 70,064,070</u>        | <u>\$ 7,605,538</u>     | <u>\$ 78,206,255</u> |

Schedule of Changes in Capital Assets by Function

| Function               | Beginning<br>Balance | Additions           | Deletions         | Ending<br>Balance    |
|------------------------|----------------------|---------------------|-------------------|----------------------|
| Instructional services | \$66,279,309         | \$ 127,825          | \$ -              | \$ 66,407,134        |
| Support services       | 9,939,413            | 1,502,364           | 291,879           | 11,149,898           |
| School food services   | 649,223              | -                   | -                 | 649,223              |
| Total Capital Assets   | <u>\$76,867,945</u>  | <u>\$ 1,630,189</u> | <u>\$ 291,879</u> | <u>\$ 78,206,255</u> |



SABINE PARISH SCHOOL BOARD  
 Many, Louisiana  
 Nonmajor Governmental Funds

Combined Balance Sheet  
 June 30, 2023

|                                               | Special<br>Revenue | Debt<br>Service | Capital Project<br>Funds | Total         |
|-----------------------------------------------|--------------------|-----------------|--------------------------|---------------|
| <b>ASSETS</b>                                 |                    |                 |                          |               |
| Cash and interest-bearing deposits            | \$ 6,227,953       | \$ 990,552      | \$ 5,098,264             | \$ 12,316,769 |
| Due from other governmental agencies          | 3,183,220          | 1,647           | -                        | 3,184,867     |
| Inventory                                     | 155,390            | -               | -                        | 155,390       |
| Total assets                                  | \$ 9,566,563       | \$ 992,199      | \$ 5,098,264             | \$ 15,657,026 |
| <b>LIABILITIES AND FUND BALANCES</b>          |                    |                 |                          |               |
| Liabilities:                                  |                    |                 |                          |               |
| Accounts payable                              | \$ 229,661         | \$ -            | \$ 19,145                | \$ 248,806    |
| Accrued salaries payable and related benefits | 1,117,050          | -               | -                        | 1,117,050     |
| Due to other funds                            | 1,946,173          | -               | -                        | 1,946,173     |
| Total liabilities                             | 3,292,884          | -               | 19,145                   | 3,312,029     |
| Fund balances:                                |                    |                 |                          |               |
| Non-spendable                                 | 155,390            | -               | -                        | 155,390       |
| Restricted                                    | 6,118,289          | 992,199         | 5,079,119                | 12,189,607    |
| Total fund balances                           | 6,273,679          | 992,199         | 5,079,119                | 12,344,997    |
| Total liabilities and fund balances           | \$ 9,566,563       | \$ 992,199      | \$ 5,098,264             | \$ 15,657,026 |

SABINE PARISH SCHOOL BOARD  
Many, Louisiana  
Nonmajor Governmental Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2023

