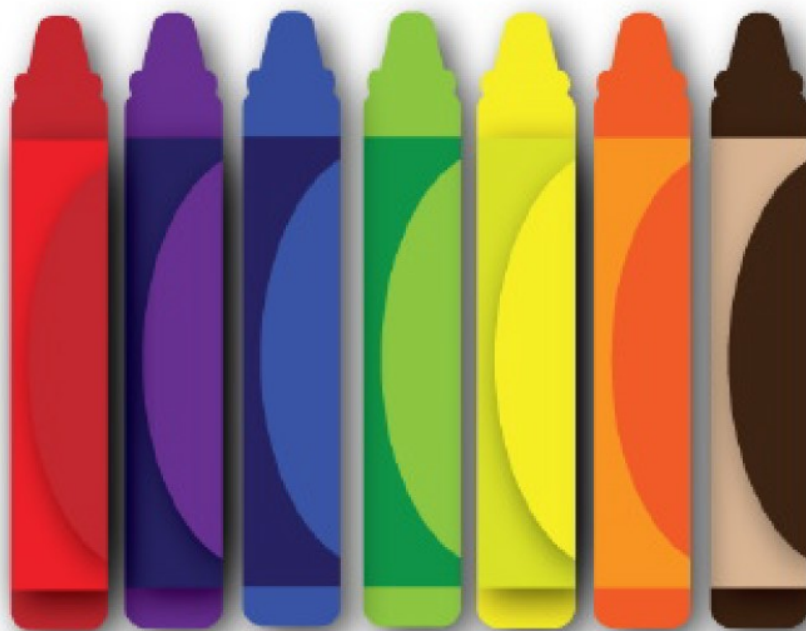


# **Union Parish School Board**

**Farmerville, Louisiana**



## **Annual Financial Report**

**As of and for the year ended June 30, 2022**





**Union Parish School Board  
Farmerville, Louisiana**

**Annual Financial Report  
As of and for the Year Ended June 30, 2022**



# Union Parish School Board

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(Retired) 1963 - 2000

## **Independent Auditor's Report**

Board Members  
Union Parish School Board  
Farmerville, Louisiana

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Union Parish School Board, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Union Parish School Board, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Downsville Community Charter, Inc., which represents 100% of the assets, net position, and revenues of the aggregate discretely presented component unit as of June 30, 2022. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Downsville Community Charter, Inc. is based solely on the report of the other auditor.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

### ***Emphasis of Matters***

As described in Note 19 to the financial statements, the School Board adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

As disclosed in Note 6 to the financial statements, the net pension liability for the School Board was \$10,703,632 at June 30, 2022, as determined by the Teachers' Retirement System, of Louisiana (TRSL), and Louisiana School Employees' Retirement System (LSERS). The related actuarial valuations were performed by TRSL's and LSERS's actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2022, could be under or overstated. Our opinion is not modified with respect to this matter.

As discussed in Note 7 to the financial statements, the other post-employment benefits (OPEB) Liability for the School Board was \$34,812,724 at June 30, 2022, related to its participation in a single-employer other post-employment benefit plan. The related actuarial valuations were performed by the School Board's actuary using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2022, could be under or overstated. Our opinion is not modified with respect to this matter.

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

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

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the Union Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 31, 2023



**REQUIRED SUPPLEMENTARY INFORMATION:**

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

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
Management's Discussion and Analysis  
June 30, 2022

We offer readers of the Union Parish School Board's financial statements this narrative overview and analysis of the financial activities of the Union Parish School Board for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. The audit report for Downsville Community Charter, Inc., a discretely presented component unit, may be obtained from the School Board.

**Financial Highlights**

Key financial highlights for the 2021-22 fiscal year include the following:

- Statement of Net Position – The Union Parish School Board's net position was \$(37,161,443) on June 30, 2022. Of this amount, \$(44,179,519) was an unrestricted deficit that was \$6.8 million less than the prior year. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations.
- Statement of Activities – The total net position of the Union Parish School Board increased by \$6,339,727 for the year ended June 30, 2022. This is a 17.1% increase from the last fiscal year and is due to increases in all revenue accounts along with decreases to all expenditure accounts.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the Union Parish School Board's governmental funds reported a combined ending fund balance of \$7,371,991, an increase of \$4,010,562 in comparison with the prior fiscal year. Part of this 19.3% increase is due to a \$1.9 million prior period adjustment to the General Fund. The remaining increases to the ending fund balances showed increases to of approximately (1) \$1.8 million for within the General Fund, (2) \$84,000 for in the School Food Service Fund, and (3) \$154,000 for the Debt Service Fund.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2022, for the governmental funds of the Union Parish School Board amounted to \$38,884,365. Approximately 95.2% of this amount is received from four major revenue sources: (1) \$13.3 million from State Source-Equalization, (2) \$9.0 million from local sales and use taxes, (3) \$5.7 million from local ad valorem taxes, and (4) \$9.0 million from Federal educational grants.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, fund balance for the General Fund, a major fund, was \$5,391,605, or 21.5% of total General Fund expenditures. Approximately \$2.9 million is committed for future claims and contingencies, equipment replacement, and specific projects, while \$2.4 million is unassigned and available for spending at the Board's discretion.
- Capital Assets – Total capital assets (net of depreciation) were \$43,889,905 or 79.6% of the total capital assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The Union Parish School Board's total debt decreased \$1,604,302 (4.0%) during the current fiscal year. The school system outstanding debt at June 30, 2022 includes General Obligation Bonds of \$35.3 million and Limited Tax Revenue Bonds of \$2.8 million. The primary reason for the decrease was the annual principal payments on all outstanding long-term debt issues.

**Overview of the Financial Statements**

The management discussion and analysis is intended to serve as an introduction to the Union Parish School Board's basic financial statements. The School Board's basic financial statements comprise three components: (1)

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
Management's Discussion and Analysis  
June 30, 2022

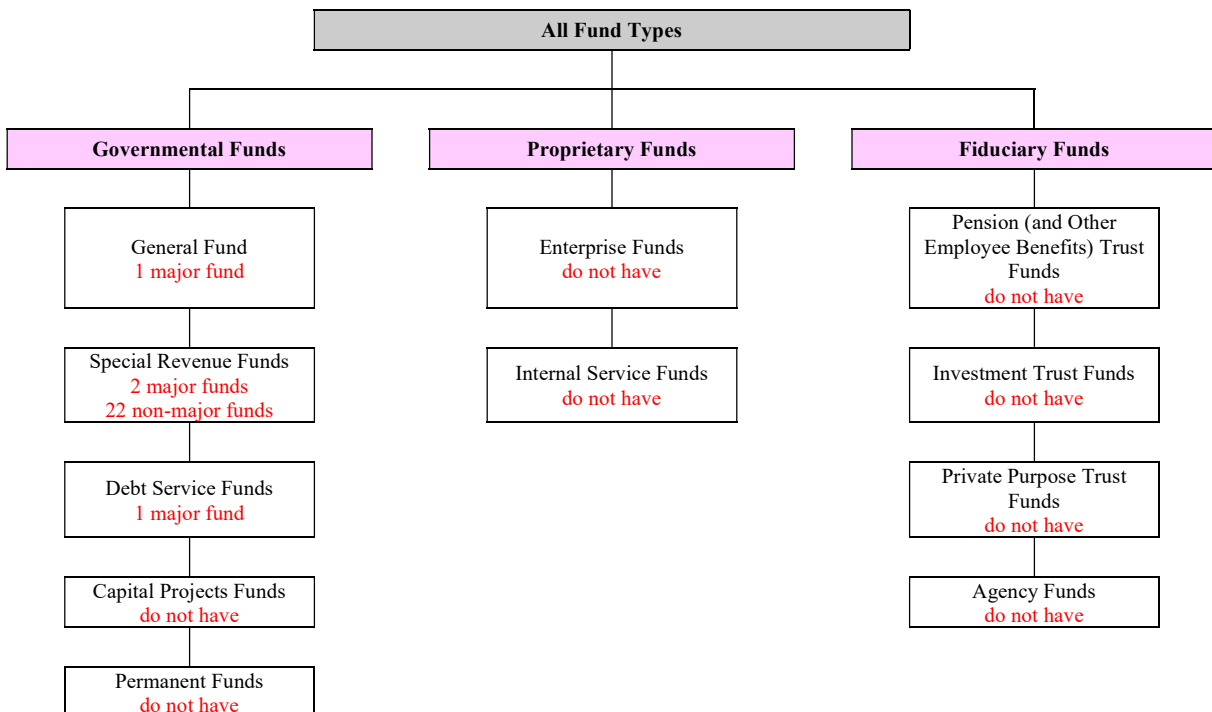
government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Union Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the Union Parish School Board are categorized in one of 11 fund types. Each fund type and the number of individual funds operated by the Union Parish School Board for FY 2021-22 are listed in the chart on the next page.



**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
Management's Discussion and Analysis  
June 30, 2022

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the (a) General Fund, (b) the 21<sup>st</sup> Century Fund, (c) the Equalization Stabilization Fund, and (d) the Debt Service Fund which are considered to be the only major funds. Data for the other 22 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Union Parish School Board adopts an annual appropriated budget for its General Fund and each individual Special Revenue Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

- *Proprietary fund.* The Union Parish School Board does not maintain any funds within the Proprietary Fund group.
- *Fiduciary funds.* The Union Parish School Board does not maintain any Fiduciary.

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

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

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Union Parish School Board, liabilities exceed assets by \$(37,161,443) at the close of the most recent fiscal year. Of this amount, \$(44,179,519) was an unrestricted deficit that was \$6.8 million less than the prior year as shown in the chart below.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
Management's Discussion and Analysis  
June 30, 2022

**Union Parish School Board**  
**Statement of Net Position**

	<u><b>June 30, 2022</b></u>	<u><b>June 30, 2021</b></u>
Other assets	\$ 10,470,475	\$ 6,056,003
Capital assets	43,889,905	45,824,649
Total assets	<u>\$ 54,360,380</u>	<u>\$ 51,880,652</u>
Deferred Outflows	<u>\$ 14,211,341</u>	<u>\$ 9,163,226</u>
Other liabilities	\$ 3,502,881	\$ 3,116,981
Long-term liabilities	84,696,520	90,939,155
Total liabilities	<u>\$ 88,199,401</u>	<u>\$ 94,056,136</u>
Deferred inflows of resources	<u>\$ 17,533,763</u>	<u>\$ 10,488,912</u>
Net position:		
Net investment in capital assets	\$ 5,482,439	\$ 5,812,881
Restricted	1,535,637	1,661,173
Unrestricted	<u>(44,179,519)</u>	<u>(50,975,224)</u>
Total net position	<u>\$ (37,161,443)</u>	<u>\$ (43,501,170)</u>

Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations.

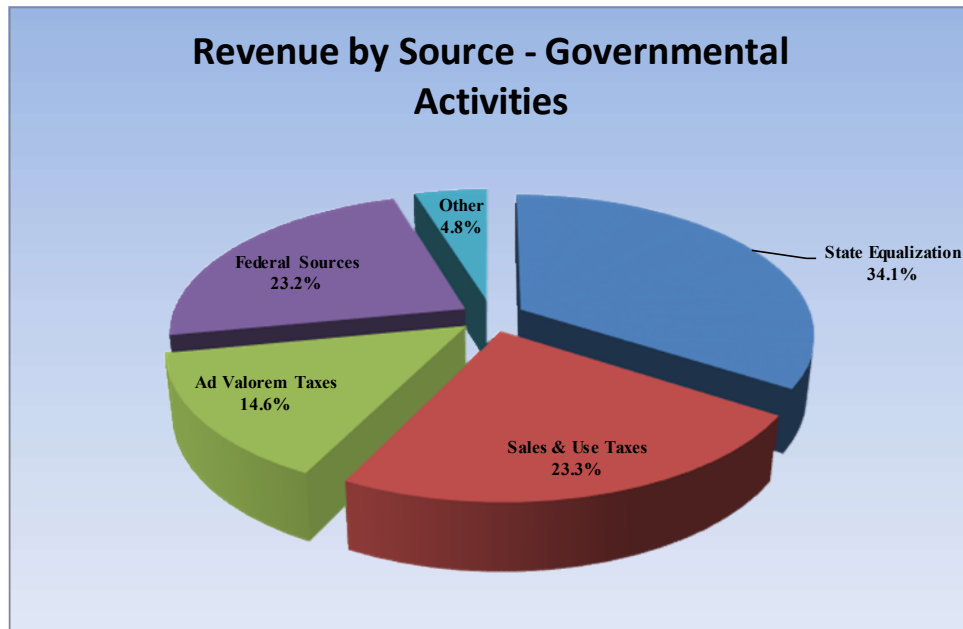
Governmental activities increased the Union Parish School Board's net assets by \$6,339,727 which was a 0.3% gain in the net position. Key elements of this increase are on the next page.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
Management's Discussion and Analysis  
June 30, 2022

**Union Parish School Board  
Statement of Activities**

	<u><b>June 30, 2022</b></u>	<u><b>June 30, 2021</b></u>	<u><b>Increase (Decrease)</b></u>
General Revenues:			
Ad valorem taxes	\$ 5,680,651	\$ 5,872,117	\$ (191,466)
Sales taxes	9,053,051	8,697,750	355,301
Minimum Foundation Program	13,256,462	13,515,572	(259,110)
State revenue sharing	69,288	69,825	(537)
Other grants	34,988	-	34,988
Interest and investment earnings	113,244	65,803	47,441
Miscellaneous	1,203,718	1,202,966	752
Program Revenues			
Charges for Services	2,591	30,112	(27,521)
Grants and Contributions	<u>9,447,018</u>	<u>6,047,567</u>	<u>3,399,451</u>
Total revenues	<u>\$ 38,861,011</u>	<u>\$ 35,501,712</u>	<u>\$ 3,359,299</u>
Expenses:			
Instruction:			
Regular programs	\$ 16,364,564	\$ 15,317,381	\$ 1,047,183
Special programs	1,765,446	1,500,281	265,165
Other instructional programs	3,311,566	2,808,586	502,980
Support services:			
Pupil support services	2,007,919	1,297,775	710,144
Instructional staff support services	1,467,598	1,164,036	303,562
General administration	920,510	974,292	(53,782)
School administration	746,831	769,646	(22,815)
Business services	563,511	380,026	183,485
Plant services	1,357,990	1,123,672	234,318
Student transportation services	2,699,990	2,453,064	246,926
Central services	149,393	177,305	(27,912)
Food services operations	1,059,101	1,144,218	(85,117)
Interest on long-term debt	<u>1,231,101</u>	<u>1,247,945</u>	<u>(16,844)</u>
Total expenses	<u>\$ 33,645,520</u>	<u>\$ 30,358,227</u>	<u>\$ 3,287,293</u>
Change in net position	5,215,491	5,143,485	72,006
Net position - beginning, as originally stated	(43,501,170)	(46,223,628)	2,722,458
Prior period adjustment	<u>1,124,236</u>	<u>(2,421,027)</u>	<u>3,545,263</u>
Net position - beginning, restated	<u>(42,376,934)</u>	<u>(48,644,655)</u>	<u>6,267,721</u>
Net position at end of year	<u>\$ (37,161,443)</u>	<u>\$ (43,501,170)</u>	<u>\$ 6,339,727</u>

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
Management's Discussion and Analysis  
June 30, 2022



**Revenues by Source – Governmental Activities**

- Minimum Foundation:** The largest source of revenue to the Union Parish School Board is “Minimum Foundation.” This money comes from the State of Louisiana through the distribution of approximately \$3.6 billion to all public and charter school systems and is commonly known as the MFP which helps pay for salaries and general operations. The State does not provide money for building schools or retiring debt. The distribution of the MFP is based on a formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature. The chart below lists the actual increases or decreases in the “Grants and Contributions Not Restricted to Specific Programs” for the past 3 years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>School Food Service Fund</u>	<u>Total</u>	<u>Percentage Increase or (Decrease)</u>
2019-20	\$ 13,864,446	\$ -	\$ 13,864,446	--
2020-21	13,500,218	15,354	13,515,572	-2.5%
2021-22	13,240,747	15,715	13,256,462	-1.9%

In FY 2021-22, the School Board received \$13,256,462 or 34.1% of its total revenues from the MFP. All of this was deposited into the General Fund except for \$15,715 that was given to the School Food Service Fund. A decrease of \$259,110 is largely due to drop in the number of students attending school in Union Parish.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana  
Management's Discussion and Analysis  
June 30, 2022

- **Sales and Use Tax Revenues:** Sales and use tax revenues are the second largest source of revenues for the Union Parish School Board. A 3% sales tax rate is levied upon the sale and consumption of goods and services within the parish for public school education. The chart below lists the sales and use tax revenues for the past 3 years.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>School Food Service Fund</b>	<b>Other Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Total Sales &amp; Use Tax Collections</b>	<b>Percentage Increase or (Decrease)</b>
2019-20	\$ 2,505,706	\$ -	\$ 5,011,412	\$ -	\$ 7,517,118	--
2020-21	8,195,260	222,228		280,262	8,697,750	15.7%
2021-22	8,766,739	0		286,312	9,053,051	4.1%

In FY 2021-22, the School Board deposited approximately \$9.1 million of sales and use tax revenues into the General Fund and Debt Service Fund. This represents 23.3% of the total revenues received. Total collections increased approximately 4.1% or \$355,301 in fiscal year 2021-22. Much of this increase is attributed to normal growth.