|                                                      | Special<br>Revenue  | Debt<br>Service   | Capital Project<br>Fund | Totals               |
|------------------------------------------------------|---------------------|-------------------|-------------------------|----------------------|
| Revenues                                             |                     |                   |                         |                      |
| Local sources -                                      |                     |                   |                         |                      |
| Ad valorem taxes                                     | \$ 5,023,629        | \$ 1,373,574      | \$ -                    | \$ 6,397,203         |
| Sales tax                                            | 3,377,548           | -                 | -                       | 3,377,548            |
| Charges for services                                 | 2,784,879           | -                 | -                       | 2,784,879            |
| Interest income                                      | 231,155             | 35,358            | 173,436                 | 439,949              |
| Other                                                | 3,372               | -                 | -                       | 3,372                |
| State sources                                        | 230,605             | -                 | -                       | 230,605              |
| Federal sources                                      | <u>15,563,866</u>   | <u>-</u>          | <u>-</u>                | <u>15,563,866</u>    |
| Total revenues                                       | <u>27,215,054</u>   | <u>1,408,932</u>  | <u>173,436</u>          | <u>28,797,422</u>    |
| Expenditures                                         |                     |                   |                         |                      |
| Current:                                             |                     |                   |                         |                      |
| Instruction -                                        |                     |                   |                         |                      |
| Regular programs                                     | 3,277,817           | -                 | -                       | 3,277,817            |
| Special education programs                           | 770,446             | -                 | -                       | 770,446              |
| Vocational education programs                        | 67,629              | -                 | -                       | 67,629               |
| Other instructional programs                         | 2,708,701           | -                 | 6,420                   | 2,715,121            |
| Special programs                                     | 2,026,063           | -                 | -                       | 2,026,063            |
| Support services -                                   |                     |                   |                         |                      |
| Pupil support services                               | 618,875             | -                 | -                       | 618,875              |
| Instructional staff support services                 | 3,494,701           | -                 | -                       | 3,494,701            |
| General administration                               | 267,984             | 55,769            | -                       | 323,753              |
| School administration                                | 581,900             | -                 | -                       | 581,900              |
| Business services                                    | 54,641              | -                 | -                       | 54,641               |
| Operation and maintenance of plant services          | 5,322,601           | -                 | 54,942                  | 5,377,543            |
| Student transportation services                      | 1,801,629           | -                 | -                       | 1,801,629            |
| Central services                                     | 187,220             | -                 | -                       | 187,220              |
| Non-instructional services -                         |                     |                   |                         |                      |
| Food service operations                              | 4,110,805           | -                 | -                       | 4,110,805            |
| Community service                                    | 115,819             | -                 | -                       | 115,819              |
| Facilities acquisition and construction              | 966,527             | -                 | 100,104                 | 1,066,631            |
| Debt service:                                        |                     |                   |                         |                      |
| Principal retirement                                 | -                   | 1,542,000         | -                       | 1,542,000            |
| Interest and fiscal charges                          | <u>-</u>            | <u>542,419</u>    | <u>-</u>                | <u>542,419</u>       |
| Total expenditures                                   | <u>26,373,358</u>   | <u>2,140,188</u>  | <u>161,466</u>          | <u>28,675,012</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>841,696</u>      | <u>(731,256)</u>  | <u>11,970</u>           | <u>122,410</u>       |
| Other financing sources (uses):                      |                     |                   |                         |                      |
| Proceeds from sale of assets                         | 2,000               | -                 | -                       | 2,000                |
| Transfers in                                         | 4,051,798           | 474,258           | 889,832                 | 5,415,888            |
| Transfers out                                        | <u>(6,493,144)</u>  | <u>-</u>          | <u>-</u>                | <u>(6,493,144)</u>   |
| Total other financing sources (uses)                 | <u>(2,439,346)</u>  | <u>474,258</u>    | <u>889,832</u>          | <u>(1,075,256)</u>   |
| Net change in fund balances                          | (1,597,650)         | (256,998)         | 901,802                 | (952,846)            |
| Fund balances, beginning                             | <u>7,871,329</u>    | <u>1,249,197</u>  | <u>4,177,317</u>        | <u>13,297,843</u>    |
| Fund balances, ending                                | <u>\$ 6,273,679</u> | <u>\$ 992,199</u> | <u>\$ 5,079,119</u>     | <u>\$ 12,344,997</u> |

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Schedule of Compensation Paid to Board Members  
June 30, 2023

|                      |    |               |
|----------------------|----|---------------|
| Terrell Snelling     | \$ | 7,900         |
| Spencer Faust        |    | 3,000         |
| James Daron Chandler |    | 3,000         |
| William D. Garcie    |    | 3,000         |
| Josh Stewart         |    | 3,600         |
| Everett Guidry       |    | 3,600         |
| Stacy Alford         |    | 3,600         |
| Josh Jenkins         |    | 3,600         |
| Leah V. Byles        |    | 7,200         |
| Jessie Dale Skinner  |    | 7,700         |
| Genevieve Gordon     |    | 3,600         |
| Kowonno Greene       |    | 7,200         |
| Donald Remedies      |    | 7,200         |
| Total                | \$ | <u>64,200</u> |

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
June 30, 2023

|                        | Shane Wright<br>Superintendent |
|------------------------|--------------------------------|
| Salary                 | \$ 141,006                     |
| Board declared stipend | 6,500                          |
| Benefits - retirement  | 36,582                         |
| Benefits - insurance   | 8,321                          |
| Benefits - medicare    | 2,080                          |
| Registration           | 3,510                          |
| Lodging                | 3,518                          |
| Conference travel      | 6,143                          |
| Total                  | <u>\$ 207,660</u>              |

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
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Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
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Nicholas Fowlkes, CPA  
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C. Burton Kolder, CPA\*  
Of Counsel

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

Mr. Shane Wright, Superintendent,  
and Members of the Sabine Parish School Board  
Many, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board (the School Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 14, 2023.

### Report on Internal Control over Financial Reporting

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

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

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

## **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

## **Purpose of This Report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2023

# KOLDER, SLAVEN & COMPANY, LLC

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Christine C. Doucet, CPA – retired 2022

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

Mr. Shane Wright, Superintendent,  
and Members of the Sabine Parish School Board  
Many, Louisiana

### Report on Compliance for Each Major Federal Program

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

We have audited the Sabine Parish School Board's, (the School Board) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2023. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

#### *Basis for Opinion on Each Major Federal Program*

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

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



### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2023

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

| Federal Grantor/Pass-Through Grantor/<br>Program Title                               | Assistance<br>Listing<br>Numbers | Pass-through<br>Identifying<br>Number | Federal<br>Expenditures | Amounts<br>Passed<br>Through to<br>Subrecipients |
|--------------------------------------------------------------------------------------|----------------------------------|---------------------------------------|-------------------------|--------------------------------------------------|
| <u>United States Department of Agriculture-</u>                                      |                                  |                                       |                         |                                                  |
| Distance Learning and Telemedicine Loans and Grants                                  | 10.855                           | LA0726-C16                            | \$ 125,871              |                                                  |
| Distance Learning and Telemedicine Loans and Grants                                  | 10.855                           | LA0726-B16                            | <u>71,190</u>           |                                                  |
| Total for Assistance listing number 10.855                                           |                                  |                                       | \$ 197,061              | \$ -                                             |
| <u>Child Nutrition Cluster</u>                                                       |                                  |                                       |                         |                                                  |
| National School Lunch Program                                                        | 10.555                           | N/A                                   | <u>2,674,405</u>        | <u>-</u>                                         |
| Total for Child Nutrition Cluster                                                    |                                  |                                       | <u>2,674,405</u>        | <u>-</u>                                         |
| Total United States Department of Agriculture                                        |                                  |                                       | <u>2,871,466</u>        | <u>-</u>                                         |
| <u>United States Department of Education-</u>                                        |                                  |                                       |                         |                                                  |
| Indian Education Grants to Local Educational Agencies                                | 84.060A                          | S060A200108                           | 189,155                 | -                                                |
| Passed through Louisiana Department of Education-                                    |                                  |                                       |                         |                                                  |
| Title I Grants to Local Educational Agencies                                         | 84.010                           | 28-22-RD19-43                         | 167,400                 |                                                  |
| Title I Grants to Local Educational Agencies                                         | 84.010                           | 28-23-T1-43                           | <u>1,628,452</u>        |                                                  |
| Total for Title I - Assistance listing number 84.010                                 |                                  |                                       | 1,795,852               | -                                                |
| <u>Special Education Cluster</u>                                                     |                                  |                                       |                         |                                                  |
| Special Education Grants to States-IDEA Part B                                       | 84.027                           | 28-23-B1-43                           | 983,189                 |                                                  |
| Special Education Grants to State                                                    | 84.027                           | 28-23-RH-43                           | 33,952                  |                                                  |