- **Ad Valorem Tax Revenues:** Ad valorem tax revenues, also called property tax revenues, are the third largest source of revenue for the School Board. Ad valorem collections are based upon the number of mills (approved annually by the School Board) and the taxable assessed value (established by the Union Parish Tax Assessor), subject to the limitations approved by the voters and the Louisiana Legislature. The chart below lists the ad valorem tax deposits for the past 3 years.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Debt Service Funds</b>	<b>Total Ad Valorem Taxes</b>	<b>Percentage Increase or (Decrease)</b>
2019-20	\$ 3,007,966	\$ 2,497,573	\$ 5,505,539	--
2020-21	3,008,006	2,864,111	5,872,117	6.7%
2021-22	2,869,869	2,810,782	5,680,651	-3.3%

In FY 2021-22, the School Board deposited \$5,680,651 of ad valorem tax revenues into the General Fund and Debt Service Fund. This represents 14.6% of the total revenues received and is a decrease of approximately \$191,400 from the prior fiscal year.

- **Federal Sources:** Federal educational grants received in FY 2021-22 exceeded \$9.0 million or 23.2% of total revenues and are the fourth largest source of revenues for the School Board. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost. The chart below shows these educational grants by funding source.

<b>Fiscal Year</b>	<b>Equalization Stabilization</b>	<b>Food Service</b>	<b>21st Century</b>	<b>Other Federal Grants</b>	<b>Total</b>	<b>Percentage Increase or (Decrease)</b>
2019-20	\$ 20,802	\$ 1,081,022	\$ 408,173	\$ 2,697,433	\$ 4,207,430	--
2020-21	1,593,387	1,096,669	437,485	2,431,804	5,559,345	32.1%
2021-22	3,409,934	1,499,075	1,133,280	2,982,658	9,024,947	62.3%



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In FY 2021-22, the School Board received a 62.3% increase or \$3,465,602 from the prior fiscal year. The majority (37.8%) or \$3.4 million is accounted for in the Equalization Stabilization Fund because of the COVID-19 Pandemic. Additional Federal grants dollars are received for School Food Service Fund at \$1.5 million (16.6%), 21<sup>st</sup> Century Fund at \$1.1 million (12.6%), and 22 other Federal grants totaling \$2.9 million dollars.

**Expenses and Program Revenues – Governmental Activities**

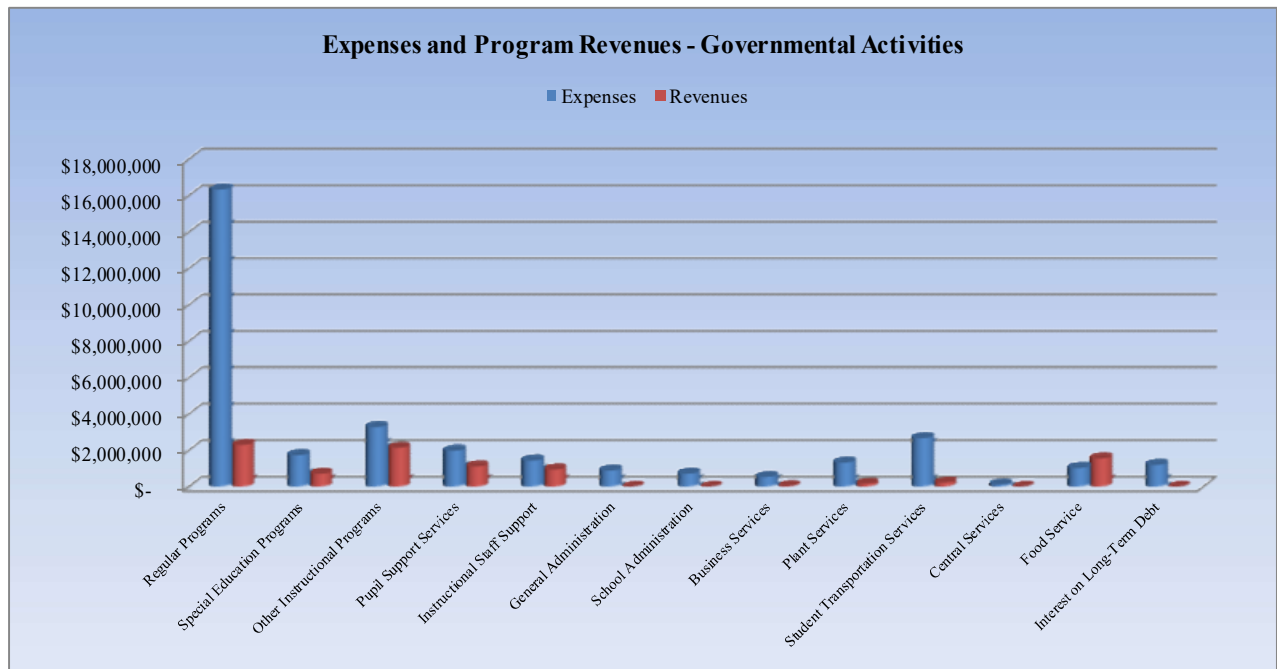
Program expenses and program revenues for governmental activities are classified by functions/programs as shown in the table and bar graph below. Program revenues are comprised of (1) specific charges for the services, and (2) operating grants and contributions.

**Union Parish School Board**  
**Expenses and Program Revenues - Governmental Activities**

	<b>June 30, 2022</b>		<b>June 30, 2021</b>	
	<b>Program Expenses</b>	<b>Program Revenues</b>	<b>Program Expenses</b>	<b>Program Revenues</b>
Regular Programs	\$ 16,364,564	\$ 2,326,773	\$ 15,317,381	\$ 621,275
Special Education Programs	1,765,446	738,722	1,500,281	365,160
Other Instructional Programs	3,311,566	2,169,973	2,808,586	2,227,027
Pupil Support Services	2,007,919	1,143,789	1,297,775	480,209
Instructional Staff Support	1,467,598	973,197	1,164,036	634,915
General Administration	920,510	1,912	974,292	179,035
School Administration	746,831	2,435	769,646	33,509
Business Services	563,511	50,366	380,026	80,264
Plant Services	1,357,990	197,633	1,123,672	144,568
Student Transportation Services	2,699,990	263,265	2,453,064	7,631
Central Services	149,393	-	177,305	177,305
Food Service	1,059,101	1,581,544	1,144,218	1,126,781
Interest on Long-Term Debt	1,231,101	-	1,247,945	-
<u>Total Primary Government</u>	<u>\$ 33,645,520</u>	<u>\$ 9,449,609</u>	<u>\$ 30,358,227</u>	<u>\$ 6,077,679</u>
Downsville Community Charter School	4,707,447	1,146,805	4,436,638	567,905
<u>Total Governmental Activities</u>	<u>\$ 38,352,967</u>	<u>\$ 10,596,414</u>	<u>\$ 34,794,865</u>	<u>\$ 6,645,584</u>

For the fiscal year that ended June 30, 2022, total program expenses of approximately \$38.5 million exceeded total program revenues of approximately \$10.6 million. These net program expenses of \$27,756,553 were funded with other revenues sources of the School Board. The two programs that receive the most revenue are Regular Programs and Other Instructional Programs.

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- **Instruction:** Expenses for regular programs, special education programs, and other instructional programs are considered instruction services that are provided to kindergarten thru 12<sup>th</sup> grade students. Instruction services for the fiscal year 2021-22 totaled more than \$21.4 million or 55.9% of total governmental activities.

<u>Fiscal Year</u>	<u>Regular Programs</u>	<u>Special Education Programs</u>	<u>Other Instructional Programs</u>	<u>Instruction Total</u>	<u>Increase (Decrease)</u>
2019-20	\$ 14,514,722	\$ 1,394,184	\$ 2,642,695	\$ 18,551,601	--
2020-21	15,317,381	1,500,281	2,808,586	19,626,248	5.8%
2021-22	16,364,564	1,765,446	3,311,566	21,441,576	9.2%

As shown in the chart above, instruction services increased approximately \$1.8 million. The majority of the increase for FY 2021-22 can be associated with a state pay raise for teachers and support workers.

- **Support Services:** Support Services relate to those functions that facilitate the Instructional Services. Support services include Pupil Support, Instructional Staff Support, General Administration, School Administration, Business Services, Plant Services, Transportation Services, and Central Services. Support services for the fiscal year 2021-22 totaled approximately \$9.9 million or 25.8% of total governmental activities.

<u>Fiscal Year</u>	<u>Instructional Staff Support</u>	<u>Plant Services</u>	<u>Student Transportation</u>	<u>Other</u>	<u>Total Support Services</u>	<u>Increase (Decrease)</u>
2019-20	\$ 1,255,639	\$ 1,100,882	\$ 2,515,721	\$ 3,870,424	\$ 8,742,666	--
2020-21	1,164,036	1,123,672	2,453,064	3,599,044	8,339,816	-4.6%
2021-22	1,467,598	1,357,990	2,699,990	4,388,164	9,913,742	18.9%

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The chart above shows that Support Services increased \$1,573,926 from the prior fiscal year. The majority of the increase for FY 2021-22 can be associated with a state pay raise for administrators, custodians, maintenance workers, bus drivers, food service workers, etc.

- **Non-Instructional Services:** Activities concerned with providing non-instructional services to students, staff or the communities are defined as Non-Instructional Services. The only services provided by the Union Parish School Board for this category is Food Service Operations. For fiscal year 2021-22, total expenditures were exceeded \$1.0 million or 2.8% of total governmental activities.

<b><u>Fiscal Year</u></b>	<b><u>Food Services</u></b>	<b><u>Increase (Decrease)</u></b>
2019-20	\$ 1,330,445	--
2020-21	1,144,218	-14.0%
2021-22	1,059,101	-7.4%

The chart above shows that Non-Instructional Services decreased \$85,117 or 7.4% from the prior fiscal year. The majority of the decrease for FY 2021-22 can be associated with a reduction in meals served because of lower student enrollment.

- **Debt Service – Interest on Long-term Obligations:** The remaining \$1,059,101 (3.2%) of total governmental activities consists of interest expense on long-term obligations.

<b><u>Fiscal Year</u></b>	<b><u>Interest and Other Charges</u></b>	<b><u>Increase (Decrease)</u></b>
2019-20	\$ 1,499,954	--
2020-21	1,247,945	-16.8%
2021-22	1,231,101	-1.3%

Debt Service expenditures decreased \$16,844. There is no significant reason for the decrease. The final long-term debt payment will occur in fiscal year 2035-36 unless additional debt is issued.

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

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

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

- As of the close of the current fiscal year, the Union Parish School Board's governmental funds reported a combined ending fund balance of \$7,371,991, an increase of \$4,010,562 in comparison with the prior fiscal year as shown in the chart below.

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	<b>Ending Balance at 6/30/2022</b>	<b>Ending Balance at 6/30/2021</b>	<b>Increase or (Decrease) from prior fiscal year</b>	
<b><u>Major Funds</u></b>			<b><u>Amount</u></b>	<b><u>Percent</u></b>
General Fund	\$ 5,391,605	\$ 1,647,787	\$ 3,743,818	227.2%
Debt Service Fund	1,176,402	1,022,675	153,727	15.0%
<b><u>Nonmajor Governmental Funds</u></b>				
Special Revenue Fund				
School Food Service Fund	529,237	445,547	83,690	18.8%
Student Activity Funds	<u>274,747</u>	<u>245,420</u>	<u>29,327</u>	<u>11.9%</u>
Total Governmental Funds	\$ 7,371,991	\$ 3,361,429	\$ 4,010,562	

The General Fund is the only fund required by Board policy to have a minimum reserve level that are intended to provide the School Board with options when responding to unexpected issues and to afford a buffer against shocks and other forms of risk. The six most important purposes of these reserve policies are to help (1) plan for contingencies and unforeseen events, (2) maintain good standing with rating agencies, (3) avoid interest expense, (4) generate investment income, (5) ensure cash availability when revenue is unavailable, and (6) create a better working relationship between the School Board and staff. The key factors of the reserve levels for governmental funds are described as follows:

- **General Fund** – A minimum reserve levels of 15% of total General Fund expenditures was achieved by the school system in FY 2021-22. When comparing the ending fund balance of approximately \$5.4 million to total expenditures of \$25.0 million, the actual percent was 21.5%.

<b>General Fund Reserve Designation</b>	<b>Ending Fund Balance 6/30/2022</b>	<b>Total Expenditures FY 2021-22</b>	<b>% of Ending Fund Balance to Expenditures</b>
Nonspendable	\$ 120,305		
Committed			
Property & Casualty Reserve	125,000		
Severance Pay Reserve	386,349		
General Liability Reserve	250,000		
Catastrophic Reserve	2,139,995		
<b><u>Undesignated Fund Balance</u></b>	<b><u>2,369,956</u></b>		
Total	\$ 5,391,605	\$ 25,040,986	21.5%

- **Special Revenue Funds** – The Board has 2 major funds and 22 non-major Special Revenue Funds that are restricted or committed for specific purposes. All of the funds, except for School Food Service Fund and Student Activity Funds shown below, are grants from the Federal Government that will not carry a beginning or ending fund balance. The School Food Service Fund nor the Student Activity Fund has a Board mandating a minimum reserve.

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<b>Special Revenue Fund Reserve Designation</b>	<b>Ending Fund Balance 6/30/2022</b>	<b>Ending Fund Balance 6/30/2021</b>	<b>Percentage Increase or (Decrease)</b>
School Food Service Fund			
Nonspendable	\$ 40,352	\$ 17,858	126.0%
Restricted Fund Balance	488,885	427,689	14.3%
Student Activity Fund			
<u>Restricted Fund Balance</u>	<u>274,747</u>	<u>245,420</u>	11.9%
Total	\$ 803,984	\$ 690,967	

The School Food Service Fund and Student Activity Fund grew 14.3% and 11.9% respectively at June 30, 2022. The non-spendable portion of the School Food Service Fund Balance of \$40,352 is directly tied to the inventory of food. The restricted fund balances can be used for future expenditures for all food service programs or student activities.

- Debt Service Fund – The Debt Service Fund is used to accumulate monies for the payment of all outstanding bond issues. A separate Debt Service Fund is set up each time a tax proposition for school construction is approved by the voters; therefore, the Board maintains two individual Debt Service Funds. The Board does not require the reserve levels for all outstanding issues. The chart below shows all funds with outstanding bond issues and their reserve percentages.

<b>Debt Service Fund Reserve Designation</b>	<b>Ending Fund Balance 6/30/2022</b>	<b>Average Annual Debt Service Payments</b>	<b>% of Ending Fund Balance to Average Annual Service Payments</b>
General Obligation Bonds	\$ 1,032,098	\$ 1,361,499	75.8%
Limited Tax Revenue Bonds			
<u>Total Restricted Fund Balance</u>	<u>144,304</u>	<u>129,721</u>	111.2%
Total	\$ 1,176,402	\$ 1,491,220	

The Debt Service has a total restricted fund balance exceeding \$1.1 million at June 30, 2022 that is used to pay outstanding principal and interest payments on long-term debt. Both outstanding issues have sufficient money in reserve to meet any unexpected drop in property or sales and uses taxes.