| Special Education Grants to State                                                    | 84.027                           | 28-22-IISA-43                         | 16,000                  |                                                  |
| Special Education Grants to State                                                    | 84.027                           | N/A                                   | 37,779                  |                                                  |
| Special Education Grants to State - Covid-19                                         | 84.027                           | 28-22-IA11-43                         | <u>90,613</u>           |                                                  |
| Total for Special Education Grants - Assistance listing number 84.027                |                                  |                                       | 1,161,533               | -                                                |
| Special Education-Preschool Grants                                                   | 84.173                           | 28-23-P1-43                           | 11,210                  |                                                  |
| Special Education-Preschool Grants                                                   | 84.173                           | 28-22-IA19-43                         | 18,547                  |                                                  |
| Special Education-Preschool Grants                                                   | 84.173                           | 28-22-19SA-43                         | <u>3,274</u>            |                                                  |
| Total for Special Education Preschool Grants - Assistance listing number 84.173      |                                  |                                       | 33,031                  | -                                                |
| Total for Special Education Cluster                                                  |                                  |                                       | 1,194,564               | -                                                |
| Twenty-First Century Community Learning Centers                                      | 84.287                           | 28-21-2C-43                           | 22,295                  |                                                  |
| Twenty-First Century Community Learning Centers                                      | 84.287                           | 28-22-2C-43                           | <u>458,955</u>          |                                                  |
| Total for Vocational Education - Assistance listing number 84.287                    |                                  |                                       | 481,250                 | -                                                |
| Gaining Early Awareness and Readiness for Undergraduate Programs                     | 84.334S                          | LA GEAR UP                            | 398,119                 | -                                                |
| Rural Education Achievement Program                                                  | 84.358                           | 28-23-RLIS-43                         | 111,986                 | -                                                |
| Supporting Effective Instruction State Grant                                         | 84.367                           | 28-23-50-43                           | 25,504                  | -                                                |
| Comprehensive Literacy Development                                                   | 84.371                           | 28-20-CCUB-43                         | 51,975                  |                                                  |
| Comprehensive Literacy Development                                                   | 84.371                           | 28-20-CCUK-43                         | 53,549                  |                                                  |
| Comprehensive Literacy Development                                                   | 84.371                           | 28-20-CCU6-43                         | <u>51,975</u>           |                                                  |
| Total for Comprehensive Literacy Development - Assistance listing number 84.371      |                                  |                                       | 157,499                 | -                                                |
| Student Support and Academic Enrichment                                              | 84.424                           | 28-23-71-43                           | 10,512                  | -                                                |
| Education Stabilization Fund - Covid-19                                              | 84.425D                          | 28-21-ES2I-43                         | 258,690                 |                                                  |
| Education Stabilization Fund - Covid-19                                              | 84.425D                          | 28-21-ES2F-43                         | 1,696,563               |                                                  |
| Education Stabilization Fund - Covid-19                                              | 84.425U                          | 28-21-ES3I-43                         | 156,500                 |                                                  |
| Education Stabilization Fund - Covid-19                                              | 84.425U                          | 28-21-ES3F-43                         | 3,650,978               |                                                  |
| Education Stabilization Fund - Covid-19                                              | 84.425U                          | 28-21-ESEB-43                         | 325,997                 |                                                  |
| Education Stabilization Fund - Covid-19                                              | 84.425                           | 28-21-REL2-43                         | 80,000                  |                                                  |
| Homeless ARP                                                                         | 84.425W                          | 28-22-HARP-43                         | <u>1,681</u>            |                                                  |
| Total for Education Stabilization Fund - Covid-19 - Assistance listing number 84.425 |                                  |                                       | 6,170,409               | -                                                |
| Total United States Department of Education                                          |                                  |                                       | <u>10,534,850</u>       | <u>-</u>                                         |

(continued)

The accompanying notes are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Schedule of Expenditures of Federal Awards (continued)  
Year Ended June 30, 2023

| Federal Grantor/Pass-Through Grantor/<br>Program Title                                                | Assistant<br>Listing<br>Numbers | Pass-through<br>Identifying<br>Number | Federal<br>Expenditures     | Amounts<br>Passed<br>Through to<br>Subrecipients |
|-------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------|-----------------------------|--------------------------------------------------|
| <u>United States Department of Health &amp; Human Services</u>                                        |                                 |                                       |                             |                                                  |
| Child Care Development Block Grant                                                                    | 93.575                          | 28-21-RSNC-43                         | 487                         |                                                  |
| Child Care Development Block Grant                                                                    | 93.575                          | 28-21-RSCC-43                         | 36,844                      |                                                  |
| Child Care Development Block Grant                                                                    | 93.575                          | 28-21-B3SC-43                         | 20,329                      |                                                  |
| Child Care Development Block Grant                                                                    | 93.575                          | 28-21-C0-43                           | 8,137                       |                                                  |
| Child Care Development Block Grant                                                                    | 93.575                          | 28-21-B3SA-43                         | 176,352                     |                                                  |
| Child Care Development Block Grant                                                                    | 93.575                          | 28-22-SBEA-43                         | 99,999                      |                                                  |
| Child Care Development Block Grant                                                                    | 93.575                          | 28-21-B4CC-43                         | 25,120                      |                                                  |
| Child Care Development Block Grant Covid-19                                                           | 93.575                          | 28-21-CCCR-43                         | 8,500                       |                                                  |
| Child Care Development Block Grant Covid-19                                                           | 93.575                          | 28-21-B3CC-43                         | 8,000                       |                                                  |
| Child Care Development Block Grant Covid-19                                                           | 93.575                          | 28-21-LASA-43                         | <u>525</u>                  |                                                  |
| Total for Child Care Development Block Grant assistance listing number<br>93.575                      |                                 |                                       | <u>384,293</u>              | <u>-</u>                                         |
| Every Student Succeeds Act/Preschool Development Grants                                               | 93.434                          | 28-22-B3SP-43                         | 48,417                      |                                                  |
| Every Student Succeeds Act/Preschool Development Grants                                               | 93.434                          | 28-22-RSB5-43                         | <u>65,257</u>               |                                                  |
| Total for Every Student Succeeds Act/Preschool Development Grants<br>assistance listing number 94.434 |                                 |                                       | <u>113,674</u>              | <u>-</u>                                         |
| Head Start                                                                                            | 93.600                          | 06CH011578-02-02                      | 1,504,782                   |                                                  |
| Head Start - Covid-19                                                                                 | 93.600                          | 06HE000948                            | <u>147,080</u>              |                                                  |
| Total for Head Start assistance listing number 93.600                                                 |                                 |                                       | <u>1,651,862</u>            | <u>-</u>                                         |
| Total United States Department of Health<br>and Human Services                                        |                                 |                                       | <u>2,149,829</u>            | <u>-</u>                                         |
| <b>TOTAL FEDERAL AWARDS</b>                                                                           |                                 |                                       | <u><b>\$ 15,556,145</b></u> | <u><b>\$ -</b></u>                               |

The accompanying notes are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

(1) General

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

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2023. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Noncash Programs

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

(4) Indirect Cost Rate

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

Part I. Summary of Auditor's Results:

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting

|                                      |           |                                                         |  |
|--------------------------------------|-----------|---------------------------------------------------------|--|
| Material weakness(es) identified?    | _____ yes | _____ <input checked="" type="checkbox"/> no            |  |
| Significant deficiencies identified? | _____ yes | _____ <input checked="" type="checkbox"/> none reported |  |

Noncompliance or other matter material to the financial statements noted?

|           |                                              |  |
|-----------|----------------------------------------------|--|
| _____ yes | _____ <input checked="" type="checkbox"/> no |  |
|-----------|----------------------------------------------|--|

**Federal Awards**

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

Internal control over major programs

|                                      |           |                                                         |  |
|--------------------------------------|-----------|---------------------------------------------------------|--|
| Material weakness(es) identified?    | _____ yes | _____ <input checked="" type="checkbox"/> no            |  |
| Significant deficiencies identified? | _____ yes | _____ <input checked="" type="checkbox"/> none reported |  |