### General Fund Budgetary Highlights

The original 2021-22 fiscal year operating budget for the School Board was adopted on September 13, 2021, and the final budget amendment was adopted on September 12, 2022. Differences between the original budget, the final amended budget, and the actual results of the General Fund are as follows:

#### Revenues

- The original budget of \$2.7 million for Ad Valorem Tax collections was based on a projected taxable assessed value of \$146.0 million, a millage rate of 18.55 mills, and a collection rate of 99.3%. The budget was changed to \$2.9 million because the actual taxable assessed value increased to \$151.0 million, the millage rate did not change, and the collection decreased to 95.7%. There was approximately \$222,400 greater than the final budget.

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- The beginning budget for Sales and Use Tax revenues were expected to reach \$9,017,100 for the year based on estimates from the Lincoln Parish Sales and Use Tax Commission since they collected these taxes for Union Parish. The budget decreased \$349,719 to \$8.7 million. There is no significant reason for the decrease.
- State Equalization revenues were originally forecasted to exceed \$13.4 million in FY 2021-22. The staff used an estimated weighted student rate of \$7,192 and an estimated October 1<sup>st</sup> student count of 1,858. Even though the State of Louisiana added money to the State Equalization to fund a teacher and support staff pay increase, the loss of 58 students reduced the final estimate \$121,514.

**Expenditures**

- Budgeted expenditures for regular programs increased \$10,750,917 to \$14,700,510 because of (1) a state pay raise for teachers and paraprofessional, (2) reclassification of retiree health care benefits, (3) reclassification of workmen's compensation insurance, and (4) an increase of fund for the Downs ville Community Charter School.
- The budget for special education programs decreased \$51,434 after reclassifying expenditures to Support Services.

Other Instructional Program increase \$100,151 because of state pay raises to teachers and paraprofessionals and increases in state educational grants.

**Other Financing Sources / Uses**

- A budget decrease of \$116,222 for Other Financing Sources is due to reductions in indirect cost reimbursement from federal grants accounted for in the Special Revenue Fund.
- The budget decrease for Other Uses of Funds of approximately \$10.2 to correct a budget error.

**Net Change in Fund Balance**

- The original and final budget projected a surplus exceeding \$300,000. This was increased to approximately \$681,600 to cover a portion of the actual ending fund balance from the prior year.

**Capital Assets and Debt Administration**

Capital Assets: The Union Parish School Board's investment in capital assets as of June 30, 2022 exceeded \$43.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of each fiscal year.

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**Union Parish School Board's Capital Assets  
(Net of Depreciation)**

	<u><b>2022</b></u>	<u><b>2021</b></u>
Land	\$ 372,524	\$ 372,524
Buildings, building improvements, and land improvements	42,162,872	43,301,970
Furniture, equipment, and vehicles	<u>1,354,509</u>	<u>1,373,758</u>
Total	<u>\$ 43,889,905</u>	<u>\$ 45,048,252</u>

No major capital asset events occurred during the fiscal year.

Long-Term Debt: At the end of the current fiscal year, the Union Parish School Board had total bonded debt outstanding exceeding \$38.4 million. Of this amount, the General Obligation Bonds that totaled \$35,300,000 are backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2022 for the past two fiscal years.

**Union Parish School Board's Outstanding Debt**

	<u><b>2022</b></u>	<u><b>2021</b></u>
General Obligation Bonds	\$ 35,305,000	\$ 36,730,000
Limited Tax Revenue Bonds	2,835,000	2,995,000
Premium on Bonds	<u>267,466</u>	<u>286,768</u>
Total	<u>\$ 38,407,466</u>	<u>\$ 40,011,768</u>

Long-term debt issues for fiscal year 2021-22 include the following:

- Principal and interest payments were made during the fiscal year that reduced the total outstanding debt by \$1,604,302.
- As of June 30, 2022, the Union Parish School Board's outstanding general obligation bonds for the Union Parish School Board stands at approximately \$35.3 million or 53.7% of that total.

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

Listed below are several economic factors that will alter the original budget for FY 2022-23.

- Information from the Union Parish Tax Assessor shows the taxable values of property tax assessments will increase 1.9% from \$151.0 million to \$154.0 million. Because of this increased assessment, total ad valorem collections are expected to increase General Fund revenues approximately \$51,500.
- The original budget for Sales & Use Tax revenues showed total collections for all funds at \$8.8 million. After looking at the first six months of the new fiscal year since July 2022, monthly collections have increased 7.7% over the same 6 month period for the previous fiscal year. If that trend continues, collections continue increase anywhere from \$9.7 million to \$10.1.

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- The original budget that was approved in September 2022 used a budget estimate for the Minimum Foundation Program (MFP) revenues at approximately \$13.7 million. No change is anticipated at this time.
- As shown in the chart below, a General Fund budget revision is projected to have a surplus of approximately \$40,400 at the end of fiscal year 2022-23. These changes would keep the General Fund – Ending Fund Balance at 20.9% of the total General Fund expenditures which meets the 15% minimum balance requirement mandated by School Board Policy.

<b>General Fund Budget Summary FY 2022-23</b>	
Revenues	\$ 25,280,591
Expenditures	<u>26,012,974</u>
Other Sources of Funds	772,852
Other Uses of Funds	<u>-</u>
Net Changes in Fund Balance	40,469
Beginning Fund Balance	\$ 5,388,908
Ending Fund Balance	\$ 5,429,377

**Requests for Information**

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



**BASIC FINANCIAL STATEMENTS:**

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

**UNION PARISH SCHOOL BOARD**

**STATEMENT OF NET POSITION**  
**June 30, 2022**

	<b>PRIMARY GOVERNMENT</b>	<b>Statement A COMPONENT UNIT</b>
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>DOWNSVILLE COMMUNITY CHARTER, INC.</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,426,160	\$ 575,238
Restricted cash	-	98,706
Receivables	4,883,658	1,223,736
Inventory	40,352	-
Prepaid items	120,305	-
Due from primary government	-	501,370
Capital assets:		
Land and construction in progress	372,524	-
Depreciable assets, net of depreciation	43,517,381	710,994
<b>TOTAL ASSETS</b>	<b>54,360,380</b>	<b>3,110,044</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to OPEB	10,327,430	-
Deferred outflows related to pensions	3,883,911	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>14,211,341</b>	<b>-</b>
<b>LIABILITIES</b>		
Accounts, salaries and other payables	3,098,484	471,439
Unearned revenue	-	2,500
Interest payable	404,397	-
Long-term liabilities:		
Long-term debt due within one year:		
Bonds, leases, claims, compensated absences	2,452,698	4,957
Long-term debt due within more than one year:		
Bonds, leases, claims, compensated absences	36,727,466	68,839
OPEB liability	34,812,724	-
Net pension liability	10,703,632	-
<b>TOTAL LIABILITIES</b>	<b>88,199,401</b>	<b>547,735</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to OPEB	8,767,302	-
Deferred inflows related to pensions	8,766,461	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>17,533,763</b>	<b>-</b>
<b>NET POSITION</b>		
Net investment in capital assets	5,482,439	710,994
Restricted for:		
School Food Service	488,885	-
Student activity funds	274,747	98,706
Debt service	772,005	-
Unrestricted	(44,179,519)	1,752,609
<b>TOTAL NET POSITION</b>	<b>\$ (37,161,443)</b>	<b>\$ 2,562,309</b>

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

# UNION PARISH SCHOOL BOARD

## STATEMENT OF ACTIVITIES For the Year Ended June 30, 2022

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT	COMPONENT UNIT
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 16,364,564	\$ -	\$ 2,326,773	\$ (14,037,791)	\$ -
Special education programs	1,765,446	-	738,722	(1,026,724)	-
Other instructional programs	3,311,566	-	2,169,973	(1,141,593)	-
Support services:					
Pupil support	2,007,919	-	1,143,789	(864,130)	-
Instructional staff support	1,467,598	-	973,197	(494,401)	-
General administration	920,510	-	1,912	(918,598)	-
School administration	746,831	-	2,435	(744,396)	-
Business services	563,511	-	50,366	(513,145)	-
Plant services	1,357,990	-	197,633	(1,160,357)	-
Student transportation services	2,699,990	-	263,265	(2,436,725)	-
Central services	149,393	-	-	(149,393)	-
Food services	1,059,101	2,591	1,578,953	522,443	-
Interest on long-term debt	1,231,101	-	-	(1,231,101)	-
Total Primary Government	33,645,520	2,591	9,447,018	(24,195,911)	-
Component Unit					
Downsville Community Charter, Inc.	\$ 4,707,447	\$ 2,605	\$ 1,144,200	-	(3,560,642)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				2,869,869	-
Property taxes, levied for debt services				2,810,782	-
Sales taxes, levied for general purposes				9,053,051	-
Grants and contributions not restricted to specific programs					
Minimum Foundation Program				13,256,462	4,271,719
State revenue sharing				69,288	-
Other grants				34,988	-
Interest and investment earnings				113,244	275
Miscellaneous				1,203,718	113,253
Total general revenues				29,411,402	4,385,247
Changes in net position				5,215,491	824,605
Net position - beginning, as originally stated				(43,501,170)	1,737,704
Prior period adjustment				1,124,236	-
Net position - beginning, as restated				(42,376,934)	1,737,704
Net position - ending				\$ (37,161,443)	\$ 2,562,309

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

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**BASIC FINANCIAL STATEMENTS:**

**FUND FINANCIAL STATEMENTS (FFS)**

**UNION PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS**

**Balance Sheet**

**June 30, 2022**

	<b>GENERAL</b>	<b>21st CENTURY</b>	<b>EDUCATION STABILIZATION</b>	<b>DEBT SERVICE</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,688,064	\$ -	\$ -	\$ 784,042
Receivables	726,650	566,466	2,482,697	-
Interfund receivables	3,484,739	-	-	392,360
Inventory	-	-	-	-
Prepaid items	120,305	-	-	-
<b>TOTAL ASSETS</b>	<b>8,019,758</b>	<b>566,466</b>	<b>2,482,697</b>	<b>1,176,402</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	2,235,793	5,183	552,590	-
Interfund payables	392,360	561,283	1,930,107	-
<b>TOTAL LIABILITIES</b>	<b>2,628,153</b>	<b>566,466</b>	<b>2,482,697</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Nonspendable	120,305	-	-	-
Restricted	-	-	-	1,176,402
Committed	2,901,344	-	-	-
Unassigned	2,369,956	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>5,391,605</b>	<b>-</b>	<b>-</b>	<b>1,176,402</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,019,758</b>	<b>\$ 566,466</b>	<b>\$ 2,482,697</b>	<b>\$ 1,176,402</b>

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

**Statement C**

<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 954,054	\$ 5,426,160
1,107,845	4,883,658
-	3,877,099
40,352	40,352
-	120,305
<u>2,102,251</u>	<u>14,347,574</u>
304,918	3,098,484
993,349	3,877,099
<u>1,298,267</u>	<u>6,975,583</u>
40,352	160,657
763,632	1,940,034
-	2,901,344
-	2,369,956
<u>803,984</u>	<u>7,371,991</u>
<u>\$ 2,102,251</u>	<u>\$ 14,347,574</u>

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# UNION PARISH SCHOOL BOARD

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2022

### Statement D

Total fund balances - governmental funds	\$	7,371,991
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$	55,159,258	
Accumulated depreciation		<u>(11,269,353)</u>	43,889,905

Deferred outflows/inflows related to pensions and OPEB are not due and payable in the current period and accordingly are not reported in the fund financial statements.

Deferred outflows related to pensions	3,883,911
Deferred outflows related to OPEB	10,327,430
Deferred inflows related to pensions	(8,766,461)
Deferred inflows related to OPEB	(8,767,302)

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

Balances at June 30, 2022 are:

Long-term liabilities		
Bonds payable	(38,140,000)	
Premium on bonds	(267,466)	
Compensated absences payable	(772,698)	
Net pension liability	(10,703,632)	
OPEB liability	(34,812,724)	
Interest payable	<u>(404,397)</u>	<u>(85,100,917)</u>

Net Position - Governmental Activities	\$	<u><u>(37,161,443)</u></u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

# **UNION PARISH SCHOOL BOARD**

## **GOVERNMENTAL FUNDS Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2022**

	<b>GENERAL</b>	<b>21st CENTURY</b>	<b>EDUCATION STABILIZATION</b>	<b>DEBT SERVICE</b>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 2,869,869	\$ -	\$ -	\$ 2,810,782
Sales and use	8,766,739	-	-	286,312
Interest earnings	103,630	-	-	1,402
Food service	-	-	-	-
Other	651,105	-	-	-
State sources:				
Minimum Foundation Program	13,240,747	-	-	-
Other	526,347	-	-	-
Federal sources	-	1,133,280	3,409,934	-
<b>TOTAL REVENUES</b>	<b>26,158,437</b>	<b>1,133,280</b>	<b>3,409,934</b>	<b>3,098,496</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	14,523,810	-	1,898,412	-
Special education programs	1,276,997	-	105,226	-
Other instructional programs	1,384,839	-	341,443	-
Support services:				
Pupil support	1,246,551	1,000,013	-	-
Instructional staff support	715,002	-	121,989	-
General administration	857,725	-	1,912	91,356
School administration	863,002	-	2,435	-
Business services	563,719	-	-	-
Plant services	1,148,386	10,188	128,738	-
Student transportation services	2,285,748	30,956	232,309	-
Central services	174,657	-	-	-
Food services	-	-	79,878	-
Facilities acquisition & construction	550	-	56,139	-
Debt service:				
Principal retirement	-	-	-	1,585,000
Interest and bank charges	-	-	-	1,268,413
<b>TOTAL EXPENDITURES</b>	<b>25,040,986</b>	<b>1,041,157</b>	<b>2,968,481</b>	<b>2,944,769</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,117,451</b>	<b>\$ 92,123</b>	<b>\$ 441,453</b>	<b>\$ 153,727</b>

**Statement E**

<b>NONMAJOR GOVERNMENTAL</b>	<b>TOTAL</b>
\$ -	\$ 5,680,651
-	9,053,051
8,212	113,244
2,591	2,591
575,967	1,227,072
15,715	13,256,462
-	526,347
4,481,733	9,024,947
<hr/>	<hr/>
5,084,218	38,884,365
<hr/>	<hr/>
804	16,423,026
572,415	1,954,638
1,813,551	3,539,833
51,653	2,298,217
845,783	1,682,774
-	950,993
-	865,437
50,366	614,085
2,568	1,289,880
-	2,549,013
-	174,657
1,441,903	1,521,781
-	56,689
-	1,585,000
-	1,268,413
<hr/>	<hr/>
4,779,043	36,774,436
<hr/>	<hr/>
\$ 305,175	\$ 2,109,929
<hr/>	<hr/>

(CONTINUED)

**UNION PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2022**

	<u>GENERAL</u>	<u>21st CENTURY</u>	<u>EDUCATION STABILIZATION</u>	<u>DEBT SERVICE</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 725,734	\$ -	\$ -	\$ -
Transfers out	<u>-</u>	<u>(92,123)</u>	<u>(441,453)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>725,734</u>	<u>(92,123)</u>	<u>(441,453)</u>	<u>-</u>
Net Change in Fund Balances	<u>1,843,185</u>	<u>-</u>	<u>-</u>	<u>153,727</u>
FUND BALANCES - BEGINNING, AS ORIGINALLY STATED	1,647,787	-	-	1,022,675
Prior period adjustment	<u>1,900,633</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - BEGINNING, AS RESTATED	<u>3,548,420</u>	<u>-</u>	<u>-</u>	<u>1,022,675</u>
FUND BALANCES - ENDING	<u><u>\$ 5,391,605</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,176,402</u></u>

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

**Statement E**

<b><u>NONMAJOR GOVERNMENTAL</u></b>	<b><u>TOTAL</u></b>
\$           - <u>(192,158)</u>	\$       725,734 <u>(725,734)</u>
<u>(192,158)</u>	<u>-</u>
<u>113,017</u>	<u>2,109,929</u>
690,967	3,361,429
<u>-</u>	<u>1,900,633</u>
<u>690,967</u>	<u>5,262,062</u>
<u><u>\$       803,984</u></u>	<u><u>\$       7,371,991</u></u>

(CONCLUDED)

# UNION PARISH SCHOOL BOARD

## GOVERNMENTAL FUNDS

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Year Ended June 30, 2022

#### Statement F

Total net change in fund balances - governmental funds \$ 2,109,929

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	\$ (1,473,633)	
Capital outlays	338,640	
Loss on disposal of capital assets	(23,354)	(1,158,347)

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

Repayment of bond debt	1,585,000
------------------------	-----------

Bond premiums are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, bond premiums increase long-term debt and are amortized over the life of the bonds.