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

|           |                                              |  |
|-----------|----------------------------------------------|--|
| _____ yes | _____ <input checked="" type="checkbox"/> no |  |
|-----------|----------------------------------------------|--|

Major programs:

| <u>Assistance Listing Number(s)</u>        | <u>Name of Federal Program or Cluster</u> |
|--------------------------------------------|-------------------------------------------|
| 84.425, 84.425C, 84.425D, 84.425U, 84.425W | Education Stabilization Fund              |
| 84.010                                     | Title I                                   |
| 93.600                                     | Headstart                                 |

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

|                                        |                                               |          |
|----------------------------------------|-----------------------------------------------|----------|
| Auditee qualified as low-risk auditee? | _____ <input checked="" type="checkbox"/> yes | _____ no |
|----------------------------------------|-----------------------------------------------|----------|

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

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

Internal Control Findings –

None reported.

Compliance and Other Matters Finding –

None reported.

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

Internal Control Finding –

None reported.

Compliance Finding –

None reported.

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan  
Year Ended June 30, 2023

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance and Other Matters

None reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance and Other Matters

2022-001      Misappropriation of School Activity Funds

Fiscal year finding initially occurred: 2022

CONDITION: During the fiscal year end June 30, 2023. The Principal of Many Junior High School, Jeremy Ryan, was charged and arrested for using the schools credit card for personal expenditures. The charges were made over a period of time from August 2021 – January 2022 in the amount of \$4,411. The internal controls at the school level functioned properly, when the second authorized check signor reviewed the expenditures and reported the potential misuse to the School Board's Administration. Upon review of the questionable expenditures, the School Board alerted the local District attorney, Sheriff's Office and the Louisiana Legislative Auditor of the potential misuse of school funds as required by state law. The employee is no longer employed by the School Board.

RECOMMENDATION: The School Board's current policies were effective in discovering the inappropriate credit charges at the School Activity level. The School Board should continue to monitor its current policies and procedures to ensure compliance.

CURRENT STATUS: Resolved. No instances occurred during the current fiscal year under audit.



**SCHEDULES REQUIRED BY STATE LAW**  
**(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

\* A Professional Accounting Corporation

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

Mr. Shane Wright, Superintendent,  
and Members of the Sabine Parish School Board  
Many, Louisiana

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

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

The procedures and associated findings are as follows:

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

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

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

There were no exceptions noted.

**Class Size Characteristics (Schedule 2)**

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

There were no exceptions noted.

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

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

There were no exceptions noted.

**Public School Staff Data: Average Salaries (NO SCHEDULE)**

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

There were no exceptions noted.

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2023

SABINE PARISH SCHOOL BOARD  
Many, Louisiana

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

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

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

**Schedule 2 (Formerly Schedule 6) – Class Size Characteristics**

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

SABINE PARISH SCHOOL BOARD  
Many, Louisiana  
Schedule 1

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

**General Fund Instructional and Equipment Expenditures**

|                                                                                   |               |                      |
|-----------------------------------------------------------------------------------|---------------|----------------------|
| General fund instructional expenditures:                                          |               |                      |
| Teacher and student interaction activities:                                       |               |                      |
| Classroom teacher salaries                                                        | \$ 15,120,337 |                      |
| Other instructional staff salaries                                                | 1,746,767     |                      |
| Instructional staff employee benefits                                             | 8,595,172     |                      |
| Purchased professional and technical services                                     | 149,828       |                      |
| Instructional materials and supplies                                              | 924,574       |                      |
| Instructional equipment                                                           | <u>1,000</u>  |                      |
| Total teacher and student interaction activities                                  |               | \$ 26,537,678        |
| Other instructional activities:                                                   |               |                      |
|                                                                                   |               | 78,153               |
| Pupil support activities                                                          | 2,705,608     |                      |
| Less: Equipment for pupil support activities                                      | <u>-</u>      |                      |
| Net pupil support activities                                                      |               | 2,705,608            |
| Instructional staff services                                                      | 1,942,180     |                      |
| Less: Equipment for instructional staff services                                  | <u>-</u>      |                      |
| Net instructional staff services                                                  |               | 1,942,180            |
| School Administration                                                             | 3,043,564     |                      |
| Less: Equipment for school administration                                         | <u>-</u>      |                      |
| Net school administration                                                         |               | <u>3,043,564</u>     |
| Total general fund instructional expenditures                                     |               | <u>\$ 34,307,183</u> |
| Total general fund equipment expenditures (Object 730; Function series 1000-4000) |               | <u>\$ 1,401,105</u>  |