Amortization of bond premiums	19,302
-------------------------------	--------

In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned was less than amounts used.

	108,806
--	---------

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.

	3,434,868
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The decrease in the OPEB liability, deferred inflows, and deferred outflows is reported in the Statement of Activities and does not require the use of current financial resources so it is not reported as expenditures in governmental funds.

	(902,077)
--	-----------

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

	18,010
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Change in net position of governmental activities

\$	5,215,491
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

The School Board operates two schools within the parish with a total enrollment of approximately 1,442 pupils which does not include the enrollment of Downsville Community Charter, Inc. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

Downsville Community Charter, Inc. is included in the reporting entity because it is fiscally dependent on the school system for much of its revenue. Minimum Foundation Programs funds of \$4,193,872 were passed through to Downsville Community Charter, Inc. during the year ended June 30, 2022. The School Board has the authority to revoke the charter and exclusion would cause the reporting entity's financial statements to be incomplete. Downsville Community Charter, Inc. was established as a 501(c)(3) not-for-profit organization to operate Downsville Community Charter School. As such, it follows the guidance of the Financial Accounting Standards Board (FASB). Copies of the audit report may be obtained from the School Board.

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

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

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

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



**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**Education Stabilization** This fund accounts for federal sources funded by the CARES Act and American Rescue Plan to assist the School Board in meeting the challenges in providing educational services as a results of the COVID-19 pandemic.

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

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

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

**Fund Financial Statements (FFS)**

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

**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

**Revenues**

**Ad valorem and sales taxes** are susceptible to accrual.

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

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

**Expenditures**

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

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

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

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

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

**G. INVENTORY AND PREPAID ITEMS** Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when

**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

consumed; however, all inventory items are recorded as expenditures when purchased. Unused commodities at June 30 are reported as unearned revenues. All purchased inventory items are valued at cost using first in, first out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

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

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

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

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

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

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

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

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

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

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The School Board uses this approach. The School Board accrues those employees that have a minimum experience of 10 years.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

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

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

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

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

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

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

**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

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

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

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

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

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

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

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

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

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

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

On January 20, 2001, the voter of Union Parish approved a one percent sales and use tax to be collected within Union Parish to be used 85% for paying salaries and benefits of teachers and other school employees and 15% to be

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used for constructing, improving, maintaining, and operating public schools, including authority to fund a portion of the sales tax into bonds. The tax is for an indefinite period of time.

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

## **Q. BUDGETS**

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

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

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

Appropriations (unexpended budget balances) lapse at year end.

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

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

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

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

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

Property Tax Calendar

Levy date	August 9, 2021
Tax bills mailed	October 21, 2021
Due date	December 31, 2021
Lien date	May 7, 2022
Tax sale date - 2021 delinquent property	June 3, 2022

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2020. Total assessed value was \$187,791,815 in calendar year 2021. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$36,723,496 of the assessed value in calendar year 2021.

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

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

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2021 property taxes occurs in December, and January and February of the next year.

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

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

	Adjusted Maximum Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	3.55	3.55	Statutory
Maintenance and operations	15.00	15.00	2022
Debt Service	Variable	19.00	2034

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

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

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

**Custodial Credit Risk:** At year-end the school Board's carrying amount of deposits was \$5,426,160 and the bank balance was \$6,807,838. Of the bank balance, \$269,200 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. The School Board's policy does not address custodial risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - RECEIVABLES** The balance of receivables at June 30, 2022, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	21st Century	Education Stabilization	Nonmajor Governmental	Total
Taxes:					
Sales and use	\$ 698,347	\$ -	\$ -	\$ -	\$ 698,347
Intergovernmental-grants:					
Federal	28,303	566,466	2,482,697	1,107,845	4,185,311
Total	<u>\$ 726,650</u>	<u>\$ 566,466</u>	<u>\$ 2,482,697</u>	<u>\$ 1,107,845</u>	<u>\$ 4,883,658</u>



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**NOTE 5 - CAPITAL ASSETS** Capital asset balances and activity for the year ended June 30, 2022 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 372,524	\$ -	\$ -	\$ 372,524
Total nondepreciable capital assets	<u>372,524</u>	<u>-</u>	<u>-</u>	<u>372,524</u>
Depreciable capital assets				
Buildings	49,482,331	-	-	49,482,331
Furniture and equipment	5,414,083	338,640	448,320	5,304,403
Total depreciable capital assets	<u>54,896,414</u>	<u>338,640</u>	<u>448,320</u>	<u>54,786,734</u>
Less accumulated depreciation				
Buildings	6,180,361	1,139,098	-	7,319,459
Furniture and equipment	4,040,325	334,535	424,966	3,949,894
Total accumulated depreciation	<u>10,220,686</u>	<u>1,473,633</u>	<u>424,966</u>	<u>11,269,353</u>
Total depreciable capital assets, net	<u>44,675,728</u>	<u>(1,134,993)</u>	<u>23,354</u>	<u>43,517,381</u>
Governmental activities				
Capital assets, net	<u>\$ 45,048,252</u>	<u>\$ (1,134,993)</u>	<u>\$ 23,354</u>	<u>\$ 43,889,905</u>

The beginning balance of furniture and equipment was increased by \$16,500 and the beginning balance of accumulated depreciation for buildings and furniture and equipment was increased \$243,031 and \$549,866, respectively, due to errors noted in calculations of accumulated depreciation.

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,025,188
Special education programs	2,278
Other instructional programs	68,158
General administration	1,996
Business services	3,417
Plant services	59,942
Student transportation services	306,637
Food services	6,017
Total depreciation expense	<u>\$ 1,473,633</u>

**NOTE 6 - PENSION PLANS**

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

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

**General Information about the Pension Plans**

**Plan Descriptions/Benefits Provided:**

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

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

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

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

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

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

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

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

**Deferred Retirement Option Program (DROP)**

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

**Cost of Living Adjustments**

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

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and

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provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plans' unfunded accrual liability.

Employer contributions to LSERS for fiscal year 2022 were \$319,238 with active member contributions ranging from 7.5% to 8%, and employer contributions of 28.7%. Employer defined benefit plan contributions to TRSL for fiscal year 2022 were \$2,328,013, with active member contributions of 8%, and employer contributions of 25.2%. Non-employer contributions to TRSL, which are comprised of \$70,453 from ad valorem taxes and revenue sharing funds and \$391 from the State for PIP salaries, totaled \$70,844 for fiscal year 2022. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2022, the School Board reported liabilities of \$1,986,967 and \$8,716,665 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2021, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2021, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were .418030%, or a decrease of .022313% for LSERS and .16327% or an increase of .00235% for TRSL.

For the year ended June 30, 2022, the School Board recognized a total pension benefit of \$(787,617), or \$(19,737) and \$(767,880) for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ 42,978	\$ 44,520	\$ 87,498	\$ 28,872	\$ 131,801	\$ 160,673
Changes of assumptions	65,471	848,501	913,972	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	755,959	5,884,001	6,639,960
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	235,190	235,190	291,614	1,674,214	1,965,828
Employer contributions subsequent to the measurement date	319,238	2,328,013	2,647,251	-	-	-
Total	<u>\$ 427,687</u>	<u>\$ 3,456,224</u>	<u>\$ 3,883,911</u>	<u>\$ 1,076,445</u>	<u>\$ 7,690,016</u>	<u>\$ 8,766,461</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>
2023	\$ (345,101)	\$ (1,856,557)	\$ (2,201,658)
2024	(141,623)	(1,429,378)	(1,571,001)
2025	(182,166)	(1,566,466)	(1,748,632)
2026	(299,106)	(1,709,404)	(2,008,510)
	\$ (967,996)	\$ (6,561,805)	\$ (7,529,801)

*Actuarial Assumptions*

The total pension liabilities for LSERS and TRSL in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>LSERS</u>	<u>TRSL</u>
<b>Valuation Date</b>	June 30, 2021	June 30, 2021
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal
<b>Expected Remaining Service Lives</b>	3 years	5 years
<b>Investment Rate of Return</b>	6.9%, net of investment expenses, including inflation	7.40%, net of investment expenses
<b>Inflation Rate</b>	2.5% per annum	2.3% per annum
<b>Mortality - Non-disabled</b>	Active member: RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with full generational MP-2017 scale. Retiree: RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	Active members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by .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.
<b>Mortality - Disabled</b>	RP-2014 Total Dataset Disabled Tables for males and females, with the full generational MP-2017 scale.	Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.
<b>Termination, Disability, Retirement</b>	2013-2017 experience study	2012-2017 experience study
<b>Salary Increases</b>	3.25% based on a 2013-2017 experience study of the system	3.1% - 4.6% varies depending on the duration of service
<b>Cost of Living Adjustments</b>	Not substantively automatic	Not substantively automatic

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

For TRSL, the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term geometric nominal expected rates of return are 7.87% for 2021. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized for each plan in the following table:

	<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>
TRSL (arithmetic)		
Domestic equity	27.00%	4.21%
International equity	19.00%	5.23%
Domestic fixed income	13.00%	0.44%
International fixed income	5.50%	0.56%
Private equity	25.50%	8.48%
Other private assets	10.00%	4.27%
Total	<u>100.00%</u>	
LSERS (arithmetic)		
Fixed income	26.00%	0.76%
Equity	39.00%	2.84%
Alternatives	23.00%	1.87%
Real estate	12.00%	0.60%
Total	<u>100.00%</u>	6.07%
Inflation		<u>2.10%</u>
Expected arithmetic nominal return		<u>8.17%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 6.90% for LSERS and 7.40% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The LSERS discount rate used in the June 30, 2021 net pension liability valuation was decreased from the 7.00% used in the June 30, 2020 valuation to 6.90%. The TRSL discount rate used in the June 30, 2021 net pension liability valuation decreased from the 7.45% used in the June 30, 2020 valuation to 7.40%.

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS	\$ 3,060,034	\$ 1,986,967	\$ 1,069,727
TRSL	14,425,198	8,716,665	3,915,190

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

*Payables to the Pension Plan.* At June 30, 2022, the School Board had \$50,915 and \$563,118 in payables to LSERS and TRSL, respectively, for the June 2022 employee and employer legally required contributions.

**Optional Retirement Plan**

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

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

Employer ORP contributions to TRSL for fiscal year 2022 totaled \$4,808 which represents pension expense for the School Board. Employee contributions totaled \$6,165. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional contribution of 21.5% made to the TRSL defined benefit plan described above.

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS**

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

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

**Employees Covered by Benefit Terms** - At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	222
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	135
Total	<u><u>357</u></u>

**Total OPEB Liability** - The School Board's total OPEB liability of \$34,812,724 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30 2022.

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method	Entry age normal cost
Inflation rate	2.50%
Discount rate	3.54%
Healthcare trend	A level 4.50% trend rate was used for projecting medical costs
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates are unisex and based on age with a 3 year select period. The rates range from 9.00% in year 3 for age 25 to 4.20% in year 3 for age 55 and over
Retirement rates	Rates are unisex based on age and years of service. Rates range from 3.5% at age 50 with less than 25 years of service to 22.5% at age 66 with 30 years of service
Salary increase	3.50%

The discount rate changed from 2.16% at June 30, 2021 to 3.54% at June 30, 2022. No salary experience studies were conducted. The School Board contributed \$1,373,977 utilizing the pay-as-you-go basis.



**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

**Changes in the Total OPEB Liability:**

	Total OPEB Liability
Balance at June 30, 2021	\$ 28,608,424
Changes for the year:	
Service cost	692,693
Interest	618,065
Effect of economic/demographic gains and losses	13,847,043
Effect of assumptions changes or inputs	(7,579,524)
Benefit payments	(1,373,977)
Net changes	6,204,300
Balance at June 30, 2022	<u>\$ 34,812,724</u>

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

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 40,160,325	\$ 34,812,724	\$ 30,546,624

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

	1% Decrease (3.5%)	Current Trend Rate (4.5%)	1% Increase (5.5%)
Total OPEB liability	\$ 30,587,692	\$ 34,812,724	\$ 40,122,431

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended June 30, 2022, the School Board recognized OPEB expense of \$2,276,054. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,114,102	\$ (2,814,323)
Changes of assumptions	1,213,328	(5,952,979)
Total	<u>\$ 10,327,430</u>	<u>\$ (8,767,302)</u>

**Union Parish School Board**  
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ 1,165,302
2024	1,198,507
2025	<u>(803,681)</u>
	<u>\$ 1,560,128</u>

**NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2022, are as follows:

	General	21st Century	Education Stabilization	Nonmajor Governmental	Total
Salaries	\$ 1,226,489	\$ -	\$ 21,869	\$ 128,923	\$ 1,377,281
Accounts	1,009,304	5,183	530,721	175,995	1,721,203
Total	<u>\$ 2,235,793</u>	<u>\$ 5,183</u>	<u>\$ 552,590</u>	<u>\$ 304,918</u>	<u>\$ 3,098,484</u>

**NOTE 9 - COMPENSATED ABSENCES** At June 30, 2022, employees of the School Board have accumulated and vested \$772,698 of employee leave benefits, including \$11,044 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

**NOTE 10 - LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year ended June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation debt	\$ 36,730,000	\$ -	\$ 1,425,000	\$ 35,305,000	\$ 1,515,000
Limited tax revenue bonds	2,995,000	-	160,000	2,835,000	165,000
Premium on bonds	286,768	-	19,302	267,466	-
Other liabilities:					
Compensated absences	<u>881,504</u>	<u>915,135</u>	<u>1,023,941</u>	<u>772,698</u>	<u>772,698</u>
Governmental Activities					
Long-term liabilities	<u>\$ 40,893,272</u>	<u>\$ 915,135</u>	<u>\$ 2,628,243</u>	<u>\$ 39,180,164</u>	<u>\$ 2,452,698</u>

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

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

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

Pledged Revenues: Limited tax revenue bonds in the amount of \$3,600,000 were issued in January 2017. The School Board has pledged, as security for the bonds, a portion of the 3.55 mills constitutional ad valorem tax. The bonds are payable solely from the ad valorem tax collected and are payable through fiscal year end 2036. Total principal and interest remaining to be paid on the limited tax revenue bonds are \$2,835,000 and \$935,425, respectively. The School Board collected \$524,803 from the 3.55 constitutional ad valorem tax and paid \$160,000 in principal and \$117,725 in interest. The annual principal and interest payments are estimated to be 51.3% of the tax revenues of the next 14 years.

The individual bond issues for governmental activities are as follows:

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General obligation						
Series 2014	7/24/2014	\$ 9,800,000	2%-4%	3/1/2034	\$ 1,652,954	\$ 6,810,000
Series 2015	3/26/2015	15,000,000	2.25-5%	3/1/2035	2,853,819	11,795,000
Series 2016	3/22/2016	17,700,000	2.5-4.0%	3/1/2036	4,418,457	16,700,000
Limited tax revenue bonds						
Series 2017	1/11/2017	3,600,000	3-4.25%	3/1/2036	935,425	2,835,000
					<u>\$ 9,860,655</u>	<u>\$38,140,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and general operating funds of the School Board. At June 30, 2022, the School Board has accumulated \$1,032,098 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
	<u>Payments</u>	<u>Payments</u>
2023	\$ 1,680,000	\$ 1,206,560
2024	1,785,000	1,160,724
2025	2,040,000	1,105,522
2026	2,625,000	1,038,044
2027	2,730,000	969,864
2028-2032	15,340,000	3,480,704
2033-2036	11,940,000	899,237
Total	<u>\$ 38,140,000</u>	<u>\$ 9,860,655</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, the statutory limit was \$65,727,135 and outstanding net bonded debt totaled \$34,272,902.

**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 11 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)**

**Interfund receivable/payable:**

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 561,283	21st Century	\$ 561,283
General	1,930,107	Education Stabilization	1,930,107
General	993,349	Nonmajor Governmental	993,349
Debt Service	392,360	General	392,360
	<u>\$ 3,877,099</u>		<u>\$ 3,877,099</u>

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received. The amounts owed by the general fund are funds received that were not transferred before year end.

**Interfund transfers:**

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
General	\$ 92,123	21 Century	\$ 92,123
General	441,453	Education Stabilization	441,453
General	192,158	Nonmajor Governmental	192,158
	<u>\$ 725,734</u>		<u>\$ 725,734</u>

The purpose of the interfund transfers was to move indirect costs from federal programs to the general fund.

**NOTE 12 - FUND BALANCE CLASSIFICATION DETAILS**

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non spendable:				
Inventory	\$ -	\$ -	\$ 40,352	\$ 40,352
Prepays	120,305	-	-	120,305
Restricted for:				
School food service	-	-	488,885	488,885
Student activity funds	-	-	274,747	274,747
Debt service	-	1,176,402	-	1,176,402
Committed for:				
Property & casualty deductible	125,000	-	-	125,000
Severance pay	386,349	-	-	386,349
General liability deductible	250,000	-	-	250,000
Catastrophic costs	2,139,995	-	-	2,139,995
Unassigned	2,369,956	-	-	2,369,956
Total	<u>\$ 5,391,605</u>	<u>\$ 1,176,402</u>	<u>\$ 803,984</u>	<u>\$ 7,371,991</u>

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

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

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

**NOTE 14 - LITIGATION AND CLAIMS**

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

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

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

**NOTE 15 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES** On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$391. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2022, the Tax Collector paid the Teacher's Retirement System of Louisiana \$123,257. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution to the TRSL pension plan.

**NOTE 16 - ECONOMIC DEPENDENCY** The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$13,256,462 to the School Board, which represents approximately 34% of the School Board's total revenue for the year.

**Union Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 17 - TAX ABATEMENTS** The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2022 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Taxable Value</u>	<u>Taxpayer Exemption</u>
School - Bond	19.00	\$ 4,468,847	\$ 84,908
School Consolidated Dist. 1	15.00	4,468,847	67,033
School - Const.	3.55	4,468,847	15,864
			<u>\$ 167,805</u>

**NOTE 18 - CHANGE IN PRESENTATION** The fund, Title I, was presented as major for the fiscal year ended June 30, 2021. In the current fiscal year, this fund did not meet the criteria to be presented as major, however, the 21<sup>st</sup> Century and Education Stabilization funds are presented as major.

**NOTE 19 - NEW GASB STANDARDS** In the current fiscal year, the School Board implemented GASB Statement No. 87 – *Leases*. The principal objective of this statement is to improve accounting and financial reporting for leases by governments. It increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. The implementation of this standard had no effect on the School Board’s financial statements or notes to the financial statements.

**NOTE 20 - PRIOR PERIOD ADJUSTMENTS** Prior period adjustments were made to net position and fund balance. Fund balance of the general fund was increased by a total of \$1,900,633, which was due to a \$1,307,013 adjustment to the beginning balance of cash and \$593,620 due to adjustments to various balance sheet accounts such as interfund accounts, accounts receivable, and accounts payable. In the government wide statements beginning net position was reduced by \$776,397 because beginning accumulated depreciation was increased \$792,897 and was offset by an increase in beginning cost for furniture and equipment of \$16,500 for a net decrease of \$776,397. This resulted in a prior period adjustment of \$1,124,236 increase in net position in the government wide statements.

**NOTE 21 - SUBSEQUENT EVENTS** The 15 mill property tax renewal which expired in 2022 has failed to pass after two attempts. The tax renewal is scheduled for another vote on April 29, 2023. The Downsville school property was been sold to Downsville Community Charter, Inc. in February 2023.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# Union Parish School Board

## Schedule of Changes in the Total OPEB Liability and Related Ratios For the Year Ended June 30, 2022

Exhibit 1-1

Total OPEB Liability	2022	2021	2020	2019	2018
Service costs	\$ 692,693	\$ 597,368	\$ 488,352	\$ 568,857	\$ 1,095,780
Interest	618,065	589,187	1,014,288	1,311,336	1,317,630
Effect of economic/demographic gains or (losses)	13,847,043	715,769	(6,735,877)	(2,870,829)	-
Effect of assumption changes or inputs	(7,579,524)	491,651	3,870,006	(2,754,934)	-
Benefit payments	(1,373,977)	(891,191)	(1,021,552)	(1,297,338)	(1,487,674)
Net change in total OPEB liability	6,204,300	1,502,784	(2,384,783)	(5,042,908)	925,736
Total OPEB liability - Beginning	28,608,424	27,105,640	29,490,423	34,533,331	33,607,595
Total OPEB liability - Ending	<u>\$ 34,812,724</u>	<u>\$ 28,608,424</u>	<u>\$ 27,105,640</u>	<u>\$ 29,490,423</u>	<u>\$ 34,533,331</u>
Covered employee payroll	6,736,885	4,798,825	6,537,332	8,735,894	7,495,423
Total OPEB liability as a percentage of covered employee payroll	516.75%	596.15%	414.63%	337.58%	460.73%

### Changes of Assumptions

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

2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%

### Notes:

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

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



# Union Parish School Board

## Schedule of Employer's Proportionate Share of the Net Pension Liability June 30, 2022

Exhibit 1-2

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.539100%	\$ 3,125,205	\$ 1,512,152	207%	76.18%
2016	0.599898%	3,804,115	1,631,239	233%	74.49%
2017	0.550718%	4,154,326	1,556,008	267%	70.09%
2018	0.534283%	3,419,021	1,527,078	224%	75.03%
2019	0.492993%	3,293,870	1,423,448	231%	74.44%
2020	0.524176%	3,669,556	1,838,325	200%	73.49%
2021	0.440343%	3,537,966	1,322,390	268%	69.67%
2022	0.418030%	1,986,967	1,260,337	158%	82.51%
Teacher's Retirement System of Louisiana					
2015	0.21472%	\$ 21,947,361	\$ 9,431,930	233%	63.7%
2016	0.21349%	22,954,607	9,618,647	239%	62.5%
2017	0.20997%	24,644,621	9,822,997	251%	59.9%
2018	0.21266%	21,801,129	9,971,918	219%	65.6%
2019	0.19155%	18,825,179	9,783,582	192%	68.2%
2020	0.18191%	18,054,228	11,203,721	161%	68.6%
2021	0.16092%	17,899,493	7,868,476	227%	65.6%
2022	0.16327%	8,716,665	8,023,041	109%	83.9%

### Notes:

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

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

See notes to required supplementary information for pensions.

# Union Parish School Board

## Schedule of Employer Contributions to Pension Plans For the Year Ended June 30, 2022

**Exhibit 1-3**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 531,017	\$ 531,017	\$ -	\$ 1,631,239	32.6%
2016	469,914	469,914	-	1,556,008	30.2%
2017	417,602	417,602	-	1,527,078	27.3%
2018	392,872	392,872	-	1,423,448	27.6%
2019	514,731	514,731	-	1,838,325	28.0%
2020	388,783	388,783	-	1,322,390	29.4%
2021	370,539	370,539	-	1,260,337	29.4%
2022	311,736	311,736	-	1,086,188	28.7%
Teacher's Retirement System of Louisiana					
2015	\$ 2,498,570	\$ 2,498,570	\$ -	\$ 9,618,647	26.0%
2016	2,711,221	2,711,221	-	9,822,997	27.6%
2017	2,661,271	2,661,271	-	9,971,918	26.7%
2018	2,600,954	2,600,954	-	9,783,582	26.6%
2019	2,991,394	2,991,394	-	11,203,721	26.7%
2020	2,045,804	2,045,804	-	7,868,476	26.0%
2021	2,087,620	2,087,620	-	8,023,041	26.0%
2022	2,129,086	2,129,086	-	8,448,755	25.2%

### Notes:

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

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

See notes to required supplementary information for pensions.

# Union Parish School Board

## Notes to Required Supplementary Information for Pensions

### Louisiana School Employees' Retirement System

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

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

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Non-disabled Active	Mortality Non-disabled Retiree	Mortality Disabled	Termination, Disability, Retirement	Salary Increases
June 30,								
2015	2014	7.25% (net of investment a expense)	2.75% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.2% to 5.5%
2016	2015	7.00% (net of investment and administrative expenses)	2.75% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.2% to 5.5%
2017 & 2018	016 & 201	7.125% (net of investments expenses)	2.625% per annum	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Combined Healthy Sex Distinct Tables	RP-2000 Disabled Lives Mortality Tables for Males and Females	2008-2012 experience study	3.075% to 5.375%
2019	2018	7.0625% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%
2020	2019	7.00% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%
2021	2020	7.00% (net of investments expenses)	2.50% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2012-2017 experience study	3.25%
2022	2021	6.90% (net of investment expenses)	2.5% per annum	RP-2014 Employee Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Healthy Annuitant Table with Blue Collar Adjustment, 130% for males and 115% for females, each with the full generational MP-2017 scale.	RP-2014 Disabled Tables for Males and Females, with the full generational MP-2017 scale.	2013-2017 experience study	3.25%

(Continued)

## Union Parish School Board

### Notes to Required Supplementary Information for Pensions

#### Teacher's Retirement System of Louisiana

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

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

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

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

(Concluded)

## **Union Parish School Board**

### **Budgetary Comparison Schedule**

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

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

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

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

**UNION PARISH SCHOOL BOARD**

**GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2022**

**Exhibit 1-4**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	<b>FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 2,691,305	\$ 2,913,722	\$ 2,869,869	\$ (43,853)
Sales and use	9,017,100	8,667,381	8,766,739	99,358
Interest earnings	101,870	95,730	103,630	7,900
Other	896,212	48,894	651,105	602,211
State sources:				
Minimum Foundation Program	13,362,261	13,240,747	13,240,747	-
Other	528,040	545,560	526,347	(19,213)
<b>TOTAL REVENUES</b>	<b>26,596,788</b>	<b>25,512,034</b>	<b>26,158,437</b>	<b>646,403</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	10,750,917	14,700,510	14,523,810	176,700
Special education programs	1,337,640	1,286,206	1,276,997	9,209
Other instructional programs	1,256,870	1,357,021	1,384,839	(27,818)
Support services:				
Pupil support	1,256,768	1,467,693	1,246,551	221,142
Instructional staff support	784,133	694,268	715,002	(20,734)
General administration	1,135,438	1,039,658	857,725	181,933
School administration	845,728	943,007	863,002	80,005
Business services	520,353	629,865	563,719	66,146
Plant services	1,183,789	1,250,403	1,148,386	102,017
Student transportation services	2,297,044	2,305,814	2,285,748	20,066
Central services	183,977	5,500	174,657	(169,157)
Food services	211,455	-	-	-
Community service programs	16,500	-	-	-
Facilities acquisition & construction	550	-	550	(550)
Debt service:				
Principal retirement	160,000	-	-	-
Interest and bank charges	117,725	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>22,058,887</b>	<b>25,679,945</b>	<b>25,040,986</b>	<b>638,959</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>4,537,901</b>	<b>(167,911)</b>	<b>1,117,451</b>	<b>1,285,362</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,958,219	849,570	725,734	(123,836)
Transfers out	(10,195,941)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,237,722)</b>	<b>849,570</b>	<b>725,734</b>	<b>(123,836)</b>
<b>Net Change in Fund Balances</b>	<b>300,179</b>	<b>681,659</b>	<b>1,843,185</b>	<b>1,161,526</b>
<b>FUND BALANCES - BEGINNING</b>	<b>1,647,787</b>	<b>1,647,787</b>	<b>3,548,420</b>	<b>1,900,633</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,947,966</b>	<b>\$ 2,329,446</b>	<b>\$ 5,391,605</b>	<b>\$ 3,062,159</b>

See accompanying notes to budgetary comparison schedules.

**UNION PARISH SCHOOL BOARD**

**21ST CENTURY  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2022**

**Exhibit 1-5**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
REVENUES				
Federal sources	\$ 1,296,119	\$ 1,296,119	\$ 1,133,280	\$ (162,839)
 TOTAL REVENUES	 1,296,119	 1,296,119	 1,133,280	 (162,839)
EXPENDITURES				
Current:				
Instruction:				
Other instructional programs	-	331,588	-	331,588
Support services:				
Pupil support	1,191,650	616,884	1,000,013	(383,129)
Instructional staff support	-	277,535	-	277,535
Plant services	11,714	3,374	10,188	(6,814)
Student transportation services	35,729	8,512	30,956	(22,444)
Central services	-	1,200	-	1,200
 TOTAL EXPENDITURES	 1,239,093	 1,239,093	 1,041,157	 197,936
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 57,026	 57,026	 92,123	 35,097
OTHER FINANCING SOURCES (USES)				
Transfers out	(57,026)	(57,026)	(92,123)	(35,097)
 Net Change in Fund Balances	 -	 -	 -	 -
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

See accompanying notes to budgetary comparison schedules.

**UNION PARISH SCHOOL BOARD**

**EDUCATION STABILIZATION  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2022**

Exhibit 1-6

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
REVENUES				
Federal sources	\$ 2,408,456	\$ 3,873,458	\$ 3,409,934	\$ (463,524)
 TOTAL REVENUES	 2,408,456	 3,873,458	 3,409,934	 (463,524)
EXPENDITURES				
Current:				
Instruction:				
Regular programs	801,615	-	1,898,412	(1,898,412)
Special education programs	179,967	-	105,226	(105,226)
Other instructional programs	365,201	1,943,929	341,443	1,602,486
Support services:				
Pupil support	30,061	215,495	-	215,495
Instructional staff support	503,633	263,286	121,989	141,297
General administration	3,796	-	1,912	(1,912)
School administration	22,278	-	2,435	(2,435)
Business services	7,214	-	-	-
Plant services	20,666	195,512	128,738	66,774
Student transportation services	78,832	672,285	232,309	439,976
Central services	3,818	-	-	-
Food services	43,745	42,813	79,878	(37,065)
Facilities acquisition & construction	-	100,000	56,139	43,861
 TOTAL EXPENDITURES	 2,060,826	 3,433,320	 2,968,481	 464,839
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 347,630	 440,138	 441,453	 1,315
OTHER FINANCING SOURCES (USES)				
Transfers out	(347,630)	(440,138)	(441,453)	(1,315)
 Net Change in Fund Balances	 -	 -	 -	 -
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

See accompanying notes to budgetary comparison schedules.