**Certain Local Revenue Sources**

|                                                                         |  |                      |
|-------------------------------------------------------------------------|--|----------------------|
| Local taxation revenue:                                                 |  |                      |
| Constitutional ad valorem taxes                                         |  | \$ 1,454,846         |
| Renewable ad valorem tax                                                |  | 5,018,742            |
| Debt service ad valorem tax                                             |  | 1,373,575            |
| Penalties/Interest ad valorem tax                                       |  | 6,116                |
| Up to 1% of collections by the Sheriff on taxes other than school taxes |  | 216,813              |
| Sales and use taxes                                                     |  | 16,836,949           |
| Penalties/Interest sales/use taxes                                      |  | <u>41,423</u>        |
| Total local taxation revenue                                            |  | <u>\$ 24,948,464</u> |
| Local earnings on investment in real property:                          |  |                      |
| Earnings from 16th section property                                     |  | \$ 13,446            |
| Earnings from other real property                                       |  | <u>47,572</u>        |
| Total local earnings on investment in real property                     |  | <u>\$ 61,018</u>     |
| State revenue in lieu of taxes:                                         |  |                      |
| Revenue sharing - constitutional tax                                    |  | \$ 35,394            |
| Revenue sharing - other taxes                                           |  | <u>120,606</u>       |
| Total state revenue in lieu of taxes                                    |  | <u>\$ 156,000</u>    |
| Nonpublic textbook revenue                                              |  | <u>\$ -</u>          |
| Nonpublic transportation revenue                                        |  | <u>\$ -</u>          |

SABINE PARISH SCHOOL BOARD  
 Many, Louisiana  
 Schedule 2

Class Size Characteristics  
 As of October 1, 2022

| School Type                      | Class Size Range |        |         |        |         |        |         |        |
|----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
|                                  | 1 - 20           |        | 21 - 26 |        | 27 - 33 |        | 34+     |        |
|                                  | Percent          | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary                       | 89%              | 273    | 5%      | 14     | 2%      | 5      | 4%      | 13     |
| Elementary Activity Classes      | 22%              | 5      | 26%     | 6      | 26%     | 6      | 26%     | 6      |
| Middle/Jr. High                  | 55%              | 54     | 43%     | 62     | 2%      | 9      | 0%      | -      |
| Middle/Jr. High Activity Classes | 64%              | 4      | 17%     | 2      | 8%      | 3      | 11%     | 7      |
| High                             | 89%              | 423    | 9%      | 44     | 2%      | 3      | 0%      | -      |
| High Activity Classes            | 94%              | 109    | 2%      | 11     | 4%      | 5      | 0%      | -      |
| Combination                      | 92%              | 1,000  | 7%      | 60     | 1%      | 12     | 0%      | 1      |
| Combination Activity Classes     | 90%              | 256    | 6%      | 10     | 4%      | 8      | 0%      | -      |

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

**Sabine Parish School Board**  
Many, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period July 1, 2022 through June 30, 2023

# KOLDER, SLAVEN & COMPANY, LLC

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

Mr. Shane Wright, Superintendent,  
Members of the Sabine Parish School Board  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Sabine Parish School Board's management is responsible for those C/C areas identified in the SAUPs.

Sabine Parish School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***1) Written Policies and Procedures***

- A. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii) ***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.
  - iii) ***Disbursements***, including processing, reviewing, and approving.



- iv) ***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).
- v) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix) ***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 document is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi) ***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.