## **Union Parish School Board**

### **Notes to Budgetary Comparison Schedule**

#### **A. BUDGETS**

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

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

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

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

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

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

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

## **SUPPLEMENTARY INFORMATION**

## **Union Parish School Board**

### **Nonmajor Special Revenue Funds**

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

### **SPECIAL EDUCATION**

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

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

**TITLE I** To meet the special needs of educationally deprived children.

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

**MISCELLANEOUS FUNDS** This fund accounts for the following grants:

- Career and Technical Education (Carl Perkins)
- Supporting Effective Instruction State Grants (Title II)
- English Language Acquisition Grants (Title III)
- Comprehensive Literacy Development
- Childcare Development Block Grant
- School Improvement Grants
- Every Student Succeeds Preschool Development

**UNION PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS**

**Combining Balance Sheet**

**June 30, 2022**

	<b>SCHOOL FOOD SERVICE</b>	<b>SPECIAL EDUCATION</b>	<b>TITLE I</b>	<b>STUDENT ACTIVITY FUNDS</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 678,341	\$ -	\$ -	\$ 274,747
Receivables	37,609	229,693	633,238	-
Inventory	40,352	-	-	-
<b>TOTAL ASSETS</b>	<b>756,302</b>	<b>229,693</b>	<b>633,238</b>	<b>274,747</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	196,280	2,749	88,584	-
Interfund payables	30,785	226,944	544,654	-
<b>TOTAL LIABILITIES</b>	<b>227,065</b>	<b>229,693</b>	<b>633,238</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Nonspendable	40,352	-	-	-
Restricted	488,885	-	-	274,747
<b>TOTAL FUND BALANCES</b>	<b>529,237</b>	<b>-</b>	<b>-</b>	<b>274,747</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 756,302</b>	<b>\$ 229,693</b>	<b>\$ 633,238</b>	<b>\$ 274,747</b>

**Exhibit 2**

<b>MISCELLANEOUS FUNDS</b>	<b>TOTAL</b>
\$ 966	\$ 954,054
207,305	1,107,845
-	40,352
208,271	2,102,251
17,305	304,918
190,966	993,349
208,271	1,298,267
-	40,352
-	763,632
-	803,984
\$ 208,271	\$ 2,102,251

**UNION PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	<b>SCHOOL FOOD SERVICE</b>	<b>SPECIAL EDUCATION</b>	<b>TITLE I</b>	<b>STUDENT ACTIVITY FUNDS</b>
<b>REVENUES</b>				
Local sources:				
Interest earnings	\$ 8,212	\$ -	\$ -	\$ -
Food service	2,591	-	-	-
Other	-	-	-	575,967
State sources:				
Minimum Foundation Program	15,715	-	-	-
Federal sources	1,499,075	746,535	1,844,519	-
<b>TOTAL REVENUES</b>	<b>1,525,593</b>	<b>746,535</b>	<b>1,844,519</b>	<b>575,967</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	572,415	-	-
Other instructional programs	-	-	1,144,716	546,640
Support services:				
Pupil support	-	-	51,653	-
Instructional staff support	-	124,036	466,299	-
Business services	-	-	50,366	-
Plant services	-	-	-	-
Food services	1,441,903	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,441,903</b>	<b>696,451</b>	<b>1,713,034</b>	<b>546,640</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>83,690</b>	<b>50,084</b>	<b>131,485</b>	<b>29,327</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(50,084)	(131,485)	-
<b>Net Change in Fund Balances</b>	<b>83,690</b>	<b>-</b>	<b>-</b>	<b>29,327</b>
<b>FUND BALANCES - BEGINNING</b>	<b>445,547</b>	<b>-</b>	<b>-</b>	<b>245,420</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 529,237</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 274,747</b>

**Exhibit 3**

<b>MISCELLANEOUS FUNDS</b>	<b>TOTAL</b>
\$ -	\$ 8,212
-	2,591
-	575,967
-	15,715
391,604	4,481,733
391,604	5,084,218
804	804
-	572,415
122,195	1,813,551
-	51,653
255,448	845,783
-	50,366
2,568	2,568
-	1,441,903
381,015	4,779,043
10,589	305,175
(10,589)	(192,158)
-	113,017
-	690,967
\$ -	\$ 803,984

**Union Parish School Board**

**Exhibit 4**

**Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2022**

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

<u>Board Member</u>		<u>District Served</u>	<u>Compensation</u>	<u>Mileage Allowance</u>	<u>Total Paid</u>
Shannon	Barkley	5	\$ 7,200	\$ 131	\$ 7,331
Tommy	Bennett	3	6,600	284	6,884
Donna	Cranford	6	6,600	9	6,609
Challana	Dean	8	6,600	253	6,853
Sharon	Dixson	1	6,600	34	6,634
Clyde	Hays	9	6,600	263	6,863
Judy	Mabry	4	6,600	155	6,755
Roger	Reeves, Jr.	2	6,600	122	6,722
Sharon	Stewart	7	6,600	126	6,726
			<u>\$ 60,000</u>	<u>\$ 1,377</u>	<u>\$ 61,377</u>



**Union Parish School Board**

**Exhibit 5**

**Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2022**

**Agency Head Name: Kristy Fine, Superintendent**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 102,160
Benefits - Insurance	6,905
Benefits - Retirement	25,744
Benefits - Medicare	1,435
	<u>\$ 136,244</u>

**Union Parish School Board**

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## **SINGLE AUDIT INFORMATION**



# ALLEN, GREEN & WILLIAMSON, LLP

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Supervisors: Crystal Patterson, CPA  
Sandra Harper, CPA

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

## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

### Independent Auditor's Report

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely present component unit, each major fund, and the aggregate remaining fund information of Union Parish School Board as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated March 31, 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, and 2022-004 to be significant deficiencies.

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

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, and 2022-004.

### **The School Board's Response to Findings**

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

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 31, 2023



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

### **Independent Auditor's Report**

Board Members  
Union Parish School Board  
Farmerville, Louisiana

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

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

We have audited Union Parish School Board's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2022. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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

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

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

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-005, 2022-006, and 2022-007. Our opinion on each major federal program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-005, 2022-006, and 2022-007 to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Board's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The School Board's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 31, 2023

**Union Parish School Board**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	AL Number	Pass-Through Grantor No.		Expenditures
<b>United States Department of Agriculture</b>				
<i>Passed through Louisiana Department of Education</i>				
Child Nutrition Cluster:				
Non Cash Assistance (Commodities):				
National School Lunch Program	10.555	N/A	\$ 104,723	
Cash Assistance:				
School Breakfast Program	10.553	N/A	334,457	
National School Lunch Program	10.555	N/A	783,838	
School Programs Emergency Cost Reimbursement Program	10.555	N/A	130,029	
Supply Chain Assistance	10.555	N/A	46,227	
Summer Food Program	10.559	N/A	50,186	
Total Child Nutrition Cluster				\$ 1,449,460
Local Level P-EBT Administrative Grants Payments	10.649	N/A		3,063
Child and Adult Care Food Program	10.558	N/A	44,794	
Child and Adult Care Food Program Emergency Cost Reimbursement	10.558	N/A	1,758	46,552
<b>Total United States Department of Agriculture</b>				<b>1,499,075</b>
<b>United States Department of Education</b>				
<i>Passed Through Louisiana Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010A	28-22-T1-56	1,558,900	
	84.010A	28-22-DSS-56	24,775	
	84.010A	28-21-RD19-56	161,684	1,745,359
Special Education Cluster:				
Special Education Grants to States				
	84.027A	28-22-B1-56	658,327	
	84.027A	28-21-I1SA-56	37,005	
Special Education Preschool Grants				
	84.173A	28-22-P1-56	13,204	
	84.173A	28-21-I9SA-56	1,200	
COVID 19 American Rescue Plan	84.027X	28-22-IA11-56	36,799	746,535
Career and Technical Education -- Basic Grants to States	84.048A	28-22-02-56		23,615
21st Century Community Learning Centers				
	84.287C	28-20-2C-56	566,814	
	84.287C	28-21-2C-56	566,466	1,133,280
English Language Acquisition State Grants	84.365A	28-22-60-56		11,438
Supporting Effective Instruction State Grants	84.367A	28-22-50-56		61,247
Comprehensive Literacy Development				
CLSD UIR B-5	84.371C	28-20-CCUB-56	10,183	
CLSD UIR K-5	84.371C	28-20-CCUK-56	49,959	
CLSD UIR 6-8	84.371C	28-20-CCU6-56	36,235	
CLSD UIR 9-12	84.371C	28-20-CCU9-56	41,246	137,623
School Improvement Grants	84.377A	28-17-TC07-56		59,021
Title IV - Student Support and Academic Enrichment Program	84.424A	28-22-71-56		99,160

(Continued)

**Union Parish School Board**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>AL Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
Coronavirus Aide, Relief, and Economic Security Act (CARES ACT)			
COVID 19 Education Stabilization Fund	84.425D	28-20-ESRF-56	436,760
	84.425D	28-20-ESRI-56	590
	84.425D	28-21-ES2F-56	1,836,874
	84.425U	28-21-ES3F-56	94,723
	84.425U	28-21-ESEB-56	<u>1,040,987</u>
<b>Total United States Department of Education</b>			<u>3,409,934</u> <u>7,427,212</u>
<b>United States Department of Health &amp; Human Services</b>			
<i>Passed Through Louisiana Department of Education:</i>			
Every Student Succeeds Act/Preschool Development Grants	93.434	28-21-RSB5-56	2,153
Child Care Development Block Grant (CCDF Cluster)	93.575	28-21-CO-56	1,900
Child Care Development Block Grant (CCDF Cluster)	93.575	28-21-RSCC-56	44,607
COVID 19 Child Care Development Block Grant (CCDF Cluster)	93.575	28-21-CCCR-56	<u>50,000</u>
<b>Total United States Department of Health &amp; Human Services</b>			<u>98,660</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 9,024,947</u> (Concluded)

The accompanying notes are an integral part of this schedule.

**Union Parish School Board**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

**NOTE 1 - BASIS OF PRESENTATION** The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Union Parish School Board under programs of the federal government for the year ended June 30, 2022. The Union Parish School Board (the School Board) reporting entity is defined in Note 1 to the School Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule. Because the schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position and changes in net assets of the Union Parish School Board.

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

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

	<u>Federal Sources</u>
Major:	
21st Century	\$ 1,133,280
Education Stabilization	3,409,934
Nonmajor Special Revenue:	
School Food Service	1,499,075
Special Education	746,535
Title I	1,844,519
Miscellaneous Funds	<u>391,604</u>
Total	<u><u>\$ 9,024,947</u></u>

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

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

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

**Union Parish School Board**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**PART I - Summary of the auditor's results**

**Financial statement audit**

- i. The type of audit report issued was unmodified.
- ii. There were significant deficiencies identified that are required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency described in 2022-001 was considered to be a material weakness.
- iii. There were instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

**Audit of Federal Awards**

- iv. There were significant deficiencies identified required to be disclosed by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed audit findings which the auditor is required to report under the Uniform Guidance (2 CFR 200).
- vii. The major federal awards are:
  - Child Nutrition Cluster:
    - School Breakfast Program AL #10.553
    - National School Lunch Program AL #10.555
    - Summer Food Program AL #10.559
  - Title 1 Grants to Local Educational Agencies AL #84.010A
  - COVID-19 Education Stabilization AL #84.425D,U
  - 21<sup>st</sup> Century Community Learning Centers AL #84.287C
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

**Reference # and title:**                **2022-001**                **Internal Controls over Financial Reporting**

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

**Criteria or specific requirement:** Sound internal controls over financial reporting require that accounting records contain accurate, complete, and up-to-date information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that transactions are properly recorded and classified in the accounting records. The financial closing process should ensure that all balance sheet accounts are reconciled in a timely manner to ensure that account balances are valid, complete and accurate.

**Condition:** The most significant financial reporting issues are noted below.

**Bank Reconciliations for the Master, Payroll, and Debt Service Bank Accounts:** The bank reconciliations were not completed timely during the year for all bank accounts except school food service. The beginning balance of cash per the general ledger for the master and payroll accounts did not agree with the bank reconciliations for June 30, 2021. This was noted as a finding in the prior year audit report. These differences were not adjusted in the 2022 fiscal year, so the reconciliations did not agree with the general ledger cash balances. The beginning balances of cash for these 2 accounts on the general ledger were increased by \$1,307,013 by recording a prior period adjustment.

The first bank reconciliations received for the master and payroll accounts included outstanding checks dated in July, August, and September 2022 which should not have been on the bank reconciliations. These reconciliations were revised to exclude those transactions. The revised 2022 bank reconciliations had numerous errors such as a transfer from the master account to the payroll account that was recorded in the general ledger but was never transferred. This was recorded in November 2021 and was still outstanding at June 30, 2022. Another transfer in April 2022 from the master account to the payroll account was made and recorded but was entered on the bank reconciliation twice and was still shown as outstanding at June 30, 2022. The deposits on the June 2022 bank reconciliations for the master and payroll accounts were entered in total and were also individually entered on the reconciliations. The debt service bank account was not reconciled during the year. The ending balance of this account was overstated in the general ledger by \$392,360 at June 30, 2022. There was no review of bank reconciliations by someone other than the preparer.

**Other Accounting Issues:** Federal revenue in the School Food Service fund was understated \$292,873 because receipts during the year for special funds received such as supply chain assistance and emergency costs were not recorded as revenue in the School Food Service fund when received. Several receipts for grant funds were recorded as cash at June 30, 2022 and should have been recorded as accounts receivable. Exceptions were noted in testing of sick leave calculation for three employees out of a sample of twenty employees tested. The exceptions noted were due to a change in the employees' position or contract days. The report used an incorrect amount for the contract salary which resulted in an under/overstatement of the liability for these three employees.

**Context:** The exceptions noted above were identified when performing testing across various account balances and review of the financial statements and appears to be systemic.

**Possible asserted effect (cause and effect):**

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

**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

reconciliations, lack of understanding of the reconciliation program and the fact that the reconciliations were not reviewed by someone other than the preparer. The other accounting issues were errors that were not identified because there was not a process for monthly financial statement review.

**Effect:** Accounting records were not current and contained errors which hinders review of account balances and timeliness of financial reporting.

**Recommendation to prevent future occurrences:** Bank reconciliations should be complete within 30 days of the end of the month. Reconciliations should be reviewed by someone other than the preparer. The reviewer should be knowledgeable of the bank reconciliation program and ensure that the reconciled cash balance per the reconciliation agrees with the general ledger cash balances.

There should be a process for monthly close out that includes a review of financial statements for each fund by someone familiar with the fund's activities. Also, journal entries should be reviewed by someone other than the preparer and should have documentation. This includes entries made by the consulting accounting firm.

Contract salary amounts and contract days on the compensated absences report should be reviewed for reasonableness.

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

**View of Responsible Official:** See Corrective Action Plan on pages 107-111.

**Reference # and title:** **2022-002 Fixed and Movable Property Records and Inventory**

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

**Criteria or specific requirement:** Strong controls over capital assets include maintenance of the depreciation schedule which allows for identification of the asset, historical cost, beginning accumulated depreciation, depreciation expense by function, and ending accumulated depreciation. Information should be included which provides for identification of the asset. A physical inventory of capital assets should be performed periodically to test the completeness of the schedule.

**Condition:** The depreciation schedule is maintained on an excel spreadsheet with formulas for calculating depreciation expense and ending accumulated depreciation. The beginning accumulated depreciation amount was not a formula. Each asset is classified by type which determines the number of years to depreciate the asset. Several newer building assets were misclassified on the schedule as metal buildings and should have been classified as brick buildings. The metal building classification has a shorter useful life than the brick building classification. Errors were also noted in the beginning accumulated depreciation of several assets mainly because the salvage value was not factored into the calculation.

The schedule has columns for check number, account code, and fund for all assets and specific information for buildings and building improvements such as number of stories, square footage, and construction type. There are columns for specific information for equipment such as serial number and model number. Most of these columns are blank on the schedule.

**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

No documentation of a physical inventory was provided.

**Context:** These errors were identified in all classifications except land.

**Possible asserted effect (cause and effect):**

**Cause:** The depreciation schedule is an excel spreadsheet which had errors in the calculation of beginning accumulated depreciation and depreciation expense. Some of the assets have a salvage value which was not included in the calculation of accumulated depreciation. The beginning balances of accumulated depreciation were not calculated by a formula which led to errors in the beginning balance of accumulated depreciation. No one is assigned responsibility for maintenance of the depreciation schedule. There currently is no established procedure for maintenance of the depreciation schedule nor is there a procedure for conducting a physical inventory of capital assets.

**Effect:** Beginning balance of furniture and equipment was increased by \$16,500 and the beginning balance of accumulated depreciation was increased by \$792,897 by recording a prior period adjustment. The depreciation schedule currently does not have all the necessary information for identification of each asset.

**Recommendation to prevent future occurrences:** The excel spreadsheet used for the depreciation schedule should be corrected for each asset by including formulas where needed. Someone should be assigned the responsibility of maintaining the schedule and completing the columns that are presently blank. A procedure should be established for maintenance of the schedule which would include review of the general ledger for items that need to be added to the schedule and for a physical inventory of capital assets which includes how often the inventory should be performed. The best practice would be to perform a physical inventory annually.

**Origination date and prior year reference (if applicable):** This finding is first reported in the fiscal year ended June 30, 2020.

**View of Responsible Official:** See Corrective Action Plan on pages 107-111.

**Reference # and title: 2022-003 Late Submission of the Audit Report to the Legislative Auditor**

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

**Criteria or specific requirement:** Louisiana Revised Statue (R.S.) 24:513 (audit law) establishes the due date of audit reports as no later than six months after the fiscal year end. An audit that is submitted past the statutory due date must include a finding for non-compliance with the audit law except when an emergency extension request has been approved.

**Condition:** The audit report was filed after the due date of December 31, 2022.

**Possible asserted effect (cause and effect):**

**Cause:** The audit report for the year ended June 30, 2021 was not filed until the end of October 2022 which delayed the start of the current year audit. Also, the School Board does not presently have a Business Manager which delayed work on the current year audit.



**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

**Effect:** The audit report was filed after the deadline.

**Recommendation to prevent future occurrences:** Management should make every effort to get the accounting records up to date so the audit can be filed in a timely manner. Every effort should be made to employ an experienced Business Manager as soon as possible.

**Origination date and prior year reference (if applicable):** This finding is first reported in the fiscal year ended June 30, 2015.

**View of Responsible Official:** See Corrective Action Plan on pages 107-111.

**Reference # and title:** **2022-004 Open Meetings Law**

**Entity-wide or program/department specific:** This finding pertains to committee meetings.

**Criteria or specific requirement:** Louisiana R. S. 42:14 requires that meetings of public bodies be open to the public and that written proceedings of the body should be a public document. These statutes include any committee or subcommittee of the public body.

**Condition:** No documentation of written proceedings of any committee or subcommittee was provided for the fiscal year ended June 30, 2022.

**Context:** The School Board has six committees: finance, policy, transportation, personnel, academic, and building and grounds.

**Possible asserted effect (cause and effect):**

**Cause:** No procedures were established for committee meetings.

**Effect:** No documentation was provided for compliance with this statute.

**Recommendation to prevent future occurrences:** Procedures should be established for compliance with the statute.

**Origination date and prior year reference (if applicable):** This finding originated in the fiscal year ended June 30, 2021.

**View of Responsible Official:** See Corrective Action Plan on pages 107-111.

**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

**Reference # and title: 2022-005      Child Nutrition Program Income and Expense Report**

**AL#, Federal Award Title, Federal Agency, Federal Award # and Year, and the Name of the Pass-Through Entity:** AL#10.553, 10.555, and 10.559: Child Nutrition Cluster: U. S. Department of Agriculture: Passed through the Louisiana Department of Education.

**Criteria or specific requirement:** The Louisiana Department of Education requires the local education agency to file an income and expense report annually.

**Condition found:** The amount reported for federal reimbursement appears to be a keypunch error. The amount reported was \$12,015,022 which is overstated. Also, the amount reported for supply chain assistance funds was the emergency cost funds that were received and not the supply chain assistance. Federal revenue in the School Food Service fund was understated \$292,873 because receipts during the year for special funds received such as supply chain assistance and emergency costs were not recorded as revenue in the School Food Service fund when received.

**Context:** This report is filed annually.

**Possible asserted effect (cause and effect):**

**Cause:** The report was not reviewed by someone other than the preparer.

**Effect:** The report appears to have a keypunch error.

**Recommendation to prevent future occurrences:** The report should be reviewed by someone other than the preparer.

**Origination date and prior year reference (if applicable):** This finding originated in the current year.

**View of Responsible Official:** See Corrective Action Plan on pages 107-111.

**Reference # and title: 2022-006      Internal Controls Over Allowable Costs and Cost Principles**

**AL#, Federal Award Title, Federal Agency, Federal Award # and Year, and the Name of the Pass-Through Entity:** AL# 84.287C: 21<sup>st</sup> Century Community Learning Centers: U. S. Department of Education: Passed Through the Louisiana Department of Education.

**Criteria or specific requirement:** Expenditures should be included in the budget and supported by proper documentation such as a purchase order or contract, and should include a detail of items received.

**Condition found:** A sample of disbursements was selected to test for internal controls over the disbursements. Two of the disbursements selected were not specifically included in the budget for the program. One of the disbursements did not include a detailed list of the payment. One item tested did not include a purchase order or contract.

**Context:** Seventeen vendor disbursements were tested along with thirty-four payroll disbursements. The condition applies only to the vendor disbursements tested.

**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

**Possible asserted effect (cause and effect):**

**Cause:** Documentation was not included in the information provided for testing.

**Effect:** Documentation was lacking for the four disbursements noted above.

**Recommendation to prevent future occurrences:** Adequate documentation should be maintained for each disbursement.

**Origination date and prior year reference (if applicable):** This finding originated in the current fiscal year.

**View of Responsible Official:** See Corrective Action Plan on pages 107-111.

**Reference # and title:** 2022-007      **Maintenance of Equipment Records**

**AL#, Federal Award Title, Federal Agency, Federal Award # and Year, and the Name of the Pass-Through Entity:** AL# 84.425D & U: Education Stabilization Fund: U. S. Department of Education: Passed Through the Louisiana Department of Education.

**Criteria or specific requirement:** Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including federal award identification number), the acquisition date, cost of the property, location, and any ultimate disposition data. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

**Condition found:** The depreciation schedule does not include all the required information for equipment and vehicles purchased with ESSER funds. No documentation was provided of a physical inventory of items on the schedule.

**Context:** This condition pertains to equipment and vehicles.

**Possible asserted effect (cause and effect):**

**Cause:** There currently is no established procedure for maintenance of the depreciation schedule nor is there a procedure for conducting a physical inventory of capital assets.

**Effect:** The depreciation schedule currently does not have all the necessary information for identification of each asset.

**Recommendation to prevent future occurrences:** Someone should be assigned the responsibility of maintaining the schedule and completing the columns that are presently blank. A procedure should be established for maintenance of the schedule which would include review of the general ledger for items that need to be added to the schedule and for a physical inventory of capital assets which includes how often the inventory should be performed. The best practice would be to perform a physical inventory annually.

**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

**Origination date and prior year reference (if applicable):** This finding originated in the current fiscal year.

**View of Responsible Official:** See Corrective Action Plan on pages 107-111.

**Union Parish School Board  
Status of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2022**

**Reference # and title:**                **2021-001**                **Internal Controls over Accounting Records**

**Condition:** Specific issues include the following:

1. There was insufficient segregation of duties or oversight of work being performed especially with respect to the work being performed by the CFO. The internal controls over the review of journal entries and transactions during the fiscal year were unchanged from prior year. The consulting accountants assisted with preparation of the closing entries after year end but there is no assurance that the entries were inputted correctly or that they were not subsequently modified. In addition, the consulting accountants did not review work that had been performed during the year outside those items necessary to perform the year end close. As an example, expenditures were traced to reimbursement requests, but the consulting accountants did not review expenditures to identify whether they were legitimate and accurately recorded.
2. While trying to prepare documentation for the auditors, the consulting accountants reconciled cash and provided and journal entry to the CFO for entry. At that time, cash would have reconciled to the general ledger had the entry been made correctly. When the auditors compared the reconciliation to the general ledger, reconciled bank balances differed from the general ledger balances by \$1,325,374 in the master account, \$4,495 in the lunch fund account, (\$139,743) in the payroll account and (\$6,477) in the sinking fund account. (refer to Finding 2021-004).
3. During the fiscal year, journal entries were recorded by the CFO with no review process in place. In addition, transactions including payments to vendors were reviewed by a subordinate of the person entering the transaction. These transactions include payments to vendors and the same person entering payments to be made enters the transactions into bank's positive pay program.
4. We were unable to satisfy ourselves with respect to the completeness of the population. User permissions for the software indicated that staff may have had the ability to modify transactions. Furthermore, a review of transaction histories pulled from the accounting software at two different time frames identified transactions in the first extraction that were not present on the second extraction.

**Corrective action planned:** See response to current year finding 2022-001.

**Reference # and title:**                **2021-002**                **Schedule of Expenditures of Federal Awards Preparation and Review**

**Condition:** While the Schedule of Expenditures of Federal Awards prepared by the School Board properly reconciled to the underlying accounting records, the accounting records were not sufficient to ensure that the Schedule of Expenditures of Federal Awards was prepared in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

The Title I program includes at least \$110,178 in Title IVA SSAE (ALN#84.424A) funding. The School Breakfast Program ALN #10.553 is combined in line and amount with National School Lunch Program ALN #10.555. The Child Care and Development Block Grant ALN #93.575 was presented as being passed through the Louisiana Department of Education from the United States Department of Education when this grant originates with the United States Department of Health & Human Services. In addition, grant titles were not presented as given on the grant agreements to include both Title I and Coronavirus Aide, Relief, and Economic Security Act funds. Amounts passed through to subrecipients are missing from the schedule.

**Union Parish School Board  
Status of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2022**

**Corrective action taken:** This finding is considered cleared. Grant management activities and claims are prepared, presented, and reviewed by the Superintendent and Finance Committee.

**Reference # and title:**                      **2021-003**                      **Internal Control over Payroll Disbursements**

**Condition:** The payroll disbursement accrual amount on the general ledger does not reconcile to the supporting documentation by \$372,000.

**Corrective action taken:** This finding is considered cleared. Support for accrued salary and benefits was reviewed to be sure there were no misrepresentations.

**Reference # and title:**                      **2021-004**                      **Cash Reconciliations**

**Condition:** Reconciled bank balances differed from the general ledger balances by \$1,325,374 in the master account, \$4,495 in the lunch fund account, (\$139,743) in the payroll account and (\$6,477) in the sinking fund account. The consulting accountants reconciled these accounts and provided the School Board with adjustments but even after these entries were provided to the School Board, the general ledger balances were still out of balance from the reconciled balances by these amounts.

**Corrective action planned:** See response to current year finding 2022-001.

**Reference # and title:**                      **2021-005**                      **Local Government Budget Act**

**Condition:** The budget for the year ended June 30, 2021, was approved by the School Board on October 12, 2020. While the budgets were amended on June 14, 2021, there were year-end unfavorable variances between budgeted and actual Title I Fund amounts available for appropriations and total charges to appropriations (\$135,465 or 8%) and General Fund amounts available for appropriations and total charges to appropriations (\$1,648,745 or 5%).

**Corrective action taken:** This finding is considered cleared. Improvement for preparing and submitting an annual operating budget to the Board for approval was made prior to the release of the June 30, 2021 audit. This new process and 100-page document for fiscal year 2022-23 was approved by the Board on September 13, 2022. Greater care for revising the budget to keep variances below the 5% budget variances was also taken.

**Reference # and title:**                      **2021-006**                      **Fixed and Movable Property Records and Inventory**

**Condition:** The School Board was able to provide a current depreciation schedule assembled by the consulting accountants. However, the School Board did not provide documentation of an annual inventory of fixed and movable property that was conducted during or after the year ended June 30, 2021, as of the date of this report.

**Corrective action planned:** See response to current year finding 2022-002.

**Reference # and title:**                      **2021-007**                      **Open Meetings Law**

**Condition:** The School Board maintained no written proceedings of any committee or subcommittee meetings for the year ended June 30, 2021. The School Board has six committees: finance committee, policy committee, transportation committee, personnel committee, academic committee, and a building and grounds committee.

**Corrective action planned:** See response to current year finding 2022-004.

**Union Parish School Board  
Status of Prior Year Findings and Questioned Costs  
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**Reference # and title:**                      **2021-008**                      **Late Submission of the Audit Report to the Louisiana Legislative Auditor**

**Condition:** The School Board's audit for the year ended June 30, 2021, was not completed and the audit report was not submitted to the Louisiana Legislative Auditor within six months of year end.

**Corrective action planned:** See response to current year finding 2022-003.

**Reference # and title:**                      **2021-009**                      **Compliance and Internal Controls over Compliance – Child Nutrition Cluster**

**Condition:** The supporting documentation for the accrued salary amount for the year ended June 30, 2021, for Child Nutrition Cluster (\$357,199) differed from the trial balance amount (\$488,246) by \$131,047 (questioned costs), indicating that at least one of the populations is incorrect. These factors, in conjunction with the internal control weaknesses identified in Finding 2021-001, lead us to conclude that accounting records are not accounting for school food accounts in accordance with requirements. It is impossible to identify a complete population for testing activities or costs and that records are insufficient to allow for testing of cash management compliance requirements (also refer to Finding 2021-004 related to cash).

The Schedule of Expenditures of Federal Awards and the trial balance are materially misstated with respect to the Child Nutrition Cluster. The School Breakfast Program ALN 10.553 is combined in line and amount with National School Lunch Program ALN 10.555 on the Schedule of Expenditures of Federal Awards.

**Corrective action taken:** This finding is considered cleared. Support for accrued salary and benefits payable was reviewed more closely when closing the books to ensure that there were no misrepresentation. Improvements for submitting the Schedule of Expenditures of Federal Awards to the auditors for review were implemented prior to the release of the audit for the June 30, 2021 fiscal year to break out breakfast and lunch.

**Reference # and title:**                      **2021-010**                      **Compliance and Internal Controls over Compliance – Title I**

**Condition:** The Schedule of Expenditures of Federal Awards and the trial balance are materially misstated with respect to the Title I program. Per confirmation with LDOE, the School Board received \$110,178 (questioned costs) Title 4 SSAE funds that the School Board included in Title I funds. The reimbursement requests posted in eGMS identified \$139,179 Title IV SSAE funds disbursed to the School Board. The expenditure reports submitted to LDOE for the Title I fund exceeded the reimbursement request amounts and trial balance amounts for salaries, benefits, and indirect costs by a total of \$52,857.

The supporting documentation for the accrued salary amount for the year ended June 30, 2021, for Title I (\$517,614) differed from the trial balance amount (\$537,183) for a questioned amount of \$19,569. The amount reported to LDOE on the expenditure reports (\$571,986) further indicating that the populations differ. It is impossible to identify a complete population for testing.

Two employees known to work across multiple federal programs were charged exclusively (outside one Education Stabilization Funded stipend) to the Title I program. It is impossible to identify how much of the cumulative salaries for these two employees (\$110,085 questioned costs) is overcharged to the Title I program.

**Corrective action taken:** This finding is considered cleared. Louisiana Department of Education (LDOE) and grant regulations allow the transfer of Title IV budget funds to Title I, and as a result, this explained why the

**Union Parish School Board  
Status of Prior Year Findings and Questioned Costs  
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schedule of expenditures of federal awards was prepared and presented the way it was. Support for accrued salary and benefits payable was reviewed more closely when closing the books to ensure there were no material misrepresentations. Changes were made to ensure that grant funds paid to employees agreed with the time and hours worked for each grant.

**Reference # and title:**            **2021-011**            **Compliance and Internal Controls over Compliance –**  
**COVID 19 Education Stabilization Funds**

**Condition:** The School Board reported to us that there were no federal funds passed through to subrecipients. During our audit work, we identified three items in the COVID-19 Education Stabilization Fund reimbursement requests for expenditures of an outside agency, a private religious school. When we inquired, the School Board stated that during the 2020-21 fiscal year, Cares Act funds were budgeted to be passed through to this outside agency as follows: GEERF: \$14,474; ESSERF Formula: \$76,875; ESSERF Incentive: \$11,527. It was believed that the amounts passed through were very close to these amounts although the School Board did not provide actual amounts or documentation to support that these amounts were passed through.

The supporting documentation for the accrued salary amount for the year ended June 30, 2021, for COVID-19 Education Stabilization Fund (\$436,010) differed from the trial balance amount (\$458,119) by \$22,109 of which \$12,151 was identified as Downsville Charter leaving a remaining discrepancy in the amount of \$9,957. This amount for Downsville Charter was requested as part of ESSER reimbursement requests. ESSER reimbursement request for August 2020 requested an additional \$5,987 as salaries for Downsville Charter but this is not in the trial balance account for Downsville Charter.

Two employees known to work across multiple federal programs were charged exclusively (outside one COVID-19 Education Stabilization Fund stipend) to the Title I program. It is impossible to identify how much of the cumulative salaries for these two employees (\$110,085) is undercharged to the ESF program. We would expect that much time would have been dedicated to a large new program comprised of five grants.

**Corrective action taken:** This finding is considered cleared. Improvements for submitting the schedule of expenditures of federal awards to the auditors for review was implemented prior to the release of the June 30, 2021 audit. Support for accrued salary and benefits payable was reviewed more closely when closing the books to ensure there were no material misrepresentations. Changes were made to ensure that grant funds paid to employees agreed with the time and hours worked for each grant.