**We performed the procedures and discussed the results with management.**

- xii) ***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.

## 2) *Board or Finance Committee*

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- A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii) For governmental entities, we obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative assigned fund balance in the general fund.
  - iv) 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.

## 3) *Bank Reconciliations*

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

#### 4) Collections (excluding electronic funds transfers)

---

- A. Obtained a listing of deposit\_sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtained a listing of collection\_locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
- i) Employees that are responsible for cash collections do not share cash drawers/registers.
  - ii) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - iii) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - iv) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
- i) Observed that receipts are sequentially pre-numbered.
  - ii) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii) Traced the deposit slip total to the actual deposit per the bank statement.

- iv) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v) Traced the actual deposit per the bank statement to the general ledger.

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

---

- A. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
  - i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - ii) At least two employees are involved in processing and approving payments to vendors.
  - iii) 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.
  - iv) 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.
  - v) 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.
- C. For each location selected under #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
  - i) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - ii) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved only by 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/or account for testing that does include electronic disbursements.

#### **6) Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

- A. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- i) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - ii) Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

#### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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

- i) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- ii) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii) Observed 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 #1A(vii.)
- iv) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

## **8) Contracts**

---

- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - i) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - ii) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - iii) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - iv) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

## **9) Payroll and Personnel**

---

- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

- B. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtained attendance records and leave documentation for the pay period, and:
  - i) Observed all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - ii) Observed whether supervisors approved the attendance and leave of the selected employees or officials.
  - iii) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - iv) Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or official's cumulative leave records, agreed the pay rates to the employee or official's authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.
- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

## ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i 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
  - ii 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.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R. S. 42:1170.

### ***11) Debt Service***

---

- A. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval, as required by Article VII, Section 8 of the Louisiana Constitution, was obtained for each debt instrument issued.
- B. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***12) Fraud Notice***

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- A. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed 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.
- B. Observed 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.

### ***13) Information Technology Disaster Recovery/ Business Continuity***

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- A. Performed the following procedures, **verbally discussed the results with management, and report "We performed the procedures and discussed the results with management."**
  - i) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.
  - ii) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/ verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
  - iii) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers



have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C.

Observe evidence that the selected terminated employees have been removed from or disabled from the network.

**We performed the procedures and discussed the results with management.**

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employee/officials from Payroll and Personnel procedures #9A, 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.
- B. 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).
- C. 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:
  - i) Number and percentage of public servants in the agency who have completed the training requirements.
  - ii) Number of sexual harassment complaints received by the agency.
  - iii) Number of complaints which resulted in a finding that sexual harassment occurred.
  - iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective actions, and
  - v) The amount of time it took to resolve each complaint.

## **Findings:**

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No exceptions were found as a result of applying procedures listed above except:

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

We obtained Sabine Parish School Board's written policies and procedures, and noted that they did not address the following:

- Contracting – legal review and monitoring process.
- Ethics – requirement that documentation is maintained to demonstrate that all employees and officials annually attest through signature verification that they have read the entity's ethics policy.
- Debt Service – EMMA reporting requirements, debt reserve requirements, and debt service requirements.
- Sexual Harassment – annual reporting.

### **Bank Reconciliation:**

One of five bank reconciliations tested did not have evidence of management researching outstanding items more than 12 months from statement date.

### **Collections:**

One out of ten cash collections tested was not deposited in a timely manner.

### **Disbursements:**

Five out of twenty-five disbursements tested contained only one signature, involved only one person, and did not contain evidence of segregation of duties.

### **Credit/ Debit/ Fuel Cards:**

One of five card statements tested included a finance charge.

One of thirty-two credit card transactions tested did not contain the business or public purpose of the purchase.

### **Sexual Harassment:**

The Sabine Parish School Board did not complete an annual sexual harassment report dated prior to February 1, 2023.

## **Management's Response:**

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The management of Sabine Parish School Board concurs with the exception and are working to address the deficiency identified.

We were engaged by Sabine 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 Sabine 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.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2023