# Union Parish School Board



Post Office Box 308  
Farmerville, Louisiana 71241

Kristy Auger Fine  
Superintendent

[www.unionparishschools.org](http://www.unionparishschools.org)

Phone (318) 368-9715  
FAX (318) 368-3311

March 27, 2023

Margie Williamson  
Allen, Green, & Williamson, LLP  
P.O. Box 6075  
Monroe, LA 71211-6075

RE: Administration's Corrective Action Plan  
06-30-2022 audited financial statements

Dear Ms. Williamson:

We have received the Findings related to the financial statements for the FY 2021-22 that ended June 30, 2022, and offer the following Corrective Plan to each finding listed below:

**Finding 2022-01 Internal Controls over Financial Reporting** – first reported for the fiscal year that ended June 30, 2019

- **Conditions Identified**

- Bank Reconciliation for the Master, Payroll, and Debt Service Bank Accounts
  - The bank reconciliations were not completed timely during the year for all bank accounts except school food service.
  - The beginning balance of cash per the general ledger for the master and payroll accounts did not agree with the bank reconciliations for June 30, 2021, and were not adjusted in the 2022 fiscal year.
  - The first bank reconciliation for the master bank fund and the payroll fund included outstanding checks dated in July, August, and September 2022 that should not have been listed.
  - The revised bank reconciliation had numerous errors such as transfers from the master bank account to the payroll bank account that were never recorded in the general ledger.
  - The debt service bank account was not reconciled during the year.
- Other Accounting Issues
  - Federal Revenue in the School Food Service fund was understated \$292,873 because receipts during the year for special funds such as the supply chain assistance and emergency costs were not recorded when received.
  - Several receipts for grant funds were recorded as cash on June 30, 2022, instead of accounts receivable.
  - Exceptions were noted in testing for the sick leave severance calculation for three employees out of a sample of twenty employees tested.

- Corrective Action Plan
  - The process to fix the bank reconciliation errors and timeliness of those reviews is being reviewed by Crossmark Education Business Services. Two bank accounts were closed in February 2023 after confirming with the auditors that this was acceptable. The remaining issues was knowing the exact “cash balance” by fund for 06-30-2022. With the help of the external auditors, this number has finally been confirmed. Before bank reconciliations can be assigned to someone at the UPSB, Crossmark will make sure the cash values in GFA software program are in agreement with cash number in the audited financial statements. Once that has been verified, Crossmark will complete and notify the Superintendent when the July 2022, August 2022, and September 2022 reports have been completed. Crossmark will continue to complete these reports until a new business manager is hired.
  - A new process has been put in place to correct the Food Service revenues posting errors. Instead of having more than one person enter deposits, we have assigned this one person. They have been trained by Crossmark Business Services for Sales & Use Tax Revenues, Property Tax Revenues, MFP Revenues, grant revenues, etc. Whenever they do not know which fund or account number to use, they will ask Crossmark Business Service for assistance. Deposit information will also be shared with the grants books who enters this information in the SEFA schedule.
  - The Schedule of Expenditures of Federal Assistance (SEFA) has been revised to show date received instead of “yes” and the formula for listing this as a “grants receivable.” When the books are closed, this will be compared with the values shown on the balance sheet. If not, entries will be made to correct this.
  - The error in the Compensated Absences Report is being investigated by Payroll Administrator and Software & Services of Louisiana that provides the accounting software package for that calculation. We believe this is a logic error and expect Software & Services to make necessary corrections before the report is prepared for 06-30-2023.

**Finding 2022-02 Fixed and Moveable Property Records and Inventory** – first reported for the fiscal year that ended June 30, 2020

- Conditions Identified
  - Several buildings were misclassified on the schedule as metal and should have been classified as brick buildings that had a shorter useful life when calculating depreciation.
  - Errors were also noted in the beginning accumulated depreciation because of salvage values not factored into the calculations.
  - The schedule has missing information for check numbers, account codes, and funds; as well as, missing information for buildings, building improvements, equipment, land, land improvements, and vehicles with the majority of this information listed as “blank.”
  - There was no signed documentation provided to the auditors that a physical inventory was conducted for the past 2 years.
- Corrective Action Plan
  - The staff has been working on this schedule prior to the audit being completed such as
    - Three buildings were changed from metal to brick structures.
    - The EXCEL formula that calculated the beginning accumulated depreciation has been fixed.
    - Missing information all other categories will be assigned to various employees and they will be asked to complete this task before June 1, 2023.

- A physical inventory will also be schedule for May 1, 2023. The list of all capital assets will be distributed to each building level administrators who will sign and date these forms after they verify that these assets are at their site.
- Final reports and schedules will be presented to the Superintendent for review.

**Finding 2022-03 Late Submission of the Audit Report to the Louisiana Legislative Auditor** – first reported for the fiscal year that ended June 30, 2015

- **Conditions Identified**
  - The audit report for the year ended June 30, 2021, was not filed until the end of October 2022 which delayed the start of the current year audit. Also, the School Board does not presently have a Business Manager which delayed work on the current year audit.
- **Corrective Action Plan**
  - Several changes have been implemented over the past 2 years and we expect that this audit will be completed and submitted to the Louisiana Legislative Auditor on or before the deadline of December 31, 2023. We are also contracting with Crossmark Business Services to assist with the effort. Our main focus is to have the books closed on or before August 31, 2023 and to have all records in the auditors hands before September 10, 2023.

**Finding 2022-04 Open Meetings Law** – first reported for the fiscal year that ended June 30, 2021.

- **Conditions Identified**
  - No documentation of written proceedings of any committee or subcommittee was provided for the fiscal year ended June 30, 2022.
- **Corrective Action Plan**
  - The Superintendent's Designee will be asked to attend all committee meetings and keep detailed minutes of those meetings for the public.

**Finding 2022-05 Child Nutrition Program Income and Expense Report**

- **Conditions Identified**
  - The amount reported for Federal reimbursement was overstated and shown as \$12,015,022 which appears to be a keypunch error.
  - The amount of money reported for supply chain assistance and emergency costs were not recorded as revenue when received.
- **Corrective Action Plan**
  - The Food Service *Income and Expense Report* for the year that ended 06-30-2022 was revised March 29, 2023 by the food service bookkeeper and reviewed by Crossmark Business Services before it was entered. The error in the Federal reimbursement was corrected as well. To prevent these errors from happening in the future, Crossmark has created an EXCEL file to make it easier for the food service bookkeeper to complete this report. Any submissions or revisions will be reviewed by Crossmark Business Service before they are entered in the CNP website.

**Finding 2022-06 Internal Controls Over Allowable Costs and Cost Principles**

- **Conditions Identified**
  - The Federal grant for 21<sup>st</sup> Century Community Learning Centers identified two disbursements that were not budgeted.
  - One expenditure for 21<sup>st</sup> Century did not include an itemized invoice or detailed list for payment.

- One expenditure for the 21<sup>st</sup> Century did not have documentation such as a purchase order or contract.
- Corrective Action Plan
  - All supervisors that oversee Federal grants will be asked to attend training to reinforce how purchases should be made following Board policy, Louisiana law, and Federal grant guidelines. The accounts payable clerk will also be instructed not to pay a vendor and/or to return documentation to the appropriate person if missing documents are not included.

#### **Finding 2022-07 Maintenance of Equipment Records**

- Conditions Identified
  - The Equalization Stabilization Fund did not show all of the required information for equipment and vehicles purchased with ESSER funds.
  - No documentation was provided that a physical inventory was performed for the year ended 06-30-2022.
- Corrective Action Plan
  - All supervisors that oversee Federal grants will be asked to attend training to reinforce how purchases should be made following Board policy, Louisiana law, and Federal grant guidelines. The accounts payable clerk will also be instructed not to pay a vendor and/or to return documentation to the appropriate person if missing documents are not included.

#### **Statewide Agreed Upon Procedures #1 – Monthly Budget Variance Reports**

- Conditions Identified
  - No documentation was provided for 9 of 12 monthly meetings of discussions by the Board of monthly budget to actual comparisons of the general fund.
- Corrective Action Plan
  - The UPSB has taken steps to correct the accounting records that will allow us to provide monthly budget variance reports to the Board's Finance Committee starting in June 2023. We have contracted with Crossmark Business Services to fix the process (1) the chart of accounts, (2) bank reconciliations, (3) payroll, (4) grants management, (5) capital asset inventory, (6) budgeting, and more. Each activity affects the accuracy of those monthly budget variance reports.

#### **Statewide Agreed Upon Procedures #2 – Bank Reconciliations**

- Conditions Identified
  - Bank reconciliations for the master, payroll, and school food service did not include documentation that the reconciliations were prepared within 2 months of the statement closing date nor did the reconciliations include evidence of review by someone other than the preparer.
  - The school food service reconciliation included outstanding checks that were more than 12 months old.
- Corrective Action Plan
  - The process to fix the bank reconciliation errors and timeliness of those reviews is being reviewed by Crossmark Education Business Services. Two bank accounts were closed in February 2023 after confirming with the auditors that this was acceptable. The remaining issues were knowing the exact "cash balance" by fund for 06-30-2022. With the help of the external auditors, this number has finally been confirmed. Before bank reconciliations can be assigned to someone at the UPSB, Crossmark will make sure the cash values in GFA software program agree with cash number in the audited financial statements. Once that

has been verified, Crossmark will complete and notify the Superintendent when the July 2022, August 2022, and September 2022 reports have been completed. Crossmark will continue to complete these reports until a new business manager is hired. Outstanding checks older than 90 days, will be reviewed, re-issued or deleted after they have been reviewed for proper handling.

**Statewide Agreed Upon Procedures #3 – Sexual Harassment Training**

- Conditions Identified
  - One exception was noted where an employee did not receive the sexual harassment training.
- Corrective Action Plan
  - The Human Resource Director will be asked and directed to watch this more carefully going forward.

**Statewide Agreed Upon Procedures #4 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources Schedule 1**

- Conditions Identified
  - One exception noted where the expenditure was coded incorrectly.
- Corrective Action Plan
  - We will ask Crossmark to investigate why this error occurred and to make the necessary corrections in the futures.

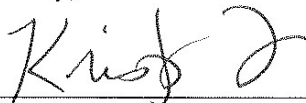
**Statewide Agreed Upon Procedures #5 – Class Size Schedule 2**

- Conditions Identified
  - Seven exceptions noted where the roll book enrollment did not agree to the enrollment in Edlink.
- Corrective Action Plan
  - We will ask the Student Information System (SIS) Coordinator to review the errors noted by the auditor and to take steps to correct this in the future.

**Statewide Agreed Upon Procedures #6 – Public School Staff Data: Average Salaries**

- Conditions Identified
  - One exception noted where the employee's state ID was never entered into the system, so she was not listed on the reports.
- Corrective Action Plan
  - We will ask the Profiles in Education Personnel (PEP) to review this error noted by the auditor and to take steps to correct this in the future.

Sincerely,

  
\_\_\_\_\_  
Kristy Fine, Superintendent  
Union Parish School Board



# ALLEN, GREEN & WILLIAMSON, LLP

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Jennie Henry, CPA, CFE

Supervisors: Crystal Patterson, CPA  
Sandra Harper, CPA

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

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

Board Members  
Union Parish School Board  
Farmerville, Louisiana

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

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **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).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

#### **Board or Finance Committee**

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit

report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Comment:** No documentation was provided for 9 of 12 monthly meetings of discussion by the Board of monthly budget to actual comparisons of the general fund.

**Management's Response:** The UPSB has taken steps to correct the accounting records that will allow us to provide monthly budget variance reports to the Board's Finance Committee starting in June 2023. We have contracted with Crossmark Business Services to fix the process (1) the chart of accounts, (2) bank reconciliations, (3) payroll, (4) grants management, (5) capital asset inventory, (6) budgeting, and more. Each activity affects the accuracy of those monthly budget variance reports.

### ***Bank Reconciliations***

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

**Comment:** Bank reconciliations for the master, payroll, and school food service did not include documentation that the reconciliations were prepared within 2 months of the statement closing date not did the reconciliations include evidence of review by someone other than the preparer. The school food service reconciliation included outstanding checks that were than 12 months old.

**Management's Response:** The process to fix the bank reconciliation errors and timeliness of those reviews is being reviewed by Crossmark Education Business Services. Two bank accounts were closed in February 2023 after confirming with the auditors that this was acceptable. The remaining issue was knowing the exact "cash balance" by fund for 06-30-2022. With the help of the external auditors, this number has finally been confirmed. Before bank reconciliations can be assigned to someone at the UPSB, Crossmark will make sure the cash values in GFA software program agree with cash number in the audited financial statements. Once that has been verified, Crossmark will complete and notify the Superintendent when the July 2022, August 2022, and September 2022 reports have been completed. Crossmark will continue to complete these reports until a new business manager is hired. Outstanding checks older than 90 days, will be reviewed, re-issued or deleted after they have been reviewed for proper handling.

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

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



5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

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

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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

---

11. Obtain 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. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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.

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

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

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

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

### ***Contracts***

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

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

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

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

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

### ***Debt Service***

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

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

### **Fraud Notice**

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe 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.

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

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

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25. Perform the following procedures,
  - a) Obtain and inspect 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 observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

### **Sexual Harassment**

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Comment:** One exception was noted where an employee did not receive the sexual harassment training. One exception noted where the PSB did not have its policy and complaint procedure on its website.

**Management's response:** The Human Resource Director will be asked and directed to watch this more carefully going forward.

\*\*\*\*\*

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

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

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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 31, 2023



# ALLEN, GREEN & WILLIAMSON, LLP

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

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have performed the procedures enumerated below, on the performance and statistical data accompanying the annual financial statements of the School Board, for fiscal year ended June 30, 2022 to determine whether the specified schedules are free from obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514.I. The School Board's management is responsible for the performance and statistical data accompanying the annual financial statements.

Management of the School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements.

The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

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

**Comment:** One exception noted where the expenditure was coded incorrectly.

**Management's Response:** We will ask Crossmark to investigate why this error occurred and to make the necessary corrections in the future.

*Class Size Characteristics (Schedule 2)*

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

**Comment:** Seven exceptions noted where the roll book enrollment did not agree to the enrollment in Edlink.

**Management's Response:** We will ask the Student Information System (SIS) Coordinator to review the errors noted by the auditor and to take steps to correct this in the future.

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

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

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

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

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

**Comment:** One exception noted where the employee's state ID was never entered into the system, so she was not listed on the reports.


**Management's Response:** We will ask the Profiles in Education Personnel (PEP) to review this error noted by the auditor and to take steps to correct this in the future.

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



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

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

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 31, 2023

## 056 - Union Parish School Board

### Schedule 1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2022

	Column A	Column B
<b>General Fund Instructional and Equipment Expenditures</b>		
General Fund Instructional Expenditures:	\$ 4,416,902	\$ 7,617,227
Teachers and Student Interaction Activities	364,396	
Classroom Teacher Salaries	2,643,304	
Other Instructional Staff Salaries	59,709	
Instructional Staff Employee Benefits	132,917	
Purchased Professional and Technical Services	-	
Instruction Materials and Supplies		
Instructional Equipment		
Total Teacher and Student Interaction Activities		
Other Instructional Activities		13,618
Pupil Support Services	1,250,349	1,250,349
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		
Instructional Staff Services	813,146	765,781
Less: Equipment for Instructional Staff Services	47,365	
Net Instructional Staff Services		
School Administration	863,003	863,003
Less: Equipment for School Administration	-	
Net School Administration		
Total General Fund Instructional Expenditures (Total of Column B)		\$ 10,509,979
Total General Fund Equipment Expenditures		\$ 47,365
<b>Certain Local Revenue Sources</b>		
Local Taxation Revenue:		\$ 524,803
Constitutional Ad Valorem Taxes		2,216,522
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		123,257
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		8,766,739
Sales and Use Taxes		\$ 11,631,321
Total Local Taxation Revenue		
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 25,425
Earnings from Other Real Property		168
Total Earnings on Investment in Real Property		\$ 25,593
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 13,235
Revenue Sharing - Other Taxes		56,053
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		\$ 69,288
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -

## Schedule 2

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**  
**Class Size Characteristics**  
**As of October 1, 2021**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	20.9%	52	75.1%	187	4.0%	10	0.0%	0
Elementary Activity Classes	27.3%	6	68.2%	15	4.5%	1	0.0%	0
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High	75.4%	304	14.1%	57	5.5%	22	5.0%	20
High Activity Classes	92.7%	101	6.4%	7	0.9%	1	0.0%	0
Combination								
Combination Activity Classes								

